



BYLAWS

December 2016

BAY EAST ASSOCIATION OF REALTORS®
BYLAWS
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BAY EAST ASSOCIATION OF REALTORS®

BYLAWS

ARTICLE I - NAME AND LOCATION

SECTION 1.01 - 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®.

SECTION 1.02 - 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".

SECTION 1.03 - 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.

SECTION 1.04 - LOCATION

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

ARTICLE II - OBJECTIVES

SECTION 2.01 - 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, appraising for others for compensation, financing, building, developing or subdividing real estate.
- B. To promote and maintain high standards of conduct in the real estate profession as expressed in the Code of Ethics of (hereinafter "Code of Ethics").
- C. To provide a unified medium for real estate owners and those engaged in the real estate profession whereby their interests may be safeguarded and advanced.
- D. To further the interests of home and other real property ownership.
- E. To unite those engaged in the real estate profession in this community with the CALIFORNIA ASSOCIATION OF REALTORS® (hereinafter "C.A.R.") and 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 .

ARTICLE III - JURISDICTION

SECTION 3.01 - 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.

SECTION 3.02 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 IV - MEMBERSHIP

SECTION 4.01 - CLASSIFICATIONS & QUALIFICATIONS

There are eight classifications of membership which are:

A. REALTOR® Members (Whether Primary or Secondary)

1. Individuals who, as sole proprietor, partners, corporate officers or branch office managers are engaged actively in the real estate profession, including buying, selling, exchanging, renting or leasing, managing, appraising for others for compensation, building, developing or subdividing real estate, and who maintain or are associated with an established real estate office within the state of California or a state contiguous thereto and 1) Have no record of official sanctions rendered by the courts or other lawful authorities for violations of civil rights laws or real estate license laws within the past three years; 2) 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, whichever is the later date); 3) that have not been suspended or expelled from an Association the past three (3) years for violations of the Code of Ethics.

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.

NOTE: REALTOR® Members may obtain membership in a “secondary” Association in another state.

2. Individuals who are engaged in the real estate profession other than as principals, partners, corporate officers or trustees and who are licensed by the State of California as real estate brokers or licensed/certified appraisers, and as such are associated with a PRINCIPAL-REALTOR® and meet the qualifications set forth in these Bylaws. These Members may be sometimes referred to in these Bylaws as a REALTOR®-BROKER.
3. Individuals who are engaged in the real estate profession other than as sole proprietors, partners, or corporate officers, but who are in positions of management control, on behalf of the sole proprietor or corporate officer.
4. Individuals who are engaged in the real estate profession and who are licensed/certified by the State of California as a real estate salesperson and as such are associated with either a PRINCIPAL-REALTOR® or a REALTOR®-BROKER and meet the qualifications set forth in these Bylaws.

5. Individuals who are engaged in real estate profession as Appraisers and who are licensed/certified as such under the auspices of California Office of Real Estate Appraisers (OREA) as defined in California Assembly Bill 527 - Chapter 491 - 1991 (as defined in Sections 11300 ET Seq. of the Business and Professional Code of the California Real Estate/Appraisal Law).

B. Primary and Secondary Members.

1. An individual is a primary member of Bay East if Bay East pays C.A.R. and NAR dues for that individual. An individual is a secondary member if C.A.R. and NAR dues are remitted through another Board or Association.
2. There must be a Designated REALTOR® member of Bay East for licensees affiliated with the firm to select Bay East as their primary Association. There need not be a Designated REALTOR® member of Bay East for licensees affiliated with the firm 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.

C. 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.

D. Affiliate Members.

Affiliate Members and Platinum Affiliate Members shall be real estate owners and other individuals or firms engaged in activities related to the real estate profession who do not qualify for REALTOR® membership. Affiliate members have interests requiring information concerning real estate, and are in sympathy with the objectives of Bay East.

E. Honorary Members.

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 the Membership Rules and Regulations.

F. 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.

H. Emeritus Members.

Emeritus membership may be granted to a REALTOR® Member who has a history of outstanding service to Bay East, and receives the unanimous vote of the Directors while a quorum is present.

Additional criteria for this membership category shall be: minimum age of 60 years; minimum of fifteen (15) years in Bay East; and shall, during the course of his or her membership in Bay East have been either: 1) an Elected Officer of the A.O.R., or 2) a Director of Bay East for a minimum of two terms and served effectively as a committee chair for a minimum of four years.

I. Distinguished Service Members.

Distinguished Service membership may be granted to a current or former REALTOR® member Bay East who has a history of outstanding services to Bay East, minimum of fifteen (15) years in Bay East; and shall, during the course of his or her membership in Bay East have been either: 1) an Elected Officer of Bay East, or 2) Elected Officer of the State or National Association of REALTORS, and is not currently licensed as a real estate agent.

J. Franchise Corporate Officers.

Notwithstanding any other provision herein, franchise corporate officers of real estate brokerage franchise organizations with at least one hundred fifty franchisees located within the United States, its insular possessions and the commonwealth of Puerto Rico, may be elected to membership pursuant to the Constitution and Bylaws of the National Association (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 Bay East, C.A.R. and NAR.

SECTION 4.02 - 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," "Emeritus Members," "Honorary Members," "Student Members," "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.

SECTION 4.03 - TERM "MEMBER IN GOOD STANDING"

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

ARTICLE V - APPLICATION QUALIFICATION AND ELECTION TO MEMBERSHIP

SECTION 5.01 - APPLICATION FOR MEMBERSHIP

- A. An application for Membership shall be made in such manner and form as may be prescribed by the Board of Directors and made available to anyone requesting it.
- B. The application form shall contain among the statements to be signed by the applicant: that applicant agrees as a condition to Membership to thoroughly familiarize himself with the Code of Ethics, the Constitutions, Bylaws, and Rules and Regulations of Bay East, C.A.R. and, and if elected a Member, will abide by the Constitutions and Bylaws and the Rules and Regulations of Bay East, C.A.R. and, and if a REALTOR® will abide by the Code of Ethics of NAR including the obligation to arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics, and as further specified in the Code of Ethics and Arbitration Manual.
- C. The Applicant consents that Bay East, through its Board of Directors or otherwise, may invite and receive information and comment about applicant from any Member or other persons, and that applicant agrees that any information and comment furnished to Bay East by any person in response to the invitation shall be conclusively deemed to be privileged and not form the basis of any action for slander, libel, or defamation of character. The applicant shall, with the form of application, have access to a copy of the Bylaws, Constitution, Rules and Regulations and Code of Ethics referred to above.
- D. Prior Membership Records. Bay East may consider information received from other Associations 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:
 - All final findings of Code of Ethics violations and violations of other membership duties within the past three (3) years;
 - (b) Pending complaints alleging violations of the Code of Ethics or alleging violations of other membership duties;
 - (c) Incomplete or (pending) disciplinary measures;
 - (d) Pending arbitration requests (or hearings);
 - (e) Unpaid arbitration awards or unpaid financial obligations to the Association or its MLS; a
 - and
 - (f) *Any misuse of the term REALTOR® or REALTORS® in the name of the applicant's firm.*

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

SECTION 5.02 - QUALIFICATION FOR MEMBERSHIP

- A. An applicant for REALTOR® Membership who is a sole proprietor, partner, or corporate officer of a real estate firm shall supply evidence satisfactory to Bay East through its Member Department that he/she is presently licensed by the California Department of Real Estate, or Licensed/Certified under the auspices of the California Office of Real Estate Appraisers (OREA) as defined in Section 401 (A) and specified in Section 11300 ET-Seq. of the Business and Professional Code, actively engaged in the real estate regulations within Bay East's jurisdiction, have no record of official sanctions rendered by the courts or other lawful authorities for (a) violations of civil rights laws or real estate license laws within the past three years or (b) criminal convictions if (i) the crime was punishable by death or imprisonment in excess of one year under the law under which the applicant was convicted; and
- (ii) no more than ten years have elapsed since the date of the conviction or the release of the applicant from the confinement imposed for that conviction, whichever is the later date, and agrees to complete a course of instruction covering the Bylaws and Rules and Regulations of Bay East, the Bylaws of C.A.R., and the Constitution and Bylaws and Code of Ethics of NAR, and shall agree that if elected to Membership, he/she will abide by such Constitution, Bylaws, Rules and Regulations, and Code of Ethics.
- B. Individuals who are actively engaged in the real estate profession other than as principals, partners, or corporate officers, in order to qualify for REALTOR® Membership, shall at the time of application, be associated either as an employee or as an independent contractor with a Designated REALTOR® Member of Bay East shall have the written recommendation of such Designated REALTOR® Member, have no record of official sanctions rendered by the courts or other lawful authorities for (a) violations of civil rights laws or real estate license laws within the past three years or (b) criminal convictions if (i) the crime was punishable by death or imprisonment in excess of one year under the law under which the applicant was convicted and (ii) no more than ten years have elapsed since the date of the conviction or the release of the applicant from the confinement imposed for that conviction, whichever is the later date, and shall complete a course of instruction covering the Bylaws and Rules and Regulations of Bay East., the Bylaws of C.A.R., and the Constitution and Bylaws and Code of Ethics of NAR, and shall pass such reasonable and nondiscriminatory written examinations thereon as may be required by Bay East and shall agree in writing that if elected to Membership, he/she will abide by the Code of Ethics of NAR, and by the Constitution, Bylaws and Rules and Regulations of Bay East, C.A.R., and NAR.
- C. 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.
- D. All Other Membership. Applicants for all other classes of membership shall apply for membership on such forms and shall satisfy such other reasonable requirements as the Directors may require.

SECTION 5.03 ELECTION TO MEMBERSHIP

The procedure for election to Membership shall be as follows:

- A The Chief Staff Executive (or duly authorized designee) shall determine whether the applicant is applying for the appropriate class of membership.
- B The Board of Directors shall review the recommendations of the Chief Staff Executive (or duly authorized designee) and then vote on the applicant's eligibility for membership. If the applicant receives a majority vote of the Board of Directors, he 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 his behalf, to be represented by counsel, and to make such statements as he deems 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 Staff Executive (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 the Board 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 he or she will submit to the pending ethics or arbitration proceeding, in accordance with the procedures of the Association, and will abide by the decision of the hearing panel.

SECTION 5.04 ORIENTATION

- A. Applicants for REALTOR® membership shall complete a new member orientation course.
- B. Any applicant that does not attend orientation, after two notices of holding such orientation having been sent to them, shall be refunded their prepaid dues less a prorated amount to cover the number of days that the individual received Bay East services and any application fee. The applicant's PRINCIPAL-REALTOR® shall be notified and billed accordingly.

If an applicant has completed orientation within the previous twenty-four (24) months from date of application, orientation need not be repeated.

- C. All applicants for REALTOR® membership shall complete an orientation program of not less than two and a half hours on the Code of Ethics, 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 ninety (90) days of the date of application shall be considered a violation of a membership duty for which REALTOR® membership shall be suspended until such time as the training is done.

ARTICLE VI - STATE AND NATIONAL MEMBERSHIPS

SECTION 6.01 – ASSOCIATION 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 membership.

SECTION 6.02 - OWNERSHIP AND USE OF REALTOR® MEMBERSHIP MARKS

Bay East recognizes the exclusive property rights of the 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.

SECTION 6.03 - 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.

SECTION 6.04 - OTHER BAY EAST RULES, REGULATIONS & POLICIES

Bay East may adopt any Rules and Regulations or policies not inconsistent 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 VII - VOTING RIGHTS, PRIVILEGES AND OBLIGATIONS OF MEMBERSHIP

SECTION 7.01 - PURPOSE

The voting rights, privileges and obligations of Members, in addition to those stated elsewhere in these Bylaws, shall be as specified in this Article.

SECTION 7.02 - VOTING RIGHTS

- A. REALTOR® Members in good standing 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.
- B. Platinum Affiliate Members in good standing shall have the right to vote in accordance with the provisions of these Bylaws for the Affiliate Director position on the Board of Directors only.

SECTION 7.03 - CUMULATIVE OR PROXY VOTING

Neither cumulative nor proxy voting shall be authorized for the election of Officers and Directors.

SECTION 7.04 - CENSORSHIP, SUSPENSION AND TERMINATION OF MEMBERSHIP

Any Member of Bay East may be reprimanded, fined, placed on probation, suspended, or expelled by the Board of Directors for a violation of these Bylaws and Bay East Rules and Regulations not inconsistent with these Bylaws, after a hearing as provided in the California Code of Ethics and Arbitration Manual. Although Members other than REALTOR® Members are not subject to the Code of Ethics or its enforcement by Bay East, such Members are encouraged to abide by the principles established in the Code of Ethics of NAR and conduct their business and professional practices accordingly. Further, Members other than REALTOR® Members, may, upon recommendation of the Board of Directors or upon recommendation by 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, applied on a nondiscriminatory basis, reflects adversely on the term REALTOR®, and the real estate industry, or for conduct that is inconsistent with or adverse to the objectives and purposes of Bay East, C.A.R. and NAR. REALTOR® Members shall be Members of C.A.R. and NAR.

SECTION 7.05 - REALTOR® MEMBERS

- A. Only REALTOR® Members may use the terms REALTOR® or REALTORS®, which use shall be subject to the provisions of these Bylaws.
- B. REALTOR® Members who are in good standing with Bay East pursuant to Section 4.03 of these Bylaws shall be entitled to vote and to hold elective office in Bay East, provided they satisfy other qualifications as established in these Bylaws.
- C. REALTOR® Members have the primary responsibility to safeguard and promote the standards, interests, and welfare of Bay East and the real estate profession.
- D. REALTOR® Members shall be Members of C.A.R. and NAR.

- E. If a REALTOR® Member who is a sole proprietor, principal in a firm, partner in a partnership, officer of a corporation or Designated REALTOR®, is suspended or expelled, his/her firm, partnership or corporation shall not use the terms REALTOR® or REALTORS® in connection with its business during the period of suspension or expulsion and the membership of all other principals, partners or corporate officers shall suspend or terminate during the period of suspension or expulsion unless: (1) the disciplined Member severs his/her connection with the firm, partnership or corporation; or (2) the disciplined Member relinquishes management control of the firm.

The membership of REALTORS® who are employed or affiliated as independent contractors with the disciplined Member shall suspend or terminate during the period of suspension or expulsion unless: (1) the disciplined Member severs his/her connection with the firm, partnership or corporation; (2) the disciplined Member relinquishes management control of the firm; or (3) the non-principal REALTOR® Member elects to sever his or her connection with the disciplined Member and affiliates with another REALTOR® Member in good standing in Bay East. If a REALTOR® Member other than a sole proprietor in a firm, partner in a partnership, officer of a corporation, or Designated REALTOR® 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 by 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.

- F. In any action taken against a principal REALTOR® Member for suspension or expulsion, notice of such action shall be given to all REALTORS® employed by or affiliated as independent contractors with such REALTOR® Member and they shall be advised that the provisions in Article VI, Section 6 shall apply.

SECTION 7.06 - INSTITUTE AFFILIATE MEMBERS

Institute Affiliate Members shall comply with the Constitution and Bylaws of NAR and 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, hold any office, use the term REALTOR® or the REALTOR® logo, to serve as President of Bay East or to be a Participant in the Multiple Listing Service.

SECTION 7.07 - AFFILIATE MEMBERS

- A. Affiliate 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 except as provided in Section 7.07(B).
- B. Platinum Affiliate Members shall have the right to vote for the Affiliate position on the Board of Directors.

SECTION 7.08 - HONORARY MEMBERS

Honorary 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 hold any office.

SECTION 7.9 - 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 7.10 - EMERITUS MEMBERS

If a REALTOR® Member or an Honorary Life Member becomes an Emeritus Member such person shall continue to be entitled to all Bay East privileges; and if he or she elects to continue to pay Bay East membership dues, have the right to vote and hold office. Emeritus Members shall have the option of continuing their membership in the state and NAR by payment of the appropriate dues.

SECTION 7.11 - DISTINGUISHED SERVICE MEMBERS

Distinguished Service 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 7.12 - FRANCHISE CORPORATE OFFICERS

Franchise Corporate Officer Members shall have such rights and privileges and be subject to such obligations as are prescribed by the Directors for REALTOR® membership, except that such Members shall not be required to attend Bay East mandated education or orientation; shall not have the right to use the term REALTOR® in connection with their franchise organization's name; and shall not have the right to hold elective office in Bay East, C.A.R. and NAR

SECTION 7.13 - 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.

Institute Affiliate Members shall not use terms REALTOR® or REALTORS® or the imprint of the emblem seal of NAR

SECTION 7.14 - JURISDICTIONAL LIMITS ON USE OF REALTOR® MEMBERSHIP MARKS

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

SECTION 7.15 - USE OF REALTOR® MEMBERSHIP MARKS DEPENDENT ON STATUS OF FIRM PRINCIPALS

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

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

SECTION 7.16 - EMERITUS MEMBERS AND HONORARY LIFE MEMBERS

Emeritus Members and Honorary Life Members may use the terms REALTOR® or REALTORS® and the imprint of the emblem seal of N.A.R., only if said Member elects the option of continuing C.A.R. and N.A.R membership by the payment of the appropriate dues.

SECTION 7.17-FAILURE TO RENDER REPORT

Members who fail to render any report required by these Bylaws or the Directors, or who render a report required by these Bylaws or the Directors which is not true and accurate, shall be subject to disciplinary action before the Professional Standards Committee.

SECTION 7.18- TRANSFER AND SUCCESSION OF MEMBERSHIP

Neither the membership in Bay East, nor any rights in the membership may be transferred for value or otherwise. All rights as a Member of Bay East shall cease upon the Member's death or the dissolution of Bay East.

SECTION 7.19- NON-LIABILITY OF MEMBERS

A Member of Bay East shall not be, solely because of such membership, personally liable for the debt, obligations, or liabilities of Bay East.

ARTICLE VIII - PROFESSIONAL STANDARDS AND ARBITRATION

SECTION 8.01 - 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.

SECTION 8.02 - 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 Constitution and Bylaws and the Rules and Regulations of Bay East the Constitution and Bylaws of C.A.R., the Constitution and Bylaws of 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 he or she and the corporation or firm for which he or she acts as a partner, officer, principal, or branch office manager, will submit to arbitration through 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*.

SECTION 8.03 - DUTIES OF MEMBERSHIP

By becoming and remaining a Member of Bay East every Member agrees to:

- A. Effective January 1, 2001 through December 31, 2004 and for successive four year periods thereafter, each REALTOR® member of Bay East shall be required to complete quadrennial ethics training of not less than two hours and thirty minutes of instruction time. This requirement will be satisfied upon presentation of documentation that the member has completed such course of instruction conducted by this or another association, C.A.R., NAR or any other recognized education institution or provider which meets the learning objective and minimum criteria established by the 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 four year cycle shall not be required to complete additional ethics training until a new four year cycle commences.

Failure to satisfy this requirement shall be considered a violation of a membership duty for which REALTOR® membership shall be suspended until such time as the training is completed.

Failure to meet the requirement will result in suspension of membership for the first two months (January and February) of the year following the end of any four (4) year cycle or until the requirement is met, whichever occurs sooner. On March 1 of that year, the membership of member who is still suspended as of that date will be automatically terminated.

- B. Abide by the Code of Ethics of the NAR
- C. Any member of Bay East may be reprimanded, placed on probation, suspended or expelled for harassment of a Bay East or MLS employee or Bay East Officer or Director after a hearing in accordance with the established procedures of the California Code of Ethics and Arbitration Manual. Disciplinary action may also consist of any sanction authorized in the California Code of Ethics and Arbitration Manual. As used in this Section, harassment means any verbal or physical

conduct including threatening or obscene language, unwelcome sexual advances, stalking, actions including strikes, shoves, kicks, or other similar physical contact, or threats to do the same, or any other conduct with the purpose or effect of unreasonably interfering with an individual's work performance by creating a hostile, intimidating or offensive work environment. The decision of the appropriate discipline action to be taken shall be made by the investigatory team comprised of the President, and President-Elect and one member of the Board of Directors selected by the highest ranking officer not named in the complaint, upon consultation with legal counsel for Bay East. If the complaint names the President or President-Elect, they may not participate in the proceedings and shall be replaced by the Immediate Past President or, alternatively, by another member of the Board of Directors selected by the highest ranking officer not named in the complaint.

- D. Abide by the Bylaws of Bay East and its rules and regulations and its Corporate Policies and Procedures.
- E. Submit to arbitration by the Bay East facilities all disputes with any other Member or non-member subject to the conditions or exceptions listed below and in Section 8.03. This shall be deemed an arbitration agreement within the meaning of Part 3, Title 9 of the California Code of Civil Procedure.
 - 1. Members are not bound to arbitrate disputes between Members of the same firm if the dispute arises when the Members are affiliated with the same firm unless each such party agrees in writing to the arbitration of such dispute(s) under Bay East's facilities;
 - 2. If a Member files for arbitration of a dispute involving his/her principal broker (but not between the Member and the principal broker), the principal broker with whom the applicant Member was associated at the time the dispute arose must join in the complaint;
 - 3. Members may submit to arbitration with a non-member under the facilities of Bay East if the non-member consents to such.

SECTION 8.04 - BAY EAST'S RIGHT TO DECLINE ARBITRATION

If the arbitrators determine that because of the magnitude of the amount involved or the legal complexity of the controversy the dispute should not be arbitrated, they shall so report to the Directors; and if the Directors concur, the arbitration shall terminate and the parties shall be relieved of their arbitration agreement. In this event, any deposits made by the parties shall be returned to the parties.

SECTION 8.05 - FIRM OR REALTOR® MEMBER BOUND BY ARBITRATION

- A. By virtue of consenting to the membership in Bay East by a REALTOR® Member, the firm, partnership, corporation, trust or Designated REALTOR® with which said REALTOR® Member is associated or employed, consents and agrees to also submit to arbitration of any dispute involving such Member, which would be subject to arbitration by virtue of these Bylaws or the rules, regulations, or manuals adopted by the Directors, and for which said firm, partnership, corporation or trust or Designated REALTOR® would be properly named as a party defendant if the dispute and been brought before a court of law or equity.
- B. This provision shall be deemed an arbitration agreement within the meaning of Part 3, Title 9 of the California Code of Civil Procedure.

SECTION 8.06 - DUTY TO PARTICIPATE IN INTER-BOARD/ASSOCIATION ARBITRATION

By becoming or remaining a Member, every REALTOR® Member binds himself/herself and agrees to submit to arbitration, by the arbitration facilities of C.A.R., any dispute with a Member of any other local Board/Association affiliated with C.A.R., if C.A.R. is willing to provide for the Arbitration.

SECTION 8.07 - OBLIGATIONS REGARDING PROFESSIONAL STANDARDS TRIBUNALS

By becoming and remaining a Member of Bay East and by signing or having signed an agreement to abide by these Bylaws, every Member binds himself and the corporation or firm or Designated REALTOR® for which he/she acts, and agrees to submit to arbitration by the Bay East facilities all disputes with any other Member or non-Member, subject to the stipulation set forth in the C.A.R. Model Professional Standards Rules Section thirty (30) Duties and Privileges to Arbitration, and Section thirty-one (31) A.O.R.'s Rights to Decline Arbitration. This shall be deemed an arbitration agreement within the meaning of Part 3, Title 9 of California Code of Civil Procedure.

SECTION 8.08 - RESIGNATION WITH PENDING ARBITRATION OR DISCIPLINARY HEARING

If a member resigns from the A.O.R., or otherwise causes membership to terminate with a discipline complaint pending that Board of Directors may condition the right of the resigning member to reapply for membership upon the applicant's certification that he or she will submit to the pending discipline hearing and comply with any sanction imposed. If a member resigns or otherwise causes membership to terminate, the duty to submit to arbitration continues in effect even after membership lapses or is terminated provided that the dispute arose while the former member was a member.

ARTICLE IX - TERMINATION, SUSPENSION, OR EXPULSION

SECTION 9.01 - 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 pending against a member, the Directors may condition the right of the resigning Member to reapply for membership upon the applicant's certification that he/she will submit to the pending ethics or arbitration proceeding and will abide by the decision of the hearing panel.

SECTION 9.02 - SUSPENSION OF MEMBERSHIP OF REALTOR® NOT HOLDING BROKER'S LICENSE UPON SEVERANCE OF ASSOCIATION WITH PRINCIPAL-REALTOR® OR REALTOR® BROKER

- A. Membership of REALTOR® not holding a broker's license shall automatically be suspended upon the circumstances whereby said REALTOR® not holding a broker's license is no longer associated with a PRINCIPAL 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 PRINCIPAL-REALTOR® within thirty (30) days from the date of said termination.
- B. In the event a REALTOR® not holding a broker's license terminates his/her association with a PRINCIPAL-REALTOR® or REALTOR®-BROKER, both the PRINCIPAL-REALTOR® and the REALTOR® not holding a broker's license shall notify Bay East in writing, of the date of said termination within fifteen (15) days of the date of said termination.

SECTION 9.03 - SUSPENSION OR REVOCATION OF LICENSE

- A. A REALTOR® Member of Bay East who has his or her 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, his or her 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.

SECTION 9.04- TERMINATION OF REALTOR® MEMBERSHIP

- A. REALTOR® membership shall terminate automatically, irrespective of any other provision of these Bylaws, for the following reasons:
 - 1. Revocation or suspension of real estate license or certification. In the event any revoked or suspended license/certificate of a former Member is reinstated by the State of California or a State contiguous thereto, his or her membership will be reinstated, provided such request is made within six months after the reinstatement of license/certificate. Reinstatement shall be granted only by simple majority vote of the Directors present and the applicant shall not be required to pay any application fee.
 - 2. Non-payment of dues as provided in these Bylaws.
 - 3. An individual does not remain eligible for membership as required by these Bylaws.
- B. Membership of any Member may be terminated in accordance with any other provision of these Bylaws.

SECTION 9.05 - PROCEDURE FOR TERMINATION, SUSPENSION OR EXPULSION

- A. Any Member of Bay East who is being considered for termination, suspension, or expulsion shall be notified of the pending action at least twenty (20) business days prior to the convening of the Board of Directors at which said termination, suspension, or expulsion is being considered. Said Member shall have the right to petition the Directors, either in person or in writing, for special consideration provided, however, that if said Member fails to notify Bay East in writing of such intent within fifteen (15) days from the date of notification, then said Member shall be considered as having waived such right to petition.
- B. Termination, Suspension, or Expulsion of membership for any cause as set forth in these Bylaws or Rules and Regulations of Bay East shall be in accordance with above procedures.

ARTICLE X - FEES, DUES AND ASSESSMENTS

SECTION 10.01 - GENERAL AUTHORITY

- A. 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 Directors of Bay East, but shall not exceed any appropriate formula established by the National Association.
- B. The application fees, dues, cost of services, and all other charges and assessments unless otherwise provided in these Bylaws, shall be set by the Board of Directors.

SECTION 10.02 - APPLICATION FEES

A. REALTOR® MEMBERSHIP

- 1. The Directors may adopt an application fee for REALTOR® Members in a reasonable amount providing, however, that the application fee shall not exceed three (3) times the amount of the annual dues for REALTOR® Members.
- 2. In the event the applicant for REALTOR® membership is the surviving spouse, son, or daughter of a deceased Principal-REALTOR®, no application fee shall be charged provided that the application is received within six (6) months following the date the Principal-REALTOR® Member became deceased.

B. HONORARY MEMBERS

There shall be no application fee for Honorary membership.

C. OTHER MEMBERSHIP CLASSIFICATIONS

The application fees for all other categories of membership other than REALTOR® and Honorary membership shall be as determined from time to time by the Directors, but shall not exceed any appropriate formula established by NAR

SECTION 10.03 – ASSOCIATION DUES

A. DESIGNATED REALTOR® MEMBERS:

The dues of Designated REALTOR® Members shall be in such amount as established annually by the Directors, plus an additional amount to be established annually by the Directors times the number of real estate salespersons 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® members who are not themselves REALTOR® or Institute Affiliate Members of the A.O.R., C.A.R. and NAR and the Designated REALTOR® notifying Bay East in writing of the identity of the Association to which dues have been paid, provided, however, that if two or more REALTORS® are principals of the same firm, partnership, or corporation, then only that REALTOR® designated from time to time in writing (the "Designated" REALTOR®) by the firm, partnership or corporation shall be required to pay that portion of the dues which is computed on the basis of the real estate salespersons and licensed or certified appraisers employed by or affiliated as independent contractors or who are otherwise directly or indirectly licensed with such firm, and the dues of the remaining REALTORS® who are principals of such firm, partnership or corporation shall be only such base amount as determined by the Directors.

A Designated REALTOR® with a direct or indirect ownership interest in an entity engaged exclusively in soliciting and/or referring clients and customers to the REALTOR® for consideration on a substantially exclusive basis (“LFRO”) shall annually file with 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 listing, selling, leasing, renting, managing, counseling, appraising or arranging financing for real property and are not a participant or subscriber in a Multiple Listing Service (“MLS”). The individuals disclosed on such form shall not be deemed to be licensed with the REALTOR® filing the form for purposes of this Article IX, Section 2 (b) and shall not be included in calculating the annual dues of the Designated REALTOR®.

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

A REALTOR® with a direct or indirect ownership interest in an entity engaged in the real estate business which provides services for which a Mortgage Loan Originators license endorsement (MLO) is required may annually file with the association, on a form approved by the association, a list of the MLO licensees and certify that the listed licensees (1) have a MLO license or endorsement; (2) are not engaged in real estate licensed activities except those for which an MLO is required; and (3) are not participant or subscribers in any Multiple Listing Service. The individuals disclosed on such forms shall not be deemed to be licensed with the REALTOR® filing the form for purposes of this Article IX, Section 2(b) and shall not be included in calculating the annual dues of the Designated REALTOR®.

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

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® in the office where the Designated REALTOR® holds membership, or any other offices of the firm located within the jurisdiction of Bay East in which one of the firm’s principals holds REALTOR® membership.

Membership dues 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 shall not be prorated if the licensee held REALTOR® membership during the preceding calendar year.

The annual dues of REALTOR® members shall not include any assessment for C.A.R. and NAR if the member is a member of a Board or Association of C.A.R. and NAR and such Association has paid C.A.R. and NAR dues for such member.

B. REALTOR® Members

The dues of REALTOR® Members shall be in such amount as established annually by the Board of Directors.

C. INSTITUTE AFFILIATE MEMBERS

The annual dues of each Institute Affiliate Member shall be as established in Article II of the Bylaws of NAR.

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

D. AFFILIATE MEMBERS

The dues for Affiliate Members shall be in such amount as is established annually by the Board of Directors.

E. HONORARY MEMBERS

There shall be no dues for Honorary Members.

F. STUDENT MEMBERS

The dues for Student Members shall be in such amount as is established annually by the Board of Directors.

G. EMERITUS MEMBERS

The dues for Emeritus Members shall be the same amount as Bay East dues for REALTOR® Members, if the Emeritus Member concurrently holds an active REALTOR® Membership. No dues shall be payable by any Emeritus Member excluding that portion representing local Association's dues payable to the State and National Associations.

H. DISTINGUISHED SERVICE MEMBERS

There shall be no dues for Distinguished Service Members.

I. FRANCHISE CORPORATE OFFICER MEMBERS

The dues for Franchise Corporate Officers shall be in such amount as is established annual by the Board of Directors.

SECTION 10.04 - PAYMENT OF FEES, DUES, AND ASSESSMENTS

- A. Bay East shall send out an electronic notice to members of the amount of the fees, dues, and/or assessments and the due date for such fees dues and/or assessments at least thirty (30) days prior to the due date. Only in the event that such notice is not given, are dues, fees, and assessments not collectable. Dues shall be payable annually in advance on the first day of July, except that dues shall be prorated and shall be calculated as of the first day of the month following the month in which a new member makes application for membership.
- B. Designated REALTOR® members shall 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).

SECTION 10.05 - NONPAYMENT OF FINANCIAL OBLIGATIONS

- A. If dues, fees, fines, or other assessments including amounts owed to Bay East or Bay East Multiple Listing Service are not paid by the due date, the non-paying Member is subject to having his/her services suspended until payment is received. If the Board of Directors elects to offer installment payments and installment payment is not received by due date, services may 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 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 to the new member fees.
- B. If any deadline day is a Saturday, Sunday, or holiday, the deadline shall become effective at the end of the next full business day.

SECTION 10.06 - 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.

ARTICLE XI - BOARD OF DIRECTORS

SECTION 11.01 - POWERS

- 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 and Bylaws, 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 11.02 - COMPOSITION OF THE BOARD OF DIRECTORS

- A. The Directors shall consist of the President, the President-Elect, the Treasurer, the Immediate Past President of the Board, and fifteen (15) elected REALTOR® Members and one (1) elected Platinum Affiliate Member who shall serve as non-Officer Directors.
- B. The fifteen (15) REALTOR® Members and one (1) Platinum Affiliate Member shall be elected from a minimum of four (4) Districts and an At-Large District.
- C. 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 Districts, or change the number of Directors from each District, or change the number of REALTOR® Members each Director represents, provided however that:
 1. there shall be a minimum of 4 Districts, and 1 At-Large District:
 - North County District comprised of Alameda, Berkeley, Oakland and all cities to the North and to the East of these cities.
 - Central County District comprised of San Leandro, San Lorenzo, Castro Valley, Hayward and all cities to the West of Hayward.
 - Tri-Cities District comprised of Union City, Newark, Fremont and all cities to the South of Fremont.
 - Tri-Valley District comprised of Pleasanton, Dublin, Livermore, Sunol and all cities to the North of Dublin and East of Livermore.
 2. there shall be a minimum of 1 and a maximum of 5 REALTOR® Directors representing each District, and a maximum of one (1) Affiliate Director representing all Districts;
 3. each District shall reflect an equitable representation of the REALTOR® membership of Bay East.

SECTION 11.03 - QUALIFICATION FOR DIRECTOR

- A. Only REALTOR® Members shall be eligible to serve as a Director of Bay East, provided however that they have:
 1. been a REALTOR® Member of Bay East for a minimum of two consecutive years, and;
 2. Within the two years immediately preceding the date of their nomination, served for one entire term as a member of at least one Committee or Special Committee [definition and description are found in Bay East's Policy and Procedures Manual] of Bay East, and attended a minimum of eighty percent (80%) of that Committee's meetings that meet monthly or majority where the committee meets periodically. Or, within the two years immediately preceding the date of their nomination, served as:
 - Officer of the Women's Council REALTORS® (WCR)
 - Officer of Certified Residential Specialist (CRS)

*NOTE: Officer defined as President, Vice President or President-Elect of local, Regional, State and National.

3. shall also serve on a local Association committee 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. Any REALTOR® Member who is a candidate for a District Director seat on the Board must have been affiliated with or owned a REALTOR® office within the District for which he or she has been nominated since January 1 of current year.
- C. 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
- D. No director shall serve concurrently as an officer of the Bay East Foundation.

SECTION 11.04 - QUALIFICATION FOR AFFILIATE DIRECTOR

- A. Only Platinum Affiliate Members shall be eligible to serve as an Affiliate Director of Bay East provided that they have:
1. been an Affiliate Member of Bay East for a minimum of two consecutive years, and;
 2. within the two years immediately preceding the date of their nomination, served for one entire term as a Member of at least one Committee, or Special Committee (definition and description are found in Bay East's Policy and Procedures Manual) of Bay East, and attended a minimum of 80 percent (80%) of that Committee's meetings. that meet monthly or a majority where the committee meets periodically. Or, within the two years immediately preceding the date of their nomination, served as:
 - Officer of the Women's Council REALTORS® (WCR)
 - Officer of Certified Residential Specialist (CRS)
- *NOTE: Officer defined as President, Vice President or President-Elect of local, Regional, State and National.
- B. Any Platinum Affiliate Member who is a candidate for Director must maintain or be associated with an established-office within Bay East's area of membership.
- C. Shall serve on a local Association committee while serving term as Bay East Board of Director.
- D. No 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.

SECTION 11.05 - ELECTION AND TERM OF OFFICE

- A. Each Director shall be elected according to the procedures set forth in Article XIII, NOMINATION AND ELECTION OF OFFICERS AND DIRECTORS.
- B. Each non-Officer REALTOR® Director shall serve a two-year term commencing on the first of January following elections for no more than 3 consecutive two-year terms.
- C. Affiliate Director shall serve a two-year term commencing on the first of January following elections for no more than 3 consecutive two-year terms.
- D. Directors are eligible to run again after a one (1) year break.

SECTION 11.06 - 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 11.07 - 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 XIII, NOMINATION AND ELECTION OF OFFICERS AND DIRECTORS, 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 Section 11.03.

SECTION 11.08 - MEETINGS OF THE BOARD OF DIRECTORS

- A. Regular 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.
- B. 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 Section 21.08 herein. The purpose of the special meeting shall be generally stated.
- C. Meetings of the Directors shall be conducted in open session which may be attended by any Member of Bay East 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. 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.

- D. 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) a quorum is present; and, (b) either before or after the meeting, each of the Directors not present signs a written waiver of notice, or a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. All waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meeting.
- E. Notice of a meeting shall also be deemed given to any Director who attend the meeting without protesting, before or at its commencement about the lack of adequate notice.

SECTION 11.09 - 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.

ARTICLE XII - OFFICERS

SECTION 12.01 - OFFICERS

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

SECTION 12.02 - 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 elected Officer of Bay East.
- B. Only those REALTOR® Members who have completed one full term as a Director within the previous three (3) 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 elected office.

SECTION 12.03 - ELECTION AND TERM OF OFFICE

- A. Each elected Officer shall be elected according to the procedures set forth in Article XIII, NOMINATION AND ELECTION OF OFFICERS AND DIRECTORS.
- B. Each elected officer shall serve a one-year term commencing on the first of January following elections.

SECTION 12.04 - FEES AND COMPENSATION

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

SECTION 12.05 - VACANCIES

- A. A vacancy or vacancies shall be deemed to exist in case of death, resignation or removal of any elected 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 elected officer at any time to fill any vacancy or vacancies not filled by the Directors.

SECTION 12.06 - 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 and shall have such other powers and duties as may be prescribed by the Directors or these Bylaws.

SECTION 12.07 - DUTIES OF THE PRESIDENT-ELECT AND IMMEDIATE PAST-PRESIDENT

A. 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 12.08 - 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 A.O.R., 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 12.09 - DUTIES OF THE CHIEF EXECUTIVE OFFICER

- A. The Chief Executive Officer shall be the chief administrative Officer and Secretary of Bay East. He/she 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 not be for a period exceeding five years.

SECTION 12.10 - AUTHORITY

No elected 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.

ARTICLE XIII - NOMINATION AND ELECTION OF OFFICERS AND DIRECTORS

SECTION 13.01 - NOMINATIONS

- A. The Leadership Evaluation and Selection Committee shall certify that the President-Elect is qualified to serve as a candidate for the office of President, and providing so certified, shall nominate only the President-Elect for the office of President. In the event the President-Elect is not qualified or is unwilling to serve as a candidate for the office of President, the Leadership Evaluation and Selection Committee shall nominate one or more candidates for the office of President.
- B. The Leadership Evaluation and Selection Committee shall nominate one or more candidates for the office of President-Elect and Treasurer and for each vacancy on the Directorship. A candidate may only be nominated and qualified for one office.
- C. Additional candidates for the office of President-Elect, Treasurer, REALTOR® Director and Affiliate Director positions other than those nominated by the Leadership Evaluation and Selection Committee, may be placed in nomination by petitions of the Membership. Such petitions shall be signed by the nominee, state that the nominee will serve if elected, and be signed by a minimum of seventy-five (75) REALTOR® Members in good standing with Bay East as of the date the petition is filed with Bay East. If the nominating petition is for a non-officer District Director position, then all of the seventy-five (75) signatures must be REALTOR® Members that are eligible to vote and who maintain their office in the same District as the Nominee. If the nominating petition is for a non-officer Director-at-Large position, then the signatures may be gathered from any REALTOR® Member that is eligible to vote.
- D. Any petition nominating candidates containing the required signatures must be delivered to the office of the Chief Executive Officer at Bay East no later than noon on the third Friday in July.
- E. The Leadership Evaluation and Selection Committee shall certify to the Board of Directors, no later than Wednesday following the third Friday in July that all candidates nominated by the Leadership Evaluation and Selection Committee or by petition satisfy all qualifications for the elected office for which they have been nominated.

SECTION 13.02 - NOTICE OF NOMINATIONS

- A. Selections of the Leadership Evaluation and Selection Committee shall be published at least twice in separate bulletins commencing no later than the first Friday in July.
- B. Names of those candidates nominated by petition shall be published at least twice in separate bulletins commencing no later than the first Friday in August.

SECTION 13.03 - ELECTION PROCEDURE

- A. Delivery of Notices, Reports and Ballots. All notices, reports and ballots in connection with the election or removal of officers and directors shall be given in accordance with Section 21.08 herein.
- B. Elections shall be by secret ballot and balloting shall be conducted in accordance with the provisions set forth in Article XV, VOTING BY MEMBERS.
- C. The ballots shall contain the names of all candidates in alphabetical order for each office or seat for which they are nominated. In the event that a candidate is unopposed, the fact shall be stated on the ballot.

- D. Prior to August 10, ballots shall be distributed in a manner prescribed by the Directors to each REALTOR® Member entitled to vote as of the date of distribution.
- E. 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. In case there are more than two candidates for a single elected Officer position, the candidate receiving the majority of the votes cast shall be deemed elected. If no elected Officer candidate receives a majority of the votes cast, a second election shall be held between the two candidates receiving the highest number of votes, with such election being conducted according to these Bylaws, and ballots shall be distributed within forty-five (45) days from the date that the results of the election are announced by the Leadership Evaluation and Selection Committee.
- G. In case there is more than one vacancy for Director in any one district, such vacant seats will be filled by candidates in the order of the number of votes each has received, with those candidates receiving the highest number of votes filling the vacancies.
- H. Should a tie vote occur for a directorship, the winner shall be determined by a drawing conducted by the Leadership Evaluation and Selection Committee at which the tied candidates shall be invited to attend.
- I. If at the close of time for nominating candidates by petition there is only one unopposed candidate for the position to be filled, then that candidate shall be deemed to have been elected.

ARTICLE XIV - REMOVAL OF OFFICERS AND DIRECTORS

SECTION 14.01 - 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:
 - 1. who has been declared of unsound mind by a final order of court;
 - 2. who has been convicted of a felony, even though said conviction may be under appeal;
 - 3. who has been absent from three (3) consecutive regular meetings of the Board of Directors or who has been absent for a total of four (4) regular meetings during a calendar year.
- 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 14.02 - 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. In the case where the petition calls for the removal of a Director, 30 percent (30%) of the signing REALTOR® Members shall maintain their office in the district represented by the Director.
 - 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 XV, VOTING BY MEMBERS, 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 an Affiliate Director.
 - 6. A quorum shall consist of 15 percent (15%) 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.

ARTICLE XV - VOTING BY MEMBERS

SECTION 15.01 - 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.

Delivery of Notices, Reports and Ballots. All notices, reports and ballots in connection with the election or removal of officers and directors may be accomplished by personal delivery, first class mail, facsimile, electronic mail or other electronic means.

SECTION 15.02 - 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 15.03 - THE BALLOT FORMAT

- A. In the election of Officers and Directors, 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.

SECTION 15.04 - 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 15.05 - VOTING PROCEDURES

- A. Voting shall be by secret ballot, and sufficient ballots shall be delivered to offices with voting Members
- B. All notices, reports and ballots in connection with the election or removal of officers and directors may be given in accordance with Section 21.08 herein.
- C. 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 and shall be counted immediately thereafter during said fourteen (14) day period all ballots delivered to Bay East shall be accepted.
- D. Bay East shall place all of those returned envelopes and a printed copy of all votes cast electronically in a secure ballot locked mailbag provided for such purpose. Only those Ballots submitted with appropriate mailing label or electronic confirmation of "identity" as set forth in the Policy and Procedures Manual will be deemed valid.

- E. The outcome of the balloting shall be published to Bay East Membership within ten (10) calendar days of the counting of the ballots.
- F. The following material shall remain on file at Bay East for a period of thirty (30) calendar days after the balloting has closed and shall be available for inspection, during normal business hours, by any REALTOR® Member eligible to vote:
 - 1. A check list of those Members eligible to vote with a notation that the voting Member had voted.
 - 2. A completed count of total ballots received, total deemed invalid, total ballots counted, and a total of ballots counted for an Officer or Director for or against the proposed action.
 - 3. All returned envelopes and a printed record of electronic confirmation of identity.
- G. 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 Policies and Procedures Manual.

ARTICLE XVI - SPECIAL ISSUES FOR VOTE BY REALTOR® MEMBERS

SECTION 16.01 - 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 16.02 - 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 16.03 - 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 the Article in these Bylaws which relates to VOTING BY MEMBERS.

ARTICLE XVII - MEETINGS OF MEMBERS

SECTION 17.01 - 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 17.02 - PLACE OF MEETING

Meetings of the membership shall be held at any place 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 the A.O.R.

SECTION 17.03 - NOTICE OF MEETINGS

For any meeting of the REALTOR® membership eligible to vote, notice shall be delivered in accordance with Section 21.08 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 17.04 - 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 17.05 - 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 17.06 - VOTING AT MEETINGS

- A. Eligibility to vote. 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. Meeting conducted by President. The meeting shall be conducted by the President, or in his/her absence, the President-Elect, or in the absence of both, the designee of the Board of Directors.
- C. Manner of casting votes. 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.
- C. Majority of Members required to pass vote. 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 17.07 - 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 17.08 - 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 XV, VOTING BY MEMBERS, of these Bylaws.

ARTICLE XVIII - COMMITTEES

SECTION 18.01 - 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 XIX - MULTIPLE LISTING SERVICE

SECTION 19.01 - 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 two-thirds (2/3) of the Directors voting.
- B. The purpose of the Multiple Listing Service is to provide a means by which an authorized MLS Broker makes a blanket unilateral offer of subagency to the other authorized MLS Broker, and it shall also provide a facility for the collation and dissemination of listing information among the Participants so they may better serve their client and the public.

SECTION 19.02 - ADMINISTRATION

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

SECTION 19.03 - 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 19.04 - 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 M.L.S. shall be deemed to deny availability of the M.L.S. 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 XX - INDEMNIFICATION

SECTION 20.01 - 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 that Section, 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 20.02 - APPROVAL OF INDEMNITY

On written request to Bay East by any person seeking indemnification under Section 7237(b) or Section 7237© 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© 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© has been met and, if so, the Members present at the meeting in person shall authorize indemnification.

SECTION 20.03 - 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 Sections 20.01 and 20.02 of 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 20.04 - 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.

ARTICLE XXI - MISCELLANEOUS

SECTION 21.01 - 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 21.02 - 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.

SECTION 21.03 - NO PROXY VOTING AT ALL MEETINGS

No Proxy votes shall be accepted at any Bay East meeting.

SECTION 21.04 - 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 21.05 - FISCAL YEAR

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

SECTION 21.06 - 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.

SECTION 21.07 - STATE AND NATIONAL ASSOCIATION COMPLIANCE

The Board of Directors is authorized from time to time to amend these Bylaws to cause them to be in compliance with the requirements of C.A.R. and or NAR

SECTION 21.08 – MANNER OF GIVING NOTICE

The Board of Directors is authorized from time to time to amend these Bylaws to cause them to be in compliance with the requirements of C.A.R. and or NAR.

- 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.

ARTICLE XXII - BYLAW AMENDMENTS

SECTION 22.01 - POWER OF DIRECTORS TO PROPOSE AMENDMENTS

The Board may adopt new bylaws or adopt, amend or repeal these Bylaws, provided, however the Board may not adopt, amend or repeal Bylaw provisions concerning the following subjects without the approval of the Members: (a) the election of the Board; (b) the disposition of all or substantially all of the assets of Bay East; c) a merger and its principal terms or any amendment thereof; and (d) any election to dissolve Bay East.

SECTION 22.02 - 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 filed at the Bay East office 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 22.03 - 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 the Article in these Bylaws which relates to VOTING BY MEMBERS.

SECTION 22.04 - BALLOTING 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 XV, VOTING BY MEMBERS.
- C. A quorum shall consist of 15 percent (15%) 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. 0