



MEMBERSHIP RULES AND REGULATIONS

November 2019

**Bay East Association of REALTORS®
MEMBERSHIP RULES AND REGULATIONS**

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Section 1 FORMS OF MEMBERSHIP

The Bay East Association of REALTORS® (Bay East) provides the following forms of membership as described in Bylaws Article IV:

1. REALTOR® (**Whether Primary or Secondary**)
2. Institute Affiliate
3. Platinum Affiliate
4. Honorary (REALTOR®)
5. Student
6. Emeritus
7. Distinguished Service
8. Franchise Corporate Officers

Section 2 APPLICATION.

Applicants for membership are required to submit a completed application on Bay East's application form. Applicants for REALTOR® membership shall agree to abide by Bay East's governing documents, the Code of Ethics; Binding Arbitration, the NAR Constitution, Bylaws, and Rules and Regulations of Bay East, C.A.R. and, and if elected a Member, will abide by the NAR Constitution 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 NA.R. 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, and the NAR Constitution and Bylaws of the National Association of REALTORS® (NAR) and all future amendments thereto.

No applications may be accepted without valid proof of a current BRE license (i.e., BRE Card, BRE License).

Section 3 STATE AND NATIONAL ASSOCIATIONS

Upon being approved for membership in Bay East, applicants automatically become eligible for NATIONAL ASSOCIATION OF REALTORS® (NAR) and the CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.) services by virtue of Bay East Association of REALTORS® being a Member Association of same.

Section 4 RULES OF APPLICATION

The following rules apply to all Members and Membership Applicants.

Section 5 APPROVAL OF REALTOR® APPLICANTS

- A. 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, NAR Constitution, Rules and Regulations and Code of Ethics referred to above.

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

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

- C. The applicant shall complete the New Member Orientation Program provided by Bay East. Applicant will complete New Member Orientation Programs within sixty (60) days and the mandated NAR Ethics Class within ninety (90) days from date of application. 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.

If a REALTOR® drops Association Membership for more than two (2) years, and then wishes to reinstate membership, he/she is required to pay an application fee along with the appropriate Bay East, C.A.R. and NAR dues.

- D. REALTORS® are required to complete the NAR mandated Ethics Class every three-year period, starting with the 2019/2020/2021 period, and for successive three-year periods thereafter, each REALTOR® member of an Association shall be required to complete a course on the Code of Ethics (**except for REALTOR® members granted REALTOR® Emeritus status by the NAR**), meeting the minimum criteria established by NAR for biennial ethics training. This requirement will be satisfied upon presentation of documentation that the member has completed such course of instruction conducted by Bay East or another Association, C.A.R., NAR, or any other recognized educational institution. REALTOR® members who have completed training as a requirement of membership in another Association and REALTOR® members who have completed the New Member Code of Ethics Orientation during any three-year cycle shall not be required to complete additional ethics training until a new two-year period commences.

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

- E. The Chief Staff Executive (or duly authorized designee) shall determine whether the applicant is applying for the appropriate class of membership.
- F. 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.
- G. 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 be made of any hearing before it or may electronically or mechanically record the proceedings.
- H. 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.
- I. 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 6 MEMBERSHIP IMPLEMENTATION

- A. Applicants shall be considered to have become Members of Bay East immediately following approval of their application by the Board of Directors.
- B. REALTOR® applicants shall be subject to all Bay East Rules and Regulations, Bylaws, Corporate Policy and Procedures including the Code of Ethics, as of the date of making application.
- C. Applicants are eligible to receive Bay East services as of the date of making application and payment of appropriate fees. Continuation of services is subject to the approval of their application by the Board of Directors.

Section 7 DUES

- A. Dues are chargeable as per Article IX of the Bylaws, namely;
 - 1. That portion of dues retained by Bay East as set annually by the Board of Directors.
 - 2. That portion of dues necessary to enable Bay East to meet dues obligations to C.A.R. and NAR.
(See Article IX, Section 2 of the Bay East Bylaws, regarding Designated REALTOR® responsibility for salesperson members to be advised of annual dues billing by June 1 of each year.)
- B. Local Association Dues: Local Association dues paid to Bay East for REALTOR®, Platinum Affiliate and student applicants shall be prorated from the beginning of the current calendar month to the end of the year. For subsequent years, local Association dues paid to Bay East shall be paid annually in advance. Bay East dues for all other membership categories shall be paid as established by the Board of Directors in accordance with Bylaws, Article IX.

- C. Individual Members are to be billed for annual Bay East dues. The Designated REALTOR®, is to be billed for REALTOR® dues based on number of licensees and licensed or certified appraisers associated with such REALTOR'S® firm, minus the number of licensees or certified appraisers who are Association Members.
- D. The Membership year is from July 1 of each year.
- E. C.A.R./NAR Allocations - REALTORS®: That portion of local Association dues necessary to enable Bay East to meet dues obligations to C.A.R./NAR for REALTOR® applicants shall be prorated from the beginning of the current calendar month to the end of the year. For subsequent years, that portion of local Association dues necessary to enable Bay East to meet dues obligations to C.A.R./NAR shall be paid annually in advance as part of the annual dues.
- F. Dues are non-refundable.

Section 8 APPLICATION OF FEES

- A. There is no application fee for Honorary Members.
- B. Transfer Fees: There may be a transfer fee. A Transfer Form is to be completed when a REALTOR® working as a salesperson changes offices. No services will be furnished until Member has submitted the transfer form with proper Designated Broker's signature.-Transfer must be completed within ten (10) business days after leaving the firm.
- C. Reinstatement Fee (Bylaws Article IX): Determined by Directors.
- D. Payment Plan for Fees.

Section 9 RETURN OF FEES

- A. Failure to complete the required New Member Orientation Program provided by Bay East, within sixty (60) days and the mandated NAR Ethics Class within ninety (90) days from 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.
- B. In the event of disapproval of application by Bay East all local fees collected at the time of application shall be refunded in full.
- C. Except as stated above, all fees and dues are non-refundable.

Section 10 AFFILIATE SERVICES

Platinum Affiliate applicants shall be eligible for services due them upon payment of application fees to Bay East. A list of Bay East services for Platinum Affiliate Members is available upon request.

Section 11 RESIGNATIONS

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

Section 12 REALTOR® AND PLATINUM AFFILIATE MEMBER CHANGES.

- A. Firm Address Change: Written notification of firm address change must be submitted by the Designated REALTOR® only when the firm's address is changed. Notification must be submitted no later than seven (7) days after the address change. A list of licensees relocating to the new address must be submitted on the form.
- B. Individual Member Address Change: Written notification of personal address change must be submitted. If Member changing from one office to another, A Transfer Form must be completed and turned into Bay East within ten (10) days of the firm change.

Section 13 REQUIREMENTS TO NOTIFY A.O.R. OF AFFILIATION OF NEW SALES ASSOCIATE.

Designated REALTOR® Members are required to notify Bay East when accepting the affiliation of a new sales associate. Such notification must be submitted within ten (10) days of affiliation. In this context, sales associates may be either a real estate licensed salesperson or broker. Failure to notify Bay East will cause the Designated REALTOR® Member to be subject to an assessment equal to the new sales associates Bay East, C.A.R. and NAR dues. In the event that the new sales associate of a Designated REALTOR® does not elect to apply for membership in Bay East within ten (10) days of application with the Designated REALTOR®, said Designated REALTOR® shall be responsible for registering the sales associate as a "NON-MEMBER SALESPERSON" and paying the equivalent of the sales associates' Bay East, C.A.R. and NAR dues as part of the Designated REALTOR® Members dues. (Article IX).

Section 14 LEAVE OF ABSENCE

Leaves of absence shall not be granted.

Section 15. WAIVERS OF MEMBERSHIP REQUIREMENTS

Any request for a waiver of a membership eligibility requirement must be made in writing as a "special request" to the Board of Directors. All recommendations will be reviewed by the Board of Directors. Appearance before the Board of Directors may be required.

Section 16 SUSPENSION (BYLAWS ARTICLE IX)

- A. Bay East reserves the right to suspend any Member for violation of the Bylaws, Rules and Regulations of Bay East, or the Code of Ethics of NAR, or for any other conduct which discredits Bay East or the real estate profession after a hearing as provided in the Bylaws.
- B. Upon the severance of a REALTORS® professional relationship with a Principle REALTOR®, resulting in the REALTORS® license being no longer associated with a Principle REALTOR®.
- C. A REALTOR® Member whose license is suspended by the State of California or a state contiguous thereto, is automatically suspended from Bay East membership.

D. Unpaid dues, fees, or assessments:

1. Members shall be suspended for the non-payment of dues, fees, or assessments if the dues, fees, assessments are not paid within thirty (30) days, provided that at least ten (10) days notice has been given. This includes annual dues due on July 1 of any given year.

Section 17 TERMINATION (BYLAWS: ARTICLE IX)

- A. Bay East reserves the right to terminate any Member for violation of the Bylaws, Rules and Regulations of Bay East, the Code of Ethics of NAR, or for any other conduct which discredits Bay East, or the real estate profession after a hearing as provided by the Bylaws.
- B. Any Member not paying dues, fees, or assessments within thirty (30) days after the payment due date, may be terminated from membership. The Member's name is presented to the Board of Directors for confirmation of termination. The Member and the Member's Designated REALTOR® are then notified, in writing, of the termination and the Designated REALTOR® shall be responsible for the enforcement of Bylaws, Rules and Regulations, in denial of all services of the suspended member.

Section 18 RIGHT TO NOTICE AND HEARING BEFORE TERMINATION

Any Member being considered for termination for reasons other than the non-payment of dues, fees, or assessments, shall be notified of the pending action at least twenty (20) business days prior to the convening of the Board of Directors at which the termination is being considered.

EXHIBIT "A"
Bay East Bylaws Article V – Membership

There shall be five (5) classifications of membership which are:

SECTION 2 - QUALIFICATIONS FOR REALTOR® MEMBERS:

- 2.1 REALTOR® Members, whether primary or secondary, who are principals, partners, corporate officers or branch office managers of real estate firms shall:
- a) Maintain a current, valid California real estate broker or salesperson license or California real estate appraisal certification or license; and
 - b) Act as a sole proprietor, partner, corporate officer of a real estate firm or office manager of a real estate firm acting on behalf of the firm's principal(s); and
 - c) Remain actively engaged in the real estate profession; and
 - d) Maintain or be associated with a real estate office located within the state of California or a state contiguous thereto; and
 - e) Have no record of official sanctions rendered by the courts or other lawful authorities for (i) violations of civil rights laws or real estate license laws within the past three years or (ii) criminal convictions within the past ten years where the crime was punishable by death or imprisonment in excess of one year under the law under which the applicant was convicted (ten years is measured from the date of the conviction or the release of the applicant from the confinement imposed for that conviction, whichever is the later date).
- 2.2. REALTOR® Members, whether primary or secondary, other than principals, partners, corporate officers, or branch office managers of real estate firms shall:
- a) Maintain a current, valid California real estate broker or salesperson license or California real estate appraisal certification or license; and
 - b) Remain actively engaged in the real estate profession; and
 - c) Remain employed by or affiliated as an independent contractor with a REALTOR® Member who meets the requirements in Section 2.1 of Article V above, for any Association in California or a state contiguous thereto; and
 - d) Have no record of official sanctions rendered by the courts or other lawful authorities for (i) violations of civil rights laws or real estate license laws within the past three years or (ii) criminal convictions within the past ten years where the crime was punishable by death or imprisonment in excess of one year under the law under which the applicant was convicted (ten years is measured from the date of the conviction or the release of the applicant from the confinement imposed for that conviction, whichever is the later date).
- 2.3 REALTOR® Members may be franchise corporate officers under the following circumstances: franchise corporate officers of real estate brokerage franchise organizations with at least one hundred fifty franchisees located within the United States, its insular possessions and the commonwealth of Puerto Rico, may be elected to membership pursuant to the Constitution and Bylaws of NAR (hereinafter "Franchise Corporate Officers"). Franchise Corporate Officers may or may not be licensed for California real estate broker or salesperson or appraisal activities. Franchise Corporate Officers shall enjoy all of the rights, privileges and obligations of REALTOR® membership, including compliance with the Code of Ethics, except: obligations related to Bay East mandated education, meeting attendance, or indoctrination classes or other similar requirements, if any; the right to use the term REALTOR® in connection with their franchise organization's name; and the right to hold elective office in the Bay East, C.A.R., and NAR.

- 2.4 Each firm shall designate in writing one "Designated REALTOR®" Member who shall be responsible for the conduct of individuals affiliated with the firm and accountable to Bay East for all duties and obligations of Bay East membership including, but not limited to, certification as set forth in Article V. The "Designated REALTOR®" must be the sole proprietor, partner, corporate officer or an office manager acting on behalf of the firm's principal(s) and must have the authority to bind the firm in arbitrations and must meet all the other qualifications for REALTOR® membership set forth in Article V, of the Bylaws.
- 2.5 Association of Choice.
- a) Primary Membership. Licensees affiliated with a REALTOR® firm may choose as their "primary" Association any Association within California where the firm maintains a "Designated REALTOR®." An individual is a primary Member of the Association if the Association pays C.A.R. and NAR dues based on such Member. One of the principals in a real estate firm must be a Designated REALTOR® of Bay East in order for the licensees affiliated with the firm to select Bay East as the "primary" Association.
 - b) Secondary Membership. A REALTOR® who has joined another Association as a primary Member may join Bay East as a secondary Member. There need not be a Designated REALTOR® Member of Bay East for licensees to select Bay East as their secondary Association. The conditions for secondary membership shall be no more stringent than for primary membership, and the privileges of membership shall be the same including the right to vote and hold office.
- 2.6 Each sole proprietor, partner or corporate officer of the real estate firm who is actively engaged in the real estate profession within California or within a state contiguous thereto shall be required to become a REALTOR® Member if any other sole proprietor, partner or corporate officer of such firm, partnership or corporation is a REALTOR® Member within those states. Each is required to hold REALTOR® membership individually in a local Association in California if they meet all the other qualifications set forth in Article V, Sections 2.1, 2.2, or 2.3 of the Bylaws (except as provided in Section 2.7). Each sole proprietor, partner or corporate officer of the real estate firm or franchise corporate officers shall be ineligible for any class of membership other than REALTOR® membership unless they otherwise qualify for Institute Affiliate membership as described in Article V, Section 3.
- 2.7 In the case of a real estate firm, partnership or corporation whose business activity is substantially all commercial, only those principals actively engaged in the real estate profession in connection with the same office, or any other offices within the jurisdiction of Bay East in which one of the firm's principals holds REALTOR® membership, shall be required to hold REALTOR® membership unless otherwise qualified for Institute Affiliate Membership as described in Article V, Section 3. **M**

SECTION 3 - QUALIFICATIONS FOR INSTITUTE AFFILIATE MEMBERS:

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

SECTION 4 - QUALIFICATIONS FOR PLATINUM AFFILIATE MEMBERS:

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

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

SECTION 6 - QUALIFICATIONS FOR HONORARY MEMBERS:

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

SECTION 7 – QUALIFICATIONS FOR STUDENT MEMBERS:

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

SECTION 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", "Student Members", "Platinum Affiliate Members," shall not be construed to confer upon any such nonvoting Members the right to vote or any other rights of a "Member" of the Corporation within the meaning of section 5056 of the California Non-Profit Corporation Law, with the exception of the limited voting right afforded Platinum Affiliate Members as set forth in these Bylaws.

SECTION 4.03 - TERM "MEMBER IN GOOD STANDING"

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