

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

Article V – Membership

Section 1. Classes of Membership. There shall be ~~six~~ seven classes of membership: (a) REALTOR® Members; (b) Senior Members; (c) Institute Affiliate Members; ~~(d) Company Preferred Partner Members; (d) (e) Individual Preferred Partner Members;~~ ~~(e) (f) Honorary Members; and (f) (g) Student Members.~~

Section 2. Qualifications

- (a) REALTOR® Members. REALTOR® Members, whether primary or secondary, who are principals, (principals are defined herein and throughout these Bylaws when this terminology is used, as sole proprietors, partners, corporate officers or branch office managers of real estate firms) shall:
- (1) Maintain a current, valid California real estate broker or salesperson license or California real estate appraisal certification or license; and
 - (2) Act as sole proprietor, partner or corporate officer of a real estate firm acting on behalf of a firm's principal's; and
 - (3) Remain actively engaged in the real estate profession; and
 - (4) Maintain or be associated with a real estate office located within the state of California or a state contiguous thereto; and
 - (5) Have no record of official sanctions rendered by the courts or other lawful authorities for (i) violations of civil rights laws or real estate 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.
- (b) REALTOR® Members. REALTOR® Members, whether primary or secondary, other than principals, shall:
- (1) Maintain a current, valid California real estate broker or salesperson license or California real estate appraisal certification or license; and
 - (2) Act as sole proprietor, partner or corporate officer of a real estate firm acting on behalf of a firm's principal's; and
 - (3) Remain employed by or be affiliated as an independent contractor with a REALTOR® member who meets the requirements in Section 2(a) above for any Association in California or a state contiguous thereto; and
 - (4) Maintain or be associated with a real estate office located within the state of California or a state contiguous thereto; and
 - (5) Have no record of official sanctions rendered by the courts or other lawful authorities for (i) violations of civil rights laws or real estate 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.
- (c) Senior Members. Senior Members shall be those REALTOR® Members or retired REALTOR® Members who have an equivalent of 100 years, combining age and membership in a Board or Association. Senior Members shall have all the rights and privileges and be subject to all the obligations of REALTOR® Members, except that Senior Members who are not actively engaged in the real estate industry may vote but may not hold office in the SAR.
- (d) 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 vote or hold office. Any such individual, if otherwise eligible, may instead elect to hold REALTOR® membership, subject to payment of applicable dues for such membership.
- (e) Individual Preferred Partner Members. Individual Preferred Partner Membership shall be granted to individuals who, while not engaged in the real estate profession as defined in Article V, Section 4, have the interests requiring information concerning real estate and are in sympathy with the objectives of the SAR. Preferred Partner membership shall be granted to individuals licensed or certified to engage in real estate practice who, if otherwise eligible, do not elect to hold REALTOR® membership in the SAR, provided the applicant is engaged exclusively in a specialty of the real estate business other than sales brokerage of real property. Individual Preferred Partner Members shall have the rights and privileges and be subject to such obligations as are prescribed from time to time by the Board of Directors, consistent with the Constitution and Bylaws of the NAR.
- (f) Honorary Members. Honorary Members shall be those persons recognized by the Board of Directors as persons who have performed notable service for the real estate profession, for the SAR, or for the public though not engaged in the real estate profession. Honorary Members shall have only the right to attend meetings and participate in discussions.
- (g) 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 REALTORS® membership. Student Members shall have the rights and privileges and be subject to the obligations prescribed by the Board of Directors.

- (c) A REALTOR® with a direct or indirect ownership interest in an entity engaged exclusively in soliciting and/or referring clients and customers to the REALTOR® for consideration on a substantially exclusive basis (LFRO) shall annually file with the association on a form approved by the association a list of the licensees affiliated with that entity and shall certify that all of the licensees affiliated with the entity are solely engaged in referring clients and customers and are not engaged in listing, selling, leasing, 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 XII, Section 2 (c) 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 MLS, and 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 Originator 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 an MLO license or endorsement, (2) are not engaged in real estate licensed activities except for those for which an MLO is required, and (3) are not participants or subscribers in any Multiple Listing Service. 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 (c) and shall not be included in calculating the annual dues of the Designated REALTOR®.

The exemption for any licensee included on the certification forms shall automatically be revoked upon the individual being engaged in real estate licensed activities (listing, selling, leasing, renting, managing, counselling or appraising) other than referrals or providing services for which an MLO license is required; or for being a participant or subscriber of any Multiple Listing Service and dues for the current fiscal year shall be payable.

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

- (d) Dues for Institute Affiliate Members of the SAR may not exceed two and one-half times the amount established pursuant to Article II, Section 1(a) of NAR’s Bylaws.
- (e) Senior Members shall be exempt from payment of SAR dues.
- (f) Members on Inactive status must pay C.A.R. and NAR dues, but SAR dues are waived.

Section 3. Dues Payable. Dues for all REALTOR® and Preferred Partner Members shall be payable annually in advance on the first day of January. ~~Dues for all Preferred Partner Members shall be due and payable annually in advance on the first day of July.~~ Dues shall be computed from the first day of the month in which a Member is notified of acceptance and shall be prorated for the remainder of the year.

Any Member who initiates bankruptcy proceedings may be placed on a “cash basis” from the date that bankruptcy is initiated until one year from the date that the Member has been discharged from bankruptcy.

Section 4. Nonpayment of Financial Obligations.

- (a) If dues, fees, fines or other assessments including amounts owed to the SAR are not paid within fifteen days after the due date, the nonpaying Member is subject to suspension. Forty days after the due date, membership of the nonpaying Member shall be subject to termination unless within that time the amount due is paid. However, no action shall be taken to suspend or expel a Member for nonpayment of disputed amounts until the accuracy of the amount owed has been confirmed by the Board of Directors. No Member of any category shall be suspended or expelled unless the procedures on Member suspension or expulsion, set forth in Article V, Section 11, are followed.
- (b) If within ten (10) days after the mailing of a notice the member requests a hearing, the effective date of the suspension or expulsion shall be deferred until after such hearing. The Board of Directors shall mail by regular first-class mail to the member at least five (5) days prior to the hearing a notice of the time and place of the hearing. At the hearing the Board of Directors shall receive evidence from the member and may receive evidence from any other person on the issue of whether the member was delinquent in the payment of fees or charges and on the issue of whether it would be in the best interest of the SAR to suspend or expel the member.