



BYLAWS

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DEFINITIONS

TERMS

The National Association of REALTORS® hereafter may be referred to as “NAR”. The California Association of REALTORS® hereafter may be referred to as “C.A.R.” The Board of Directors hereafter will be referred to as the “Directors”.

LOCATION

The principal office of Bay East shall be located in the County of Alameda, State of California.

TERM “MEMBER”

The term “Member” as used in these Bylaws shall mean only REALTOR® Members unless otherwise expressly indicated or otherwise necessarily required by the context. The use of the word Member in connection with the terms “Institute Affiliate Members”, “Student Members”, “Platinum Affiliate Members,” shall not be construed to confer upon any such nonvoting Members the right to vote or any other rights of a “Member” of the Corporation within the meaning of section 5056 of the California Non-Profit Corporation Law, with the exception of the limited voting right afforded Platinum Affiliate Members as set forth in these Bylaws.

TERM “MEMBER IN GOOD STANDING”

The term “Member in good standing” as used in these Bylaws shall mean REALTOR® Members, and Platinum Affiliate Members who have satisfied all financial obligations to Bay East.

“ENGAGED IN THE REAL ESTATE PROFESSION”

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.

MANDATORY VERBATIM ADOPTION

There are Sections throughout the Bylaws requiring verbatim adoption by Member Associations. These are Articles that must be incorporated into a Member Association’s bylaws pursuant to NAR policy. Questions are occasionally asked as to whether verbatim adoption means actual word for word adoption. While word for word adoption ensures compliance with NAR policy, minor revisions to these Articles may nonetheless be acceptable. If a Member Association would like to make minor revisions to these Articles, it is recommended that such minor revisions be reviewed by counsel and approved by NAR prior to adoption. Those Sections are identified by have the following emblem at the end of the Section **M**

ARTICLE I – NAME

SECTION 1 - NAME

The name of this organization shall be the Bay East Association of REALTORS®, incorporated (hereinafter referred to as “Bay East”). The term "Association" is used when referring to any Association of REALTORS®. **M**

SECTION 2 - REALTOR® MEMBERSHIP MARK IN NAME OF ASSOCIATION

Inclusion and retention of the registered collective membership mark “REALTORS®” in the name of Bay East shall be governed by the Constitution and Bylaws of the National Association of REALTORS® (hereinafter referred to as “NAR”) as from time to time amended. **M**

ARTICLE II - OBJECTIVES

SECTION 1 - OBJECTIVES

The objectives of Bay East 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, counseling, appraising for others for compensation, building, developing or subdividing real estate.
- b) To promote and maintain high standards of conduct in the real estate profession as expressed in the Code of Ethics of NAR (hereinafter "Code of Ethics").
- c) To provide a unified medium for real estate owners and those engaged in the real estate profession whereby their interests may be safeguarded and advanced.
- d) To further the interests of home and other real property ownership.
- e) To unite those engaged in the real estate profession in this community with the C.A.R. and NAR thereby furthering their own objectives throughout the state and nation and obtaining the benefits and privileges of membership therein.
- f) To designate, for the benefit of the public, those individuals within the state of California authorized to use the terms REALTOR® and REALTORS® as licensed, prescribed, and controlled by NAR.

ARTICLE III – NATIONAL AND STATE MEMBERSHIPS

SECTION 1 –BAY EAST MEMBERSHIP IN NAR AND C.A.R.

Bay East shall be a Member of NAR and C.A.R. as defined in the governing documents of NAR and C.A.R. By reason of Bay East's membership in NAR and C.A.R. each REALTOR® Member of Bay East shall be entitled to membership in NAR and C.A.R., without further payment of dues. Bay East shall continue as a Member of NAR and C.A.R., unless by a majority vote of all of its REALTOR® Members, the decision is made to withdraw, in which case NAR and C.A.R. shall be notified in writing at least one month in advance of the date designated for the termination of Bay East's membership.

M

SECTION 2 - OWNERSHIP AND USE OF REALTOR® MEMBERSHIP MARKS

Bay East recognizes the exclusive property rights of NAR in the terms REALTOR® and REALTORS®. Bay East may use the terms while it is a Member in good standing of NAR. Bay East shall discontinue use of the terms in any form in its name, upon ceasing to be a Member of NAR, or upon a determination by the Board of Directors of NAR that it has violated the conditions imposed upon use of the terms. **M**

SECTION 3 - ADOPTION & ENFORCEMENT OF NAR CODE OF ETHICS; COMPLIANCE WITH NAR & C.A.R. GOVERNING DOCUMENTS & POLICIES

Bay East adopts the NAR Code of Ethics and agrees to enforce the Code of Ethics among its REALTOR® Members. Bay East and all of its Members agree to abide by the Constitution, Bylaws, Rules and Regulations, Code of Ethics, and policies of NAR and C.A.R. **M**

SECTION 4- OTHER BAY EAST RULES, REGULATIONS & POLICIES

Bay East may adopt any Rules and Regulations or policies consistent with the Constitution, Bylaws, Rules and Regulations, Code of Ethics, and policies of NAR and C.A.R. and these Bylaws. Any inconsistencies between Bay East's Rules and Regulations or policies and the Bylaws of Bay East (hereinafter "Bylaws") shall be controlled by the Bylaws.

ARTICLE IV - JURISDICTION

SECTION 1 - DESCRIPTION OF JURISDICTION

The territorial jurisdiction of Bay East as a Member of NAR is all of that portion of Alameda County lying south and southeasterly of the southerly limits of the City of Oakland, California, including the territory within the City of Alameda.

SECTION 2 - JURISDICTIONAL RIGHTS

Territorial jurisdiction is defined to mean the right and duty to control the use of the terms REALTOR® and REALTORS® subject to the conditions set forth in the Bylaws and those of NAR, to protect and safeguard the property rights of NAR in those terms.

ARTICLE V – MEMBERSHIP, QUALIFICATIONS, APPLICATION AND ACCEPTANCE

SECTION –1 CLASSES OF MEMBERSHIP.

There shall be five (5) classes of membership: (1) REALTOR® Members; (2) Institute Affiliate Members; (3) Platinum Affiliate Members; (4) Honorary Members; (5) Student Members. **M**

SECTION 2 - QUALIFICATIONS FOR REALTOR® MEMBERS:

2.1 REALTOR® Members, whether primary or secondary, who are principals (“principals” are defined herein and throughout these Bylaws when this terminology is used, as sole proprietors, partners, corporate officers or branch office managers of real estate firms) shall:

- a) Maintain a current, valid California real estate broker or salesperson license or California real estate appraisal certification or license; and
- b) Act as a sole proprietor, partner, corporate officer of a real estate firm or office manager of a real estate firm acting on behalf of the firm’s principal(s); and
- c) Remain actively engaged in the real estate profession; and
- d) 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 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 Article V above, for any Association in California or a state contiguous thereto; and
- d) 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 NAR (hereinafter “Franchise Corporate Officers”). Franchise Corporate Officers may or may not be licensed for California real estate broker or salesperson or appraisal activities. Franchise Corporate Officers shall enjoy all of the rights, privileges and obligations of REALTOR® membership, including compliance with the Code of Ethics, except: obligations related to Bay East 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 Bay East, C.A.R., and NAR.

- 2.4 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 Bay East for all duties and obligations of Bay East 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, Section 2 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®." An individual is a primary Member of the Association if the Association pays C.A.R. and NAR dues based on such Member. One of the principals in a real estate firm must be a Designated REALTOR® of Bay East in order for the licensees affiliated with the firm to select Bay East as the "primary" Association.
 - b) Secondary Membership. A REALTOR® who has joined another Association as a primary Member may join Bay East as a secondary Member. There need not be a Designated REALTOR® Member of Bay East for licensees to select Bay East 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 Each principal 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 principal 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 if they meet all the other qualifications set forth in Article V, Sections 2 of the Bylaws (except as provided in Section 2.7). Each principal 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 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 in connection with the same office, or any other offices within the jurisdiction of Bay East 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. **M**

SECTION 3 - QUALIFICATIONS FOR INSTITUTE AFFILIATE MEMBERS:

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

SECTION 4 - QUALIFICATIONS FOR PLATINUM AFFILIATE MEMBERS:

Platinum Affiliate Members shall be individuals, or firms engaged in activities related to the real estate profession, who do not qualify for REALTOR® membership.

SECTION 5 – C.A.R. MODEL RULES – PUBLIC SERVICE MEMBERS – BAY EAST DOES NOT HAVE

SECTION 6 - QUALIFICATIONS FOR HONORARY MEMBERS:

Honorary Members shall be those persons recognized by the Board of Directors as persons who have served Bay East. Specific criteria of Honorary Members, as well as the rights, privileges, and responsibilities of this membership category, shall be established by the Board of Directors and set forth in these Bylaws.

To qualify for Honorary membership, you must be and maintain a “member in good standing”, have been a member for thirty (30) years, reached seventy (70) years of age, and served on a Bay East Committee / Work Group for at least three (3) years.

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 the Board of Directors and give their consent that the Bay East Staff may obtain information about the applicant from any member, other persons or Associations and that any information furnished by any member, person or Association shall not form the basis of any action for slander, libel or defamation of character. The Bay East Staff may consider the following in determining an applicant’s qualifications for membership: (1) all final findings of NAR Code of Ethics violations and violations of other membership duties in any other Association within the past three (3) years; (2) pending ethics complaints or hearings; (3) unsatisfied discipline pending; (4) pending arbitration requests or hearings; (5) unpaid arbitration awards or unpaid financial obligations to any other Association or Association Multiple Listing Service (“MLS”).
- b) Applicants for membership shall be familiar with and agree to abide by the *Bylaws and Rules and Regulations of Bay East*, the Bylaws of C.A.R. and the NAR Constitution, Bylaws and [Code of Ethics](#), to the extent they are applicable, and pass such reasonable and nondiscriminatory written examination thereon as may be required. Applicants must also complete an orientation program as may be required by the Board of Directors. An individual will be given the opportunity to complete any mandated orientation program remotely. 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 (3) years; 2) that they have no criminal convictions within the past ten (10) 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); and 3) that they have not been suspended or expelled from an Association the past three (3) years for violations of the NAR Code of Ethics.

SECTION 9 – PRIOR MEMBERSHIP RECORDS.

Bay East may consider information received from other Associations and/or through C.A.R.’s Ethics Check database or otherwise, in determining whether an applicant satisfies Bay East’s membership requirements. Bay East may request from any Association where the applicant held prior membership, minimum core information including:

- a) All final findings of NAR 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).
- e) Unpaid arbitration awards or unpaid financial obligations to other Associations/MLSs; and
- f) Any misuse of the term REALTOR® or REALTORS® in the name of the applicant’s firm.

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

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

SECTION 10 - APPLICATION REVIEW AND ACCEPTANCE

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

- a) The Bay East Staff shall determine whether the applicant is applying for the appropriate class of membership. Bay East Staff may request core information as defined in Article V, Section 9, from any Association of which the applicant was previously a Member. Bay East Staff shall provide a written list for submission to the Board of Directors for approval.
- b) The Board of Directors shall review the recommendations of the Bay East Staff and then vote on applicants' eligibility for membership. If the applicant(s) receives a majority vote of the Board of Directors, they shall be declared elected to membership.
- c) The Board of Directors may not reject an application without providing the applicant with advance notice of the findings, an opportunity to appear before the Board of Directors, to call witnesses on their behalf, to be represented by counsel, and to make such statements as they deem relevant. The Board of Directors may also have counsel present. The Board of Directors shall require that written minutes are made of any hearing before it or may electronically or mechanically record the proceedings.
- d) If the Board of Directors determines that the application should be rejected, it shall record its reasons with the Chief Executive Officer (or duly authorized designee). 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 Bay East 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) If a Member resigns from another Association with an ethics complaint or arbitration request pending, the Board of Directors may condition membership on the applicant's certification that they will submit to the pending ethics or arbitration proceeding, in accordance with the procedures of Bay East, and will abide by the decision of the hearing panel.

SECTION 11 - NEW MEMBER AND CODE OF ETHICS AND FAIR HOUSING ORIENTATION

- a) **Code of Ethics.** Applicants for REALTOR® membership shall complete an orientation program on the Code of Ethics (of not less than two and a half hours), meeting the minimum criteria established by NAR for New Member Ethics Training. This requirement does not apply to applicants 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 sixty (60) days of the date of application, will result in denial of the membership application or termination of provisional membership.
- b) **Fair Housing.** Applicants for REALTOR® membership and provisional REALTOR® members (where applicable) shall complete Fair Housing training of not less than two (2) hours of instructional time. This requirement will be satisfied upon presentation of documentation that the member has completed a course of instruction conducted by this or another REALTOR® association, C.A.R., NAR, or the Institutes, Societies, and Councils, which meets the learning objectives and minimum criteria established by NAR from time to time. Fair Housing training approved by a state licensing authority for an existing Fair Housing requirement to gain or maintain licensure shall also fulfill this requirement, provided it also meets the learning objectives and minimum criteria established by the

NAR from time to time. 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 (1) year or less. Failure to satisfy this requirement within sixty (60) 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. **M**

- c) **Bay East New REALTOR®.** Applicants for REALTOR® membership shall complete a New Member Orientation course program within sixty (60) days of application. An individual will be given the opportunity to complete any mandated orientation program remotely. Failure to satisfy this requirement within sixty (6) days will result in termination of provisional membership.

This requirement does not apply to applicants for REALTOR® membership or provisional members who previously completed the Bay East orientation, provided that any break in membership is for two (2) years or less.

SECTION 12 - CONTINUING MEMBER CODE OF ETHICS AND FAIR HOUSING TRAINING

- a) Every three-year period, starting with the period from January 1, 2019, through December 31, 2021, and for successive three-year periods thereafter, each REALTOR® Member of Bay East shall be required to complete a course on the Code of Ethics, meeting the minimum criteria established by NAR for ethics training. This requirement will be satisfied upon presentation of documentation that the Member has completed such course of instruction conducted by this or another REALTOR® Association, C.A.R. or NAR, which meets the learning objectives and minimum criteria established NAR from time to time. 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 three-year cycle shall not be required to complete additional ethics training until a new three-year period commences.
- b) 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 three-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. **M**

Effective January 1, 2025, through December 31, 2027, and for successive three-year periods thereafter, each REALTOR® member of the association (with the exception of REALTOR® members granted REALTOR® Emeritus status by the National Association) shall be required to complete Fair Housing training of not less than two (2) hours of instructional time. This requirement will be satisfied upon presentation of documentation that the member has completed a course of instruction conducted by this or another REALTOR® association, the California Association of REALTORS®, the NATIONAL ASSOCIATION OF REALTORS®, or the Institutes, Societies, and Councils, which meets the learning objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTORS® from time to time. Fair Housing training approved by a state licensing authority for an existing Fair Housing requirement to maintain licensure shall also fulfill this requirement, provided it also meets the learning objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTORS® from time to time. REALTOR® members who have completed Fair Housing training as a requirement of membership in another association shall not be required to complete additional Fair Housing training until a new three-year cycle commences.

Failure to satisfy the required periodic Fair Housing training shall be considered a violation of a membership duty. Failure to meet the requirement in any three-year cycle will result in suspension of membership for the first two months (January and February) of the year following the end of any three-year cycle or until the requirement is met, whichever occurs sooner. On March 1 of that year, the membership of a member who is still suspended as of that date will be automatically terminated. **M**

SECTION 13 - STATUS CHANGES

- a) REALTORS® who change the conditions under which they hold membership shall be required to provide written notification to Bay East within ten (10) days. A non-principal REALTOR® who becomes a principal in the firm with which they have been licensed or, becomes a principal in a new firm which will be comprised of REALTOR® principals, may be required to satisfy any previously unsatisfied membership requirements applicable to principal REALTOR® Members. During the period of transition from one status of membership to another, such Members shall be subject to all of the privileges and obligations of a principal REALTOR® member. The Bay East Staff, 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 ten (10) days of the date they advised Bay East 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, their membership in Bay East shall be subject to immediate termination. If any member ceases to meet any other ongoing qualification of membership, their membership may be terminated. Each member shall have the affirmative duty to notify Bay East of any changes in their licensee status.

SECTION 14 - RESIGNATION

Resignations of Members shall become effective when notification is received in writing provided, however, that if any member submitting the resignation is indebted to Bay East for dues, fees, fines, or other assessments, or any of its services, departments, divisions or subsidiaries, Bay East shall condition the right of the resigning member to reapply for membership upon payment in full of all such monies owed.

ARTICLE VI - PRIVILEGES AND DUTIES OF MEMBERSHIP

SECTION 1 – MEMBER COMPLIANCE WITH BYLAWS, POLICES, RULES AND REGULATIONS

It shall be the duty of every Member of Bay East to safeguard and promote the standards, interests, and welfare of the Association and the real estate profession, and to protect against conduct that may cause a lack of public confidence in the real estate profession or REALTORS®. REALTOR® Members also must abide by the governing documents and policies of Bay East, C.A.R. and NAR, as well as the Code of Ethics of NAR, including the duty to arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics. Any Member of Bay East may be reprimanded, fined, placed on probation, suspended, or expelled by the Board of Directors for a violation of the the governing documents and policies. If a hearing is required, it shall be held in accordance with the *California Code of Ethics and Arbitration Manual*. **M**

Every REALTOR® member shall maintain a high level of integrity and adhere to the Association's membership criteria. Any violent act or threat of violence to person or property, hateful conduct, or acts of moral turpitude impacting the public shall not be tolerated and may be cause for disciplinary action, up to and including termination of membership.

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

SECTION 2 - MEMBER DISCIPLINE

- a) Any REALTOR® Member of Bay East may be disciplined by the Board of Directors for violations of the Code of Ethics or other duties of membership after a hearing as described in the *California Code of Ethics and Arbitration Manual*, provided that the discipline imposed is consistent with NAR policy as set forth in the *California Code of Ethics and Arbitration Manual*. **M**
- b) Any member of Bay East may be reprimanded, removed from any office or committee for violation of Bay East's Anti-Harassment Policy (*Corporate Policy and Procedures Section Anti-Harassment and Code of Conduct*) following an investigation and decision process as set forth in said Anti-Harassment Policy. Bay East's Anti-Harassment Policy may be amended at any time by majority vote of the Board of Directors, with such amendment effective for any conduct the last instance of which occurred after the date of the amendment to the Anti-Harassment Policy was adopted.

SECTION 3 - RESIGNATION WITH PENDING ARBITRATION OR DISCIPLINARY HEARING.

If a Member resigns from Bay East or otherwise causes membership to terminate with a disciplinary complaint pending, the complaint shall be processed until the decision of Bay East with respect to disposition of the complaint is final by Bay East (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 Bay East 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 reported to Ethics Check database and 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's membership was active.

SECTION 4 VOTING RIGHTS AND ELIGIBILITY FOR ELECTIVE OFFICE

- a) Only REALTOR® Members, whether primary or secondary, in good standing are entitled to vote and to hold elective office in Bay East. Proxy voting is not allowed. For the purposes of these bylaws, the term "good standing" means the member satisfies the obligations of REALTOR® Members set forth in Article VI, Section 1, is current with all financial and disciplinary obligations to the Association and MLS, has completed any new member requirements, and complies with NAR's trademark rules. **M**
- b) Bay East Honorary REALTOR® Members in good standing whose financial obligations to Bay East are paid in full, that have and maintain an active unrestricted California Real Estate Broker, Salesperson or appraiser license/certification shall have the right to vote in accordance with the provisions of these Bylaws.
- c) Platinum Affiliate Members in good standing shall have the right to vote in accordance with the provisions of these Bylaws for the Platinum Affiliate Director position on the Board of Directors only.

SECTION 5 - PRIVILEGES AND DUTIES OF REALTOR® MEMBERS

- a) It shall be the duty and responsibility of every REALTOR® Member of Bay East to abide by the Constitution and Bylaws of C.A.R., the Constitution and Bylaws of NAR and to abide by the Code of Ethics as set forth in Article VI, Section 1 of these Bylaws. **M**
- b) REALTOR® Members have the primary responsibility to safeguard and promote the standards, interests and welfare of Bay East and the real estate profession. **M**
- c) REALTOR® Members in good standing may use the terms REALTOR® and REALTORS® subject to the provisions of Article VIII. **M**
- 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, their 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 their 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 their 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 their connection with the disciplined Member and affiliates with another REALTOR® Member in good standing in Bay East. If a REALTOR® Member other than a sole proprietor in a firm, partner in a partnership, officer of a corporation or branch office manager is suspended or expelled, the use of the terms REALTOR® or REALTORS® by the firm, partnership or corporation shall not be affected. Removal of an individual from any form or degree of management control must be certified to Bay East by the disciplined Member and by the individual who is assuming management control. The signatures on such certification must be notarized.

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

- e) In any action taken against a Designated 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 NAR 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® 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. Institute Affiliate Members shall not have the right to vote. **M**

SECTION 7– PRIVILEGES AND DUTIES OF PLATINUM AFFILIATE MEMBERS

Platinum Affiliate Members shall have such rights and privileges and be subject to such obligations as are prescribed by the Directors. Platinum Affiliate Members shall have the right to vote for the Platinum Affiliate position on the Board of Directors.

SECTION 8– PRIVILEGES AND DUTIES OF PUBLIC SERVICE MEMBERS - Bay East does not have.

SECTION 9 -PRIVILEGES AND DUTIES OF HONORARY MEMBERS

Honorary Members shall have such rights and privileges and be subject to such obligations as are prescribed by the Directors. Honorary Members shall have the right to vote and hold office.

SECTION 10 - PRIVILEGES AND DUTIES OF STUDENT MEMBERS

Student Members shall have such rights and privileges and be subject to such obligations as are prescribed by the Directors, except that such Members shall not have the right to vote or hold any office.

SECTION 11 - CERTIFICATION BY DESIGNATED REALTOR®

Designated REALTORS® shall certify to Bay East upon request, 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 Bay East of any additional individual(s) licensed or certified with the firm(s) and of any individual whose affiliation with the firm was severed within thirty days of the date of affiliation or severance of the individual(s).

ARTICLE VII - PROFESSIONAL STANDARDS AND ARBITRATION

SECTION 1 - PROFESSIONAL STANDARDS AND ARBITRATION

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

SECTION 2 – MEMBER COMPLIANCE WITH NAR 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 Bay East to abide by the governing documents and policies of Bay East, C.A.R., and NAR, and the Code of Ethics, including the duty to arbitrate controversies arising out of real estate transactions as specified by Article 17 of the NAR Code of Ethics and as further defined and in accordance with the procedures set forth in the *California Code of Ethics and Arbitration Manual* as from time to time amended by C.A.R. By becoming and remaining a Member, every REALTOR® Member agrees that they and the corporation or firm for which they act as a partner, officer, principal, or branch office manager, will submit to arbitration through Bay East all disputes with any other Member or member of the public subject to the conditions set forth in the *California Code of Ethics and Arbitration Manual*. **M**

ARTICLE VIII – USE OF TERMS REALTOR® AND REALTORS®

SECTION 1 - USE AND CONTROL OF REALTOR® MEMBERSHIP MARKS

Use of the terms REALTOR® and REALTORS® by Members shall, at all times, be subject to the provisions of the Constitution and Bylaws of NAR and to the Rules and Regulations prescribed by its Board of Directors. Bay East shall have the authority to control, jointly and in full cooperation with NAR, use of the terms within its jurisdiction. Any misuse of the terms by Members is a violation of a membership duty and may subject Members to disciplinary action by the Board of Directors after a hearing as provided for in the C.A.R. *Code of Ethics and Arbitration Manual*. **M**

SECTION 2 - JURISDICTIONAL LIMITS ON USE OF REALTOR® MEMBERSHIP MARKS

REALTOR® Members of Bay East shall have the privilege of using the terms REALTOR® or 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. **M**

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® or 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. **M**

SECTION 4 – INSTITUTE AFFILIATE MEMBERS INELIGIBLE TO USE REALTOR® MEMBERSHIP MARKS

Institute Affiliate Members shall not use the terms REALTOR® or REALTORS® nor the imprint of the emblem seal of NAR. **M**

ARTICLE IX DUES AND ASSESSMENTS

The application fees, dues, and assessments for all categories of membership and charges for late payment thereof shall be as determined from time to time by the Board of Directors of Bay East but shall not exceed any appropriate formula established by the NAR.

SECTION 1 - APPLICATION FEE

The Board of Directors may adopt a reasonable application fee for membership in Bay East. 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 Bay East and shall become the property of Bay East upon final approval of the application. Bay East shall collect all C.A.R. and NAR new Member and application fees, if any. **M**

SECTION 2 – DUES AND ASSESSMENTS

- a) The Board of Directors shall determine annually the amount of annual dues and assessments, if any, 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 they 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 Bay East. In calculating the dues and assessments payable to Bay East 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 Bay East in writing of the identity of the Association to which dues and assessments have been remitted.
- c) In accordance with Article VI Section 11, the Designated REALTOR® has an affirmative and ongoing duty to keep dues and assessment formulations current and accurate and shall notify Bay East 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 Limited Function Referral Office (“LFRO”) shall annually file with Bay East on a form approved by Bay East, 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 2.2 (b) (buying, selling, exchanging, renting or leasing, managing, counseling, appraising for others for compensation, building, developing or subdividing real estate) and are not participants or subscribers 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 V, Section 2.2 (c) 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 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 provides services for which a Mortgage Loan Originators ("MLO") license endorsement is required may annually file with Bay East, on a form approved by Bay East, a list of the MLO licensees and certify that the listed licensees: (1) have a MLO license or endorsement, (2) are not engaged in the real estate profession as defined in Article V, Section 2.2 (b) (buying, selling, exchanging, renting or leasing, managing, counseling, appraising for others for compensation, building, developing or subdividing real estate) except for licensed activities for which an MLO is required, and (3) are not participants or subscribers in any MLS. 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 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 2.2 (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 an MLO exemption until the following fiscal year.
- f) Membership dues and assessments shall be prorated for any licensee included on a certification form submitted to Bay East who during the same calendar year applies for REALTOR® membership in Bay East. However, membership dues and assessments shall not be prorated if the licensee held REALTOR® 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 NAR, if the Member is a Member of an Association of NAR and that Association has paid NAR. 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 Bay East.
- j) The annual dues and assessments of each Institute Affiliate Member shall be as established in Article II of the Bylaws of NAR. **M**

SECTION 3 - DUES AND ASSESSMENTS PAYABLE

Dues and assessments for all Members shall be due annually thirty (30) days after electronic notice. Dues and assessments shall be computed from the first day of the month in which an applicant qualifies for provisional membership and shall be prorated for the remainder of the billing year. All dues, assessments or fees paid to Bay East are nonrefundable.

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 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. 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

Bay East shall send an electronic notice to Members of the amount of the fees, dues, and/or assessments at least thirty (30) days prior to the suspension of membership or services due to non-payment of the fees, dues and/or assessment invoiced. New Member dues shall be prorated as of the first day of the month in which the Member joins.

- a) If dues, fees, fines, or other assessments including amounts owed to Bay East are not paid by the due date, the non-paying Member is subject to having their services suspended until payment is received. If the Board of Directors elects to offer installment payments and installment payment is not received by the due date, services shall be suspended. Applicable fees, not including processing fees, will apply to any Member who wishes to reinstate membership and services after one year from date of suspension. Payment of applicable fees is due prior to reinstatement. If request for reinstatement is later than two (2) years from the termination date, Member may be reinstated in a manner prescribed for new applications for membership. Additional outstanding amounts such as violations, store or education fees shall be added the New member fees.

If any deadline day is a Saturday, Sunday, or holiday, the deadline shall be extended to the next business day.

- b) In the event the membership of a real estate licensee or certified or licensed appraiser who holds REALTOR® membership is terminated for nonpayment of Bay East 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 – EFFECT OF RESIGNATION OR TERMINATION

All rights of a Member in Bay East shall cease on the effective date of resignation or termination of such Member's membership. However, resignation or termination shall not relieve such Member from any obligation for charges incurred, services or other benefits actually rendered, fees, dues or assessments arising from contract or otherwise. Bay East shall retain the right to enforce any such obligation or obtain damages for its breach.

SECTION 6 - TERMINATION, SUSPENSION, EXPULSION, OR OTHERWISE IN ACCORDANCE WITH BYLAWS

- a) Membership shall be deemed to be in full force and effect, unless otherwise set forth herein, until a written resignation has been received by Bay East, or until such Member is suspended or expelled for cause as set forth in these Bylaws.
- b) If membership terminates whether voluntarily or involuntarily from Bay East with an ethics complaint or arbitration request is pending against a Member, the Directors may condition the right of the resigning Member to reapply for membership upon the applicant's certification that they will submit to the pending ethics or arbitration proceeding and will abide by the decision of the hearing panel.

**SECTION 7 - SUSPENSION OF MEMBERSHIP OF REALTOR® NOT HOLDING BROKER'S LICENSE
UPON SEVERANCE OF ASSOCIATION WITH DESIGNATED REALTOR® OR REALTOR® BROKER**

- a) Membership of REALTOR® not holding a broker's license shall automatically be terminated upon the circumstances whereby said REALTOR® not holding a broker's license is no longer associated with a Designated REALTOR®; provided however, the membership of a REALTOR® not holding a broker's license shall be reinstated automatically in the event said REALTOR® not holding a broker's license again becomes associated with a Designated REALTOR®.
- b) In the event a REALTOR® not holding a broker's license terminates their association with a Designated REALTOR® or REALTOR®-BROKER, both the Designated REALTOR® and the REALTOR® not holding a broker's license shall notify Bay East in writing, of the date of said termination within ten (10) days of the date of said termination.

SECTION 8 - SUSPENSION OR REVOCATION OF LICENSE

- a) A REALTOR® Member of Bay East who has their real estate/appraisal license or certification either suspended or revoked for any reason by the State of California or a State contiguous thereto, shall notify Bay East of such action as soon as the licensee/certificate holder is so advised.
- b) A REALTOR® Member of Bay East whose license/certificate has been suspended by the State of California or a State contiguous thereto is automatically suspended from membership in Bay East as of the date of such action.
- c) A REALTOR® Member of Bay East whose license/certificate has been revoked by the State of California or a State contiguous thereto is automatically expelled from membership in Bay East as of the date of such action.
- d) In the event any revoked or suspended license/certificate of a former REALTOR® Member is reinstated by the State of California or a State contiguous thereto, their membership will be reinstated, provided such request is made within six months after the reinstatement of license. Reinstatement shall be by simple majority vote of the Directors present and the applicant shall not be required to pay any application fee.

ARTICLE X- OFFICERS AND DIRECTORS

SECTION 1- BOARD OF DIRECTORS

- a) The Directors shall be the governing body of Bay East and shall have general supervision over its activities and business affairs. Subject to the provisions of the Corporations Code of the State of California and any limitations in the Articles of Incorporation or the Bylaws relating to action required to be approved by the Members, the activities and affairs of Bay East shall be conducted, and all corporate powers shall be exercised by or under the direction of the Directors.
- b) The Directors may, by resolution adopted by a majority vote of the Directors then in office, delegate the management of the activities of Bay East to any person, persons, or committee, however composed, provided that the activities and affairs of Bay East shall be managed and all corporate powers shall be exercised under the ultimate direction of the Directors, and provided that such person, persons, or committee may not be given authority by the Directors to:
 - 1. take any final action on matters which, under the Non-Profit Corporation Law of California, also requires Members' approval or approval of a majority of all the Members.
 - 2. fill vacancies on the Board of Directors.
 - 3. fix compensation of the Directors for serving on the Board of Directors or any committee.
 - 4. amend or repeal Bylaws or adopt new Bylaws.
 - 5. approve any transaction:
 - a. to which the corporation is a party, and one or more Directors have a material financial interest; or,
 - b. between the corporation and one or more of its Directors or between the corporation or any person in which one or more of its Directors have a material financial interest;
 - 6. amend or repeal any resolution of the Directors.
 - 7. expend corporate funds to support a nominee for Officer or Director of Bay East.
- c) Without prejudice to these general powers, and subject to the same limitations, the Directors shall have the power to:
 - 1. prescribe any powers and duties for them that are consistent with law, with the Articles of Incorporation, and with these Bylaws.
 - 2. adopt an annual budget.
 - 3. borrow money and incur indebtedness on behalf of the corporation and cause to be executed and delivered for the corporation's purpose, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecation, and other evidences of debt and securities; provided, however, that any one expenditure whether written or oral contract, pursuant to the above which exceeds twenty percent (20%) of the previous year's total actual budget shall require a 2/3rd vote of the Board of Directors.
- d) Provide at the principal office of Bay East a copy of its Articles of Incorporation, Bylaws, and Corporate Policy and Procedures, its Rules and Regulations for the Multiple Listing Service, as amended to date. Such copies shall be open to inspection by the Members at all reasonable business hours and be made available to any Member upon request.

- e) Cause and approve a financial report which shall be prepared no later than one hundred twenty (120) days after the close of the fiscal year, and to notify the Members through a regular publication of Bay East that the financial report is available upon request and payment of a reasonable administrative fee.

SECTION 2 – COMPOSITION OF THE BOARD OF DIRECTORS

- a) The Board of Directors shall consist of the four (4) Officers: President, the President-Elect, the Treasurer, the Immediate Past President of the Board, and fifteen (15) elected REALTOR® Member Directors and one (1) elected Platinum Affiliate Member Director, who shall serve as non-Officer Directors.
- b) The REALTOR® Directors and one (1) Platinum Affiliate Director shall be elected from membership at-large.
- c) The President shall appoint (1) Director representative per each of the four (4) geographical areas annually.
- d) The Directors shall, no more than once a year, but not less than every five years, conduct a study of the membership of Bay East and may realign the boundaries of the geographical areas.
 - North County comprised of Alameda, Berkeley, Oakland, and all cities to the North and to the East of these cities.
 - Central County comprised of San Leandro, San Lorenzo, Castro Valley, Hayward, and all cities to the West of Hayward.
 - Tri-Cities comprised of Union City, Newark, Fremont, and all cities to the South of Fremont.
 - Tri-Valley comprised of Pleasanton, Dublin, Livermore, Sunol and all cities to the North of Dublin and East of Livermore.

SECTION 3 – QUALIFICATION FOR REALTOR® DIRECTOR

- a) Only REALTOR® Members shall be eligible to serve as a Director of Bay East, provided that they have:
 - 1. been a REALTOR® Member of Bay East for a minimum of two consecutive years.
 - 2. current member of a Committee(s), Work Group(s) or Task Force(s) and a member of a Committee(s) or Work Group(s) the year immediately preceding the date of nomination [definition and description are found in Bay East's Policy and Procedures Manual], or as a Bay East Foundation Trustee and attended a minimum of eighty percent (75%) of that Committee's or Work Groups meetings that meet monthly or majority where the committee meets periodically.
 - 3. shall also serve on a Bay East Committee/Work Group or as a Foundation Trustee while serving term as Bay East Board of Director.
 - 4. shall have and maintain an active unrestricted California Real Estate Broker or Salesperson license or California Appraisal license/certification.
- b) No Director shall serve concurrently as an Officer or Director of another Association of REALTORS® without the written consent of the Board of Directors, which consent may be granted or withheld in the sole and absolute discretion of the Board of Directors, provided, however, nothing herein shall preclude service as an officer or Director within C.A.R. and NAR.
- c) Has not been found in violation of a punishable Ethics violation (defined in accordance with the *California Code of Ethics and Arbitration Manual*) within the three years immediately preceding the date of their nomination.
- d) Has not been found in violation of the Leadership Agreement (*See Bay East Corporate Policy and Procedures, Section 34*) within the three years immediately preceding the date of their nomination.

SECTION 4 – QUALIFICATION FOR PLATINUM AFFILIATE DIRECTOR

- a) Only Platinum Affiliate Members shall be eligible to serve as a Platinum Affiliate Director of Bay East, provided that they have:
 - 1. been a Platinum Affiliate Member of Bay East for a minimum of two consecutive years.
 - 2. current member of a Committee(s), Work Group(s) or Task Force(s) and a member of a Committee(s) or Work Group(s) the year immediately preceding the date of nomination [definition and description are found in Bay East's Policy and Procedures Manual], or as a Bay East Foundation Trustee and attended a minimum of eighty percent (75%) of that Committee's or Work Groups meetings that meet monthly or majority where the committee meets periodically.
 - 3. shall also serve on a Bay East Committee/Work Group or as a Foundation Trustee while serving term as Bay East Board of Director.
- b) Shall serve on a Bay East Committee/Work Group or as a Foundation Trustee while serving a term as Bay East Director.
- c) No Platinum Affiliate Director shall serve concurrently as an officer or Director of another Association of REALTORS® without the written consent of the Board of Directors, which consent may be granted or withheld in the sole and absolute discretion of the Board of Directors, provided, however, nothing herein shall preclude service as an officer or Director within C.A.R. or NAR.
- d) Has not been found in violation of the Leadership Agreement (*See Bay East Corporate Policy and Procedures, Section 34*) within the three years immediately preceding the date of their nomination.

SECTION 5 – APPOINTMENT/ELECTION AND TERM OF OFFICE

- a) President-Elect shall automatically ascend to President.
- b) Each Director shall be appointed/elected according to the procedures set forth in Article X Officers and Directors.
- c) Each non-Officer REALTOR® Director shall serve a two-year term commencing on the first of January following appointment/election, for no more than three (3) consecutive two-year terms.
- d) If a Director serves one full year or less than one full year of a term, then such service shall not be deemed a term that counts towards the limit of 3 consecutive two-year terms, set forth in 5(b) above. If a Director serves more than one full year, but less than two full years, that service in excess of one year shall be deemed a full two-year term for purposes of term limits set forth in 5(b) above.
- e) If a Director is found in violation of a publishable Ethics violation (defined in accordance with the *California Code of Ethics and Arbitration Manual*) during term, Director shall be removed in accordance with Article X, Section 25.
- f) If a Director is found in violation of the Leadership Agreement during their term (*See Bay East Corporate Policy and Procedures, Section 34*), Director shall be removed in accordance with Article X, Section 25.
- g) Platinum Affiliate Director shall serve a two-year term commencing on the first of January following appointments/elections, for no more than three (3) consecutive two-year terms.
- h) Directors are eligible for appointment again after a one (1) year break.

SECTION 6 - FEES AND COMPENSATION OF DIRECTORS

- a) Directors and Members of committees and consultants may receive such reimbursement of expenses as may be determined by resolution of the Directors to be just and reasonable.

SECTION 7 – DIRECTOR VACANCIES

- a) A vacancy or vacancies shall be deemed to exist including but not limited to in case of death, resignation, removal of any Director, insufficient number of candidates, or if the authorized number of Directors is increased.
- b) Vacancies among the non-officer Directors shall be filled within forty-five (45) days from the date of the vacancy by appointment by the President with the approval of two-thirds (2/3) vote of the Directors voting. In the event the President does not appoint within forty-five (45) days, the Directors shall fill said vacancy at the next scheduled meeting. The appointee shall serve the remainder of the unexpired term.
- c) The Members may, in accordance with the procedures set forth in Article X, elect a Director or Directors at any time to fill any vacancy or vacancies not filled by the Directors.
- d) All designees to fill the vacancies of non-Officer Directors shall meet all the qualifications as established in Article X, Section 3. If there are an insufficient number of qualified candidates willing to serve, the President may appoint a Director in accordance with Article X, Section 7 who has served the maximum of three (3) consecutive 2-year terms but has not completed a one (1) year break, provided such candidate meets the qualifications established in Article X, Section 3.

SECTION 8 - MEETINGS OF THE BOARD OF DIRECTORS

- a) Meetings of the Directors shall be held at such times and places within the State of California as determined by the majority of the Directors.

Special meetings of the Directors may be called at any time by the President, President- Elect, Treasurer, Chief Executive Officer, or any two (2) Directors. Such meeting shall be held upon three (3) days' notice given either by telephone or in writing in accordance with Article X, Section 8 herein. The purpose of the special meeting shall be generally stated. Directors may participate in a meeting through use of conference telephone, electronic video screen communication, or electronic transmission by and to Bay East Participation in a meeting through use of conference telephone or electronic video screen communication pursuant to this subdivision constitutes presence in person at that meeting as long as all Directors participating in the meeting are able to hear one another. Participation in a meeting through electronic transmission by and to Bay East (other than conference telephone and electronic video screen communication) constitutes presence in person at the meeting if both of the following apply:

- 1. Each Director participating in the meeting can communicate with all of the other Directors concurrently; and
 - 2. Each Director is provided the means of participating in all matters before the Board, including, without limitation, the capacity to propose or to interpose an objection to, a specific action to be taken by Bay East.
- b) Meetings of the Directors shall be conducted in open session which may be attended by any Member of Bay East provided request is made in advance and provided however that the Directors may elect to meet in executive session to discuss any matter which may be considered damaging or detrimental to the interest of the party being discussed.
 - c) A quorum shall consist of a majority of the entire number of seats of the Board of Directors. The transactions of any meeting of the Directors, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notices, if: (a) quorum is present, and (b) either before or after the meeting, each of the Directors not present signs a written waiver of notice,
 - d) Notice of a meeting shall also be deemed given to any Director who attends the meeting without protesting, before or at its commencement, about the lack of adequate notice.

SECTION 9 -ADJOURNMENT

A majority of the Directors present, whether or not a quorum is present, may adjourn any meeting to another time or place, provided however, the meeting shall be adjourned for more than twenty-four (24) hours and notice of such adjournment to another time or place shall be given prior to the time of the continued meeting to the Directors who were not present at the time of the adjournment.

SECTION 10 -OFFICERS

The Officers of Bay East shall be a President, a President-Elect, Treasurer, and Immediate Past President. The Directors may employ a Chief Executive Officer who shall be an Officer, but not a Director of Bay East.

SECTION 11 - OFFICER QUALIFICATION

- a) Only REALTOR® Members in good standing that have and maintain an active unrestricted California Real Estate Broker or Salesperson license, or Appraiser license/certification may serve as an Officer of Bay East.
- b) Only those REALTOR® Members who have completed one full term as a Director within the previous two (2) year period shall be qualified to serve as an Officer of Bay East.
- c) No Officer of Bay East shall serve concurrently as an Officer or Director of another local Board/Association of REALTORS®.
- d) A REALTOR® Member shall not serve more than two terms in any one office.
- e) Has not been found in violation of a publishable Ethics violation (defined in accordance with the *California Code of Ethics and Arbitration Manual*) within the three years immediately preceding the date of their nomination.
- f) Has not been found in violation of the Leadership Agreement during their term (*See Bay East Corporate Policy and Procedures, Section 34*).

SECTION 12 - OFFICER APPOINTMENT/ELECTION AND TERM OF OFFICE

- a) Each Officer shall be appointed according to the procedures set forth in Article X, Section 20 Nominations.
- b) Each Officer shall serve a one-year term commencing on the first of January following appointment/election.

SECTION 13 – OFFICER FEES AND COMPENSATION

Officers may receive such reimbursement of expenses as may be determined by resolution of the Directors.

SECTION 14 – OFFICERS VACANCIES

- a) A vacancy or vacancies shall be deemed to exist in case of death, resignation, or removal of any Officer.
- b) In the event of a vacancy of the office of President, the President-Elect shall immediately assume the office and duties of President.
- c) In case of a vacancy in the office of the President-Elect or Treasurer the Directors shall select at the next scheduled Directors' meeting, a qualified Director to fill the vacancy.
- d) In the case of a vacancy in the office of the Immediate Past President, the President shall appoint a Past

President who is currently a REALTOR® Member in good standing of the A.O.R. and who has previously served a full term as President, and who is willing to complete the unexpired portion of the term. The President's appointment shall be made within thirty (30) days from the date of vacancy and shall be subject to confirmation by a majority vote of the Directors present.

- e) The Members may elect an Officer at any time to fill any vacancy or vacancies not filled by the Directors.

SECTION 15 - DUTIES OF THE PRESIDENT

The President shall be the Chief Officer of Bay East and shall be subject to the controls of the Directors, have general supervision, direction and control of the business and meetings of the Members and at all meetings of the Directors and the Executive Committee. The President shall be an ex-officio Member of all committees except for Nominating Committee and shall have such other powers and duties as may be prescribed by the Directors or these Bylaws.

SECTION 16 - DUTIES OF THE PRESIDENT-ELECT AND IMMEDIATE PAST-PRESIDENT

In the absence or disability of the President, the President-Elect and then the Immediate Past President shall perform all the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The President-Elect or Immediate Past President shall have such other powers and perform such other duties as from time to time may be prescribed by the Directors and these Bylaws.

SECTION 17 - DUTIES OF THE TREASURER

- a) The Treasurer shall work closely with the Chief Financial Officer of Bay East.
- b) It shall be the duty of the Treasurer to request that an audit or formal review of the books of the Chief Executive Officer and the Association, be made at least annually, and that upon completion by CPA thereof, a copy of such audit shall be submitted immediately to the Officers and Directors.

SECTION 18 - DUTIES OF THE CHIEF EXECUTIVE OFFICER

- a) The Chief Executive Officer shall be the Chief Administrative Officer and Secretary of Bay East. They shall plan, direct, and supervise the professional and clerical employees of Bay East, maintain all records of Bay East, and administer the budget in conjunction with the Treasurer.
- b) The Chief Executive Officer shall be the principal liaison Officer with other real estate boards/associations, State Association, and National Association.
- c) The office of Chief Executive Officer shall not be elective, but appointive by the Directors, and the Chief Executive Officer may serve under written contract providing such contract is not for a period exceeding five years.

SECTION 19 - AUTHORITY

No Officer shall make a commitment on behalf of Bay East without the express authorization of the Directors. Neither shall the Chief Executive Officer make a commitment on behalf of Bay East without the express authorization of the Directors, except for those commitments necessary in the daily course of business.

SECTION 20 – NOMINATIONS

- a) Nomination by Nominating Committee. At least two (2) months before the annual election, a

Nominating Committee of nine (9) REALTOR® Members shall be appointed by the President subject to the approval of the Board of Directors. The Nominating Committee shall select one candidate for Treasurer and President-Elect, and one candidate for each place to be filled on 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. Once the Nominating Committee has selected the slate of nominees, it may share it with the Board of Directors for information only; however, the Board of Directors shall not override, revise, or approve the slate. The candidate slate with the report of the Nominating Committee shall be delivered to each member eligible to vote at least four (4) weeks preceding the election.

- b) Nomination by Petition. Additional candidates for President-Elect, Treasurer and Directors may be placed in nomination by petition signed by at least ten percent (10%) of the REALTOR® Members eligible to vote. If the nominating petition is for the Platinum Affiliate Director position, then the petition may contain signatures of Platinum Affiliate members eligible to vote. The petition shall be filed with the Chief Executive Officer at Bay East at least three (3) weeks before the election. Such petition shall contain a statement signed by the candidate that he or she meets the criteria for the Board of Directors position as set forth in the Bylaws and is aware of the duties and responsibilities of the office and agrees to serve. The Chief Executive Officer of Bay East shall deliver notice of such additional nominations to all Members eligible to vote at least two (2) weeks before the election.
- c) Nominating Committee. No member of the Nominating Committee may be a candidate for Officer or the Board of Directors.
- d) Elections. In the event additional candidates for President-Elect, Treasurer or Directors placed in nomination by petition, elections shall be by confidential ballot and 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 shall be distributed by the date and time specified by the Nominating Committee, however no later than the third Friday in June. There shall be no proxy votes. No more than a single vote may be cast by a member for any given candidate; cumulative voting is prohibited. Should a tie vote occur for a Director position, the winner shall be determined by a drawing conducted by the Nominating Committee at which the tied candidates shall be invited to attend.
- e) Quorum. A quorum shall consist of ten percent (10%) of the number of REALTOR® Members eligible to vote as of the last business day one week in advance of the date of distribution of the ballots.
- f) Election by Acclamation. In the event the time for nomination by petition has passed and the number of people nominated for the Board is not more than the number of Directors, with each and every Director seat up for vote remaining uncontested, in its discretion, the Board of Directors may authorize a vote by acclamation and without further action, declare that those nominated and qualified to be elected have been elected.
- g) Except as otherwise provided in these Bylaws, balloting shall be closed at 2:00 p.m. on the fourteenth (14th) calendar day after distribution of the ballots or the first normal business day thereafter.

SECTION 21 - BALLOTING BY MEMBERS

Any section of these Bylaws that requires a vote of the membership, including, but not limited to, the election of Officers and Directors and the adoption or amendment of these Bylaws, shall be submitted to the membership for balloting in a method as determined by the Directors, except as otherwise provided in these Bylaws.

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.

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SECTION 22 - ELIGIBILITY TO VOTE

Only those voting Members in good standing as of 5:00 p.m. on the normal business day preceding the date the ballots are distributed or the date of the meeting shall be eligible to vote.

SECTION 23 - THE BALLOT FORMAT

- a) In the event an election of Officers and Directors is necessary, the ballot shall contain the names of all candidates in alphabetical order for each office or seat for which they are nominated; and in the event a candidate is unopposed, the fact shall be stated on the ballot. (The ballot shall set forth the number of responses to meet a quorum requirement.)
- b) In all cases other than the election of Officers and Directors the ballot shall set forth the proposed action, the number of responses to meet the quorum requirement, the percentage necessary to pass the proposal, the date and time ballot must be received by Bay East in order to be counted and provide an opportunity to specify approval or disapproval of the proposal.
- c) The outcome of the balloting shall be published to Bay East membership within ten (10) calendar days of the counting of the ballots.
- d) All Ballot procedures not specifically required in these Bylaws shall be authorized by the Board of Directors from time to time and as set forth in the Corporate Policy and Procedures Manual.

SECTION 24 - VOTING QUORUM

Unless otherwise specified in these Bylaws, a quorum for voting shall be ten percent (10%) of those REALTOR® Members eligible to vote on the last business day one week in advance of the distribution of ballots.

SECTION 25 - REMOVAL OF OFFICERS OR DIRECTORS BY THE BOARD OF DIRECTORS

- a) The Board of Directors may declare vacant the office of any Officer or non-Officer Director:
 - a. who has been declared of unsound mind by a final order of court.
 - b. who has been convicted of a felony, even though said conviction may be under appeal.
 - c. who has been absent from two (2) consecutive meetings of the Board of Directors or who has been absent for a total of three (3) meetings during a calendar year. For purposes of determining whether a Director was absent from a meeting Directors missing thirty (30) or more minutes of the scheduled meeting shall be deemed to have been absent from the meeting.
 - d. who has been found in violation of a publishable Ethics violation (defined in accordance with the *California Code of Ethics and Arbitration Manual*);
 - e. Who has been found in violation of the Leadership Agreement (*see Bay East Corporate Policy and Procedures, Section 34*).
 - f. Who has not fulfilled the required C.A.R. Professional Standards Training (*see Bay East Corporate Policy and Procedures, Section 6.11*); and
 - g. Who has not fulfilled the required Anti-Trust training.
- b) The removal of an Officer or non-Officer Director shall be upon the affirmative vote of two-thirds (2/3) of the total Members of the Board of Directors.

SECTION 26 - REMOVAL BY ACTION OF THE MEMBERS

- a) Any Officer or Director may be removed from office, with or without a cause, by the petition and the vote of the Members. Such removal from office may be accomplished as follows:
 - 1. The petition shall be signed by 15 percent (15%) of the REALTOR® Members eligible to vote on the last business day one week in advance of the day the petition is returned to Bay East.
 - 2. All signatures on the petition must be dated and shall have been obtained within twenty (20) days of each other.
 - 3. The petition must be presented to Bay East within twenty (20) days of the last obtained

signature.

4. Balloting for removal of an Officer or Director shall be by REALTOR® Members in accordance with the provisions set forth in Article X and completed within thirty (30) days from the date the petition has been certified by legal counsel.
5. Removal shall be upon the affirmative vote of two-thirds (2/3) of the ballots cast. REALTOR® Members are the only Members eligible to vote on the removal of a Director, except that Platinum Affiliate Members shall be entitled to vote if the Director subject to the removal vote is a Platinum Affiliate Director.
6. A quorum shall consist of 10 percent (10%) of the REALTOR® Members eligible to vote as of the last business day one week in advance of the date of distribution of the ballots.

SECTION 27 - AUTHORIZATION

Special issues relating to the operation of Bay East may be presented for vote by REALTOR® Members eligible to vote. The vote of said Members shall be advisory only, and submission of matters to Members may be authorized by a vote of two-thirds (2/3) of the Directors voting, or by petition of fifteen percent (15%) of all REALTOR® Members in good standing as of the last business day one week in advance of the date that the petition is returned to Bay East.

SECTION 28- AUTHORIZATION BY PETITION

If authorization for a Special Issues vote is by petition, the following procedures shall apply:

- a) A true copy of any petition by Members shall be filed at the Bay East office for approval by Bay East Legal Counsel during regular working hours no later than two (2) working days prior to any solicitation of the REALTOR® Members for their signature to the petition.
- b) All signatures on the petition must be dated and shall have been obtained within forty-five (45) days of the first signature.
- c) The completed petition, to be valid, must be presented to Bay East within three (3) working days of the last obtained signature.

SECTION 29 - PUBLICATION AND VOTING

Publication of a Special Issue shall be commenced within twenty-one (21) days from the date of receipt of the signed petition at the Bay East office or from the date of vote of the Directors proposing the Special Issue. Such proposals shall be distributed to the REALTOR® Members eligible to vote at the same time as the distribution of ballots to Members pursuant to the provisions of these Bylaws. The method of distribution shall be in accordance with the provisions of Article X herein these Bylaws.

ARTICLE XI-MEETINGS

SECTION 1 - AUTHORIZATION

A general meeting of the Members may be called by the President or by a majority of the Directors then voting, or upon petition by at least fifty percent (50%) of the Members eligible to vote.-

SECTION 2 - PLACE OF MEETING

Meetings of the membership shall be held at any place, physical or virtual, within the jurisdiction of Bay East designated by the Directors. In the absence of any such designation, Members' meetings shall be held at the principal office of Bay East.

SECTION 3 - NOTICE OF MEETINGS

For any meeting of the REALTOR® membership eligible to vote, notice shall be delivered in accordance with Article XVIII, Section 7 herein, at least ten (10) business days prior to such meeting. Bay East may also publish notice of membership meetings in any publication regularly sent to all Members of Bay East. The notice shall specify the place, date, time, and the business to be transacted.

SECTION 4 - QUORUM

Ten 10 percent (10%) of the REALTOR® Members eligible to vote on the last business day one week in advance of the date of the meeting shall constitute a quorum for the transaction of a business at a meeting of the Members.

SECTION 5 - ADJOURNED MEETING

Any Members' meeting, annual or special, whether or not a quorum is present, may be adjourned from time to time by the vote of the majority of the Members present at the meeting; but in the absence of a quorum, no other business may be transacted at that meeting, except as provided in this Article.

SECTION 6 - VOTING AT MEETINGS

- a) Persons entitled to vote at any meeting of Members, if a vote is to be taken, shall be REALTOR® Members in good standing that have and maintain an active unrestricted California Real Estate Broker or Salesperson or appraiser license/certification, as of the date of the meeting.
- b) The meeting shall be conducted by the President, or in their absence, the President-Elect, or in the absence of both, the designee of the Board of Directors.
- c) Voting, if any, may be by voice or by ballot in the discretion of the person conducting the meeting, unless ballot is demanded by any two REALTOR® Members eligible to vote before the meeting begins.
- d) If a quorum is present, the affirmative vote of the majority of the REALTOR® Members at the meeting, entitled to vote and voting on any matter shall be the act of the REALTOR® Members, unless a greater vote is otherwise required by these Bylaws.

SECTION 7 - WAIVER OF NOTICE BY ATTENDANCE

Attendance by a REALTOR® Member eligible to vote at a meeting shall constitute a waiver of notice of that meeting, except when the REALTOR® Member objects at the beginning of the meeting to the transaction of any business due to the inadequacy or illegality of the notice. Also, attendance at a meeting is not a waiver of any right to object to the consideration of matters not included in the notice of the meeting if that objection is expressly made at the meeting.

SECTION 8 - ACTION TAKEN BY BALLOT IN LIEU OF MEETING

Any action which may be taken at a meeting may be taken by written ballot in accordance with the procedures set forth in Article X of these Bylaws.

ARTICLE XII- COMMITTEES

SECTION 1 - COMMITTEES OF BAY EAST

Committee Structure procedures are found in Bay East Policy and Procedures Manual which may be revised from time to time by the Board of Directors.

ARTICLE XIII – FISCAL YEAR

SECTION 1 - FISCAL YEAR

The fiscal year and elective year of Bay East shall begin on January 1.

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 Bay East, its Board of Directors, and committees, in all instances wherein its provisions do not conflict with the California Nonprofit Corporations Code or these Bylaws.

ARTICLE XV - AMENDMENTS

SECTION 1 - AMENDMENT

Subject to the requirements of the California Corporations Code these Bylaws may be amended by a majority vote of the Directors present at any regular or special meetings at which a quorum is present, provided the substance of such proposed amendment(s) shall be plainly stated in the call for the meeting and the membership has been notified at least ten days in advance of the Board of Directors meeting to consider the proposed amendment(s). The Directors may, at any regular or special meetings of the Board of Directors at which a quorum is present, approve amendments to the Bylaws which are mandated by NAR policy or set forth in the C.A.R. Model Bylaws. The Board may not adopt, amend, or repeal Bylaws provisions concerning the following subjects without the approval of the Members:

- a) the disposition of all or substantially all of the assets of Bay East.
- b) a merger and its principal terms or any amendment thereof.
- c) any election to dissolve Bay East.

SECTION 2 - PETITION BY REALTOR® MEMBERS TO PROPOSE AMENDMENTS

- a) REALTOR® Members eligible to vote shall have the power to propose the repeal or amendment of these Bylaws or to propose new Bylaws. Any such proposal shall require petition signed by 15 percent (15%) of the total number of REALTOR® Members eligible to vote on the last business day one week in advance of the date the petition is returned to Bay East. The Board may adopt new Bylaws or adopt, amend, or repeal these Bylaws.
- b) A true copy of the petition shall be delivered to the office of the Chief Executive Officer at Bay East during regular working hours no later than two (2) working days prior to the solicitation of the REALTOR® Members eligible to vote for their signature on the petition.
- c) All signatures on the petition shall be dated and shall have been obtained within forty-five (45) days of the first obtained signature.
- d) The petition, to be valid, must be presented to Bay East within three (3) working days of the date of the last obtained signature.

SECTION 3 - PUBLICATION AND VOTING

Publication of a proposed amendment shall be commenced within twenty-one (21) days from the date of receipt of the signed petition at the Bay East office or from the date of vote of the Directors proposing the amendments. Such proposals shall be distributed to the REALTOR® Members at the same time as the distribution of ballots to Members pursuant to the provisions of these Bylaws. The method of distribution shall be in accordance with the provisions of Article X in these Bylaws.

SECTION 4 – BALLOT REGARDING PROPOSED AMENDMENTS

- a) Ballots shall set forth the proposed amendment in full. 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, 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 Bay East.
- b) Balloting procedures, unless otherwise provided for in this Article, shall be conducted in accordance with Article X.
- c) A quorum shall consist of 10 percent (10%) of all Members eligible to vote as of the last business day one week in advance of the date of distribution of the ballots.
- d) Proposed amendment(s) shall be adopted if the proposed amendment(s) receives a majority vote of the ballots cast.

ARTICLE XVI- DISSOLUTION

SECTION 1 - DISSOLUTION

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

ARTICLE XVII - MULTIPLE LISTING SERVICE

SECTION 1 - PURPOSE AND AUTHORITY OF MULTIPLE LISTING SERVICE

- a) Bay East shall at the election of the Directors, either maintain, or provide access to a Multiple Listing Service, which shall be administered in accordance with such rules, regulations or manuals as may be adopted by the MLS Management Group (MMG), in accordance with the Bay East Corporate Policy and Procedures.

The purpose of the Multiple Listing Service is to provide a means by which cooperation among Participants is enhanced; 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 2 - ADMINISTRATION

The activity of the Multiple Listing Service shall be operated under the supervision of the Bay East MLS / Contra Costa MLS / bridgeMLS combined Multiple Listing Service Group (MMG), in accordance with the rules and regulations, and manuals, if any, subject to the approval of the Directors.

SECTION 3 - FEES AND CHARGES SET BY BOARD OF DIRECTORS

The Multiple Listing Service's fees and all other charges of the Multiple Listing Service, unless otherwise provided in these Bylaws, shall be set by two-thirds (2/3) vote of the Directors voting.

SECTION 4 - PARTICIPATION IN MULTIPLE LISTING SERVICE

- a) Any REALTOR® Member of Bay East who is a principal, partner, corporate officer, or Branch office manager, and who is a licensed/certified real estate broker or appraiser, may participate in and receive the services of the Multiple Listing Services upon the payment of fees and charges established by the Directors.
- b) Nothing in the Bylaws of Bay East or the rules, regulations or manuals concerning the operation of this MLS shall be deemed to deny availability of the MLS to any real estate licensee who is entitled to it under the laws of the State of California, regardless of whether or not the licensee is a Member of Bay East.

ARTICLE XVIII- MISCELLANEOUS

SECTION 1 - POLICY AND PROCEDURE MANUAL

A Policy and Procedure Manual shall be established, maintained, and may be modified from time to time by the Board of Directors to interpret, administer, and implement these Bylaws. Said Manual shall be made available to any REALTOR® Member eligible to vote upon request.

SECTION 2 - RIGHT OF INDEMNITY

To the fullest extent permitted by law, this corporation shall indemnify its Directors, Officers, employees, and other persons described in Section 7237(a) of the California Corporations Code, including persons formerly occupying any such position, against all expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred by them in connection with any "proceeding," as that term is used in Section 7237, and including an action by or in the right of the corporation, by reason of the fact that the person is or was a person described in that Section. "Expenses," as used in these Bylaws, shall have the same meaning as in Section 7237(a) of the California Corporations Code.

SECTION 3 - APPROVAL OF INDEMNITY

On written request to Bay East by any person seeking indemnification under Section 7237(b) or Section 7237(c) of the California Corporations Code, Bay East shall promptly determine under Section 7237(e) of the California Corporations Code whether the applicable standard of conduct set forth in Section 7237(b) or Section 7237(c) has been met and, if so, Bay East shall authorize indemnification. If Bay East cannot authorize indemnification because the number of Directors who are not parties to the proceeding with respect to which indemnification is sought prevents the formation of a quorum of Directors who are not parties to that proceeding, Bay East shall promptly call a meeting of Members. At that meeting, the Members shall determine under Section 7237(e) whether the applicable standard of conduct set forth in Section 7237(b) or Section 7237(c) has been met and, if so, the Members present at the meeting in person shall authorize indemnification.

SECTION 4 - ADVANCEMENT OF EXPENSES

To the fullest extent permitted by law and except as otherwise determined by Bay East in a specific instance, expenses incurred by a person seeking indemnification under these Bylaws in defending any proceeding covered by those Sections shall be advanced by the corporation before final disposition of the proceeding, on receipt by the corporation of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately determined that the person is entitled to be indemnified by the corporation for those expenses.

SECTION 5 - INSURANCE

The corporation shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its Officers, Directors, employees, and other agents, against any liability asserted against or incurred by any Officer, Director, employee, or agent in such capacity or arising out of the Officer's, Director's, employee's, or agent's status as such.

SECTION 6 - PUBLIC RESOLUTIONS

No Officer, Director, committee, branch or sub-division of Bay East shall take, or make public, any formal action or in any way commit Bay East on a question of policy or in matters of general public interest without first having received the approval of the Directors.

SECTION 7– MANNER OF GIVING NOTICE

- a) Notices required or desired to be given pursuant to these Bylaws shall be given in writing either electronically, by personal delivery, by first-class mail or by facsimile, at the address of that Member appearing on the books of the corporation or given by the Member to the corporation for the purpose of notice. If no such address appears on the corporation's books or is given, notice shall be deemed to have been given if sent to that Member by first class mail or other method to the corporation's principal office or notice is published at least once in a newspaper of general circulation in the county in which the principal office is located. Notice shall be deemed to have been given at the time when transmitted electronically, delivered personally, sent by facsimile, or deposited in the mail.
- b) Notice given by electronic transmission by the corporation shall be done in compliance with all applicable laws.
- c) If any notice or report addressed to a Member at the address of such Member appearing on the books of the corporation is returned to the corporation by the United States or notice Postal Service marked to indicate that it is undeliverable at such address, all future notices or reports shall be deemed to have been duly given without further mailing if the same shall be available for the Member upon written demand of the Member at the principal office of the corporation for a period of one year from the date of the giving of the notice or report to all other Members.
- d) An affidavit of the giving of any notice may be executed by the secretary, assistant secretary or any other agent of the corporation with designated responsibility for giving notices, and if so executed, shall be filed and maintained in the corporation's minute book.