



BYLAWS

As Amended Through 10/03/2023

Sacramento Association of REALTORS®
BYLAWS
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Article I – Name

Section 1. Name. The name of this organization shall be the Sacramento Association of REALTORS®, Incorporated, (hereinafter referred to as the “SAR” or “Association”).

Section 2. REALTOR® Membership Mark in Name of Association. Inclusion and retention of the registered collective membership mark “REALTORS®” in the name of the Association shall be governed by the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS® (hereinafter “NAR”) as from time to time amended.

Article II – Objectives

Section 1. Objectives. The objectives of the SAR are:

- (a) To unite those engaged in the recognized branches of the real estate profession for the purpose of exerting a beneficial influence upon the profession and related interests. The “recognized branches of the real estate profession” include buying, selling, exchanging, renting, or leasing, managing, appraising for others for compensation, financing, building, developing, or subdividing real estate.
- (b) To promote and maintain high standards of conduct in the real estate profession as expressed in the Code of Ethics of the NAR (hereinafter “Code of Ethics”).
- (c) To provide a unified medium for real estate owners and those engaged in the real estate profession whereby their interest may be safeguarded and advanced.
- (d) To further the interests of home and other real property ownership.
- (e) To unite those engaged in the real estate profession in this community with the California Association of REALTORS® (hereinafter “C.A.R.”) and the NAR thereby furthering their own objectives throughout the state and nation and obtaining the benefits and privileges of membership therein.
- (f) To designate, for the benefit of the public, those individuals within the state of California authorized to use the terms REALTOR® and REALTORS® as licensed, prescribed, and controlled by NAR.

Article III – National and State Memberships

Section 1. Association Membership in NAR and C.A.R. The SAR 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 the SAR’s membership in NAR and C.A.R., each REALTOR® Member of the SAR shall be entitled to membership in NAR and C.A.R. without further payment of dues. The SAR 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 SAR’s membership.

Section 2. Ownership and Use of REALTOR® Membership Marks. The SAR recognizes the exclusive property rights of NAR in the terms REALTOR® and REALTORS®. The SAR may use the terms while it is a Member in good standing of NAR. The SAR 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 3. Adoption & Enforcement of NAR Code of Ethics: Compliance with NAR & C.A.R. Governing Documents & Policies. The SAR Adopts the NAR Code of Ethics and agrees to enforce the Code of Ethics among its REALTOR® Members. The SAR 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 4. Other Sacramento Association of REALTORS® Rules and Policies. The SAR may adopt any Rules and Regulations or policies not inconsistent with the Constitution, Bylaws, Rules and Regulations, or policies of NAR and C.A.R. and their Bylaws. Any inconsistencies between the SAR’s Rules and Regulations or policies and the Bylaws of the SAR (hereinafter “Bylaws”) shall be controlled by the Bylaws.

Article IV – Jurisdiction

Section 1. Description of Jurisdiction. The territorial jurisdiction of the SAR as a Member of NAR is: Northern Boundary: Beginning at the intersection of Yolo and Sutter County lines at East side of the Yolo Bypass continuing Easterly along the Northern Boundary line of Sacramento County, Eastern Boundary: East boundary line of Sacramento County; Southern Boundary: Beginning at the intersection of State Highway 104 with Sacramento County line, thence Westerly on said State Highway to its intersection with Glannvale Road at Twin Cities; continuing Westerly on Glannvale Road to its intersection with the Sacramento River, thence Northwest along the Sacramento River to the town of Courtland; Western Boundary: Beginning at the Town of Courtland on the Sacramento River and continuing Southerly and Westerly along the Western boundary of Sacramento County to the intersection of Yolo County at the Yolo Bypass and continuing Northerly on the Eastern side of Yolo Bypass to the point of beginning, including the communities of Sacramento, North Sacramento, Folsom, Natomas, Orangevale, Fair Oaks, Carmichael, Rio Linda, North Highlands, Citrus Heights, Sheldon, Elk Grove, Sloughhouse, Courtland, Franklin, Freeport, Florin, Clay and Twin Cities all within the County of

Sacramento; and Clarksburg, Southport, West Sacramento, Broderick, Bryte and Elkhorn, all within the County of Yolo, California (territory that is East of Yolo Bypass in Yolo county was released by the Yolo County Board of REALTORS®.)

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 classes of membership: (a) REALTOR® Members; (b) Senior Members; (c) Institute Affiliate Members; (d) Company Preferred Partner Members; (e) Individual Preferred Partner Members; (f) Honorary Members; and (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.

Section 2.1. Designated REALTORS®. Except for appraiser firms opting for preferred partner membership, each firm shall designate in writing one REALTOR® Member who shall be responsible for the conduct of individuals affiliated with the firm and accountable to the SAR for all duties and obligations of SAR membership. The "Designated REALTOR®" must be the owner, a partner, corporate officer, or a branch office manager acting on behalf of the firm and must have the authority to bind the firm in arbitration and must meet all the other qualifications for REALTOR® membership set forth in Article V, Section 4 (a) of these Bylaws.

Section 2.2. Primary and Secondary REALTOR® Members. An individual is a primary Member of SAR if SAR remits C.A.R. and NAR dues based on that individual. An individual is a secondary Member if C.A.R. and NAR dues are remitted through another Board or Association. There must be a designated REALTOR® Member of the SAR for licensees affiliated with the firm to select SAR as their primary Association. There need not be a designated REALTOR® Member of SAR for licensees affiliated with the firm to select SAR as their secondary Association.

Section 2.3. Required REALTOR® Membership of Officers and Partners.

- (a) Each principal of a firm actively engaged in the real estate profession within the State of California or any state contiguous thereto shall be ineligible for any class of membership other than REALTOR® membership. Each is required to hold REALTOR® membership in a REALTOR® organization within the State of California if they meet all the other qualifications set forth in this Article V, Section 4(a), and Section 5 of these Bylaws.
- (b) 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 business in connection with the same office, or any other offices within the jurisdiction of SAR 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 Section 2(d) above.

Section 2.4. 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 NAR (hereinafter "Franchise Corporate Officers"). Franchise Corporate Officers may 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 NAR Code of Ethics, except: obligations related to board mandated education, meeting attendance or indoctrination classes or 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 SAR, C.A.R., and NAR.

Section 3. Inactive Status. At the request of a Member having an extended illness, such Member may be granted inactive status for a period of up to six months, subject to the approval of the Board of Directors which must also approve any extensions. Members on inactive status may not conduct real estate business, vote, or hold office in the SAR.

Section 4. Application for Membership.

- (a) Each applicant for membership shall submit an application in such manner and form as may be prescribed by the Board of Directors in the Manual of Procedures or otherwise. Each applicant shall give his or her consent that the SAR may obtain information about the applicant from any Member or other persons and that any information furnished to the SAR by any person shall not form the basis of any action for slander, libel, or defamation of character.
- (b) Applicants for membership shall be familiar with and agree to abide by the Bylaws and Rules of the SAR, the Bylaws of C.A.R. and the NAR Constitution, Bylaws and Code of Ethics, to the extent they are applicable.
- (c) Applicants who are sole proprietors, general partners, corporate officers or Designated REALTORS® or branch office managers of a real estate firm, or associated with a real estate firm shall verify: (1) they have no record of official sanctions rendered by the courts or other lawful authorities within the past three years for violations of (i) civil rights laws; (ii) real estate license laws; (iii) other laws prohibiting unprofessional conduct; or (iv) criminal convictions if (1) the crime was punishable by death or imprisonment in excess of one year under the law under which the applicant was convicted and (2) 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 (2) that they have not been suspended or expelled from a Board or Association of REALTORS® within the past three years for violations of the REALTORS® Code of Ethics.
- (d) Applicants who are sole proprietors, general partners, corporate officers, or designated REALTORS® or branch office managers of a real estate firm must disclose: (1) whether they or their firms are subject to any pending bankruptcy proceedings; and (2) whether they or their firms have been adjudged bankrupt within the past three years. If the applicant is party to pending bankruptcy or insolvency proceedings or has been adjudged bankrupt within the past three years, the applicant may be required to pay cash in advance for SAR fees for up to one year from the date that membership is approved or from the date that the applicant

is discharged from bankruptcy, whichever is later. If the Board of Directors determines that such prepayments will not protect the interest of the SAR or its Members, such applications may be rejected.

Section 5. Prior Membership Records. SAR may consider information received from other Associations in determining whether an applicant satisfies SAR's membership requirements. SAR may request from any Association where the applicant held prior membership, minimum "core" information including:

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

NOTE: Article IV, Section 2 of the NAR Bylaws prohibits a member AOR 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 6. Application Review and Acceptance. The procedure for review and action on an application for membership shall be as set forth in the SAR Manual of Procedures.

Section 7. New Member Code of Ethics Orientation. Applicants for REALTOR® membership and provisional REALTOR® members (where applicable) shall complete a program on the Code of Ethics as part of their New Member Orientation. This requirement does not apply to applicants for REALTOR® membership or provisional members who have completed comparable orientation in another association, provided that REALTOR® membership has been continuous, or that any break in membership is for one year or less. Ethics training is required to be completed by new REALTORS® within (3) three months of application.

Section 8. Continuing Member Code of Ethics Training. Every three-year period, starting with the period from January 1, 2019 through December 31, 2021, and for successive three-year periods thereafter, each REALTOR® member of the SAR shall be required to complete a course on the Code of Ethics, meeting the minimum criteria established by NAR for ethics training. This requirement will be satisfied upon presentation of documentation that the member has completed such course of instruction conducted by this or another REALTOR® Association, C.A.R., or NAR which meets the learning objectives and minimum criteria established by NAR from time to time. REALTOR® members who have completed training as a requirement of membership in another Association and REALTOR® members who have completed the New Member Code of Ethics Orientation during any three-year cycle shall not be required to complete additional ethics training until a new three-year period commences.

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.

Section 9. Status Changes.

- (a) REALTORS® who change the conditions under which they hold membership shall be required to provide written notification to SAR within (30) days. A non-principal REALTOR® who becomes a principal in the firm with which he or she has been licensed or, becomes a principal in a new firm which will be comprised of REALTOR® principals, may be required to satisfy any previously unsatisfied membership requirements applicable to principal REALTOR® Members. During the period of transition from one status of membership to another, such Members shall be subject to all of the privileges and obligations of a principal REALTOR® Member. The Board of Directors, at its discretion, may waive any qualification which the member has already fulfilled in accordance with the Bylaws. If the REALTOR® does not satisfy the requirements established in the Bylaws for the category of membership to which they have transferred within thirty (30) days of the date they advised SAR of their change in status, their application for change of status will terminate automatically unless otherwise so directed by the Board of Directors.
- (b) Each Member shall have the affirmative duty to notify the SAR of any changes in that Member's license status.
- (c) Any application fee related to a change in membership status shall be reduced by an amount equal to any application fee previously paid by the applicant. Dues shall be prorated from the first day of the month in which the Member is notified of acceptance by the Board of Directors of his/her change in status and shall be based on the new membership status for the remainder of the year.

Section 10. Resignation. If any Member submitting a resignation is indebted to the SAR for dues, fees, fines, or other assessments of the SAR or for charges incurred or services or benefits actually rendered, such resignation shall not relieve the Member so resigning of the obligation to pay any such amounts owing. In addition to its other remedies, SAR may condition the right of the resigning Member to reapply for membership upon payment in full of all such amounts owed.

Section 11. Termination of Memberships. The Board of Directors may, as set forth below, terminate or suspend a membership or expel or suspend a Member for nonpayment of fees, periodic dues, or assessments or for conduct which the Board shall deem inconsistent with the best interests of the Association, including, without limitation, violation of any material provision of these Bylaws, loss of license, or failure to satisfy membership qualification; provided, that any termination, expulsion or suspension arising from discipline of a Member shall be conducted in conformance with the disciplinary proceedings and arbitration rules as referenced in Article VII, Section 1 of these Bylaws.

- (a) The Board shall give the Member who is the subject of the proposed action twenty (20) days prior notice by first class mail or personal delivery of the proposed expulsion, suspension, or membership termination and the reasons there for. If within ten (10) days after such notice is given, the Member requests a hearing, the effective date of suspension, expulsion or termination shall be deferred until after such hearing. The Board of Directors shall notify the Member in writing at least five (5) days prior to the hearing 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 for which the proposed action is being taken and whether it would be in the best interest of SAR to suspend or expel the Member or terminate the membership.
- (b) After review of the information submitted and as it deems in the best interest of the SAR, the board of Directors shall decide within fifteen (15) days whether to suspend or expel the Member or terminate the membership, or to decline to suspend or expel the Member or terminate the membership, or to decline to suspend or expel the Member or terminate the membership on condition that the Member complies with specified conditions. The Member shall be automatically suspended, expelled or the membership terminated without further hearing if the member fails to perform such condition.
- (c) Any suspension, expulsion or termination occurring after a hearing shall be effective five (5) days after notice thereof is given to the Member, subject to the right of the Board of Directors to specify that the suspension, expulsion or termination shall become effective upon the entry, in a suit by the SAR for declaratory relief, of the final judgment of a Court of competent jurisdiction declaring that the suspension, expulsion or termination violates no rights of the Member.

Section 12. Transferability of Memberships. Membership in SAR is not transferable or assignable.

Article VI – Duties of Membership

Section 1. REALTOR® Member Compliance with NAR, C.A.R. and SAR governing documents and policies and the NAR Code of Ethics. It shall be the duty and responsibility of every REALTOR® Member of SAR safeguard and promote the standards, interests and welfare of SAR and the real estate profession, and to protect against conduct that may cause a lack of public interest in the real estate profession of REALTORS®. REALTOR® members must also abide by the governing documents and policies of SAR, C.A.R., and NAR, as well as the Code of Ethics of NAR, including the duty to arbitrate controversies arising out of real estate transactions as specified by Article 17 of the 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 published and from time to time amended by C.A.R.. By becoming and remaining a member, every REALTOR® member agrees that he or she and the corporation or firm for which he or she acts as a partner, officer, principal, or branch office manager, will submit to arbitration through the SAR 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.

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

Section 2. Member Discipline.

- (a) REALTOR® Member Discipline. Any REALTOR® Member of the SAR may be disciplined by the Board of Directors for violations of the Code of Ethics after a hearing as described in such disciplinary proceedings and arbitration rules as may from time to time be adopted by the Board of Directors, provided that the discipline imposed is consistent with NAR policy.
- (b) Any member of SAR may be reprimanded, placed on probation, suspended, or expelled or removed from any office or committee for violation of SAR's Anti-Harassment Policy following and investigation and decision process as set forth in said Anti-Harassment Policy. SAR's Anti-Harassment Policy may be amended at any time by majority vote of the Board of Directors, with such amendment effective for any conduct the last instance of which occurred after the date the amendment to the Anti-Harassment Policy was adopted.

Section 3. Resignation with Pending Arbitration or Disciplinary Hearing. If a Member resigns from the SAR or otherwise causes membership to terminate with a disciplinary complaint pending, the complaint shall be processed until the decision of the SAR with respect to disposition of the complaint is final by SAR (if respondent does not hold membership in any other Association) or by any other Association in which the respondent continues to hold membership. If an ethics respondent resigns or otherwise causes

membership in all Associations to terminate before an ethics complaint is filed alleging unethical conduct occurred while the respondent was a REALTOR®, the complaint, once filed, shall be processed until the decision of the Association with respect to disposition of the complaint is final. In any instance where an ethics hearing is held subsequent to an ethic respondent's resignation or membership termination, any discipline ratified by the Board of Directors shall be held in abeyance until such time as the respondent rejoins an Association of REALTORS®.

If a Member resigns or otherwise causes membership to terminate, the duty to submit to arbitration continues in effect even after membership lapses or is terminated provided that the dispute arose while the former member was a member.

Section 4. Effect of Suspension, Expulsion or Termination.

- (a) If a REALTOR® Member who is a sole proprietor, 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 partners or corporate officers shall suspend or terminate during the period of suspension or expulsion of the disciplined Member unless: (1) the connection of the disciplined Member with the firms, partnership or corporation is severed; or (2) the disciplined Member relinquishes management control of the firm.
- (b) The membership of REALTORS® other than principals 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 the SAR. If a REALTOR® Member other than a sole proprietor in a firm, partner in partnership or officer of a corporation is suspended or expelled, the use of the terms REALTOR® or REALTORS® by the firm, partnership, corporation, Designated REALTOR® or other Member employed by or affiliated with the firm shall not be affected. Removal of an individual from any form or degree of management control must be certified to the SAR by the disciplined Member and by the individual who is assuming management control and 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.
- (c) In any action taken against a principal REALTOR® Member for suspension or expulsion notice of such action shall be given to all REALTORS® employed by or affiliated as independent contractors with such REALTOR® Member and they shall be advised that the provisions in this Article VI, Section 6 shall apply.

Section 5. Notice to Other Associations of Resignation, Suspension or Expulsion. Upon request of another local association of REALTORS® to whom the resigned, suspended, or expelled Member has applied for membership, SAR shall advise that association of the terms of the resignation, suspension or expulsion and the status of any pending disciplinary action.

Section 6. Designated REALTOR® Duty to Certify. Upon request, "Designated" REALTORS® shall certify to the SAR on a form provided by the SAR a complete listing of all individuals licensed and employed or affiliated as an independent contractor with the REALTOR® firm within the state and shall designate the primary association if any, for each individual.

These declarations shall be used for purposes of calculating dues under Article IX, Section 2 of these Bylaws. "Designated" REALTOR® Members shall also notify the SAR of any additional individual(s) licensed or certified with the firm(s) and of any individuals whose affiliation with the firm is severed within thirty (30) days of the date of affiliation or severance of the individual(s).

Section 7. Voting Rights and Eligibility for Elective Office. Only REALTOR® Members, whether primary or secondary, and Senior Members in good standing as of the record date shall be entitled to vote. Any Member delinquent in payment of dues, fees, or assessments duly imposed by Article IX shall not be in good standing. Only REALTOR® Members, including Senior Members who are actively engaged in the real estate industry, shall be eligible to hold elective office in the SAR. Senior Members shall be considered to be the same class as REALTOR® Members. References to "REALTOR® Members" in these Bylaws shall include Members in the categories of REALTOR® Members and Senior Members, unless otherwise specifically stated. Proxy voting is not allowed. For the purposes of these Bylaws, the term "good standing" means the member satisfies the obligations of REALTOR® members set forth in Article VI, Section 1, is current with all financial obligations to SAR, has completed any new member requirements, and complies with NAR's trademark rules.

Section 8. Nonvoting Members. Only REALTOR® Members and Senior Members shall be Members within the meaning of Section 5056 of the California Nonprofit Corporation Law and shall have all rights afforded Members under that law. Reference to persons in other categories of membership, or the conferring of some or all the rights of a Member (other than the right to vote for directors, dissolution, merger, or sale of substantially all of the assets) shall not constitute anyone being a Member within the meaning of Section 5056. References to "Members" in these Bylaws shall mean all Members in categories (a) through (g), whether voting or nonvoting, unless otherwise specifically stated.

Article VII – Professional Standards and Arbitration

Section 1. Professional Standards and Arbitration. The responsibility of the SAR 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 2. Member compliance with NAR, C.A.R. and SAR governing documents and policies and the NAR Code of Ethics. It shall be the duty and responsibility of every member of SAR to abide by the Bylaws and the Rules and Regulations of SAR, 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 in 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® agrees that he or she and the corporation or firm for which he or she acts as a partner, officer, official, principal, or branch manager, will submit to arbitration through SAR 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 2.1. Virtual Hearings In any instance in which a Member is required to participate in a Hearing under C.A.R. and SAR rules the Member is also required to participate in the Hearing if held virtually.

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

Section 1. Use and Control of REALTOR® Membership Marks. Use of the terms REALTOR® and REALTORS® by members shall, at all times, be subject to the provisions of the governing documents and policies of NAR and to the Rules and Regulations prescribed by its Board of Directors. The SAR 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.

Section 2. Jurisdictional Limits on Use of REALTOR® Membership Marks. REALTOR® Members in good standing of the SAR shall have the privilege of using the terms REALTOR® and REALTORS® in connection with their places of business within California, or a state contiguous thereto, so long as they remain REALTOR® members in good standing. No other class of Members shall have this privilege.

Section 3. Use of REALTOR® Membership Marks Dependent on Status of Firm Principals. A REALTOR® member who is a principal of a real estate firm, partnership or corporation may use the terms REALTOR® and REALTORS® only if all the principals of such firm, partnership, or corporation who are actively engaged in the real estate profession within California, or a state contiguous thereto, are REALTOR® members.

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

Section 4. Institute Affiliate Members Ineligible to use REALTOR® Membership Marks. Institute Affiliate Members shall not use the terms REALTOR® or REALTORS®, nor the imprint of the emblem seal of NAR.

IX – Dues and Assessments

Section 1. Application Fee. The Board of Directors may adopt a reasonable application fee for membership in the SAR. The application fee for REALTOR® membership shall not exceed three times the amount of the annual dues for REALTOR® membership. The application fee shall be required to accompany each application for membership in the SAR and shall become the property of the SAR upon final approval of the application. The Board of Directors may adopt an application fee for Institute Affiliate membership not in excess of the annual dues for Institute Affiliate Member. The Board of Directors will establish application fees for Preferred Partner Members.

Section 2. Dues. The Board of Directors shall annually determine the amount of dues to be paid by each category of membership, subject to the following:

- (a) The dues of each designated REALTOR® Member shall be a base amount as established annually by the Board of Directors, plus an amount multiplied by the number of real estate salespersons and licensed or certified appraisers who: (1) are employed by or affiliated as independent contractors, or who are otherwise directly or indirectly licensed or certified with such REALTOR® Member; and (2) are not REALTOR® or Institute Affiliate Members of a REALTOR®_association, C.A.R. and NAR, and the designated REALTOR® notifies the SAR in writing of the identity of the association to which dues have been paid, if not SAR.

- (b) The annual dues of a REALTOR® Member who is not a designated REALTOR® shall not include any assessment for C.A.R. and NAR if the Member is a Member of a Board of Association of C.A.R. and NAR and such association has paid C.A.R. and NAR dues for such Member.
- (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 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.

- (c) If the Board of Directors determines that the member was delinquent, the Board of Directors may decide, as it deems in the best interest of the SAR, to suspend or expel the member, to decline to suspend or expel the member, or to decline to suspend or expel the member on condition that the member pay the delinquency on or before a specified date or pay the delinquency in specified installments on or before specified dates. The member shall be automatically suspended or expelled without further hearing if the member fails to perform such condition.
- (d) Any suspension or expulsion occurring after a hearing shall be effective five (5) days after notice thereof is mailed to the member, subject to the right of the Board of Directors to specify that the suspension or expulsion shall become effective upon the entry, in a suit by the SAR for declaratory relief, of the final judgment of a Court of competent jurisdiction declaring that the suspension or expulsion violates no rights of the member.
- (e) A member who has been expelled may apply for reinstatement in the manner prescribed for new applicants for membership, upon making full payment of all past due accounts, together with interest at the rate of ten (10%) percent per annum on each item comprising the accounts, from its due date until paid, and after complying with all sanctions imposed by a disciplinary panel together with the payment of the application fee required of new applicants.
- (f) In the event the membership of a real estate licensee who holds REALTOR® membership is terminated for nonpayment of SAR dues, and the licensee remains affiliated with the same firm, the dues obligation of the designated REALTOR®, as set forth in this Article IX, Section 2, will be increased to reflect the addition of a non-Member licensee. Dues shall be calculated from the first day of the current fiscal year and are payable within fifteen days of the notice of termination.

Section 5. Reinstatement After Termination for Nonpayment of Financial Obligations. A former Member who has had his/her membership terminated for nonpayment of dues, fees, fines, or other assessments duly levied in accordance with the provisions of these Bylaws or the provisions of other Rules of the SAR or any of its services, departments, divisions or subsidiaries may apply for reinstatement in a manner prescribed for new applicants for membership, only after making payment in full of all accounts due as of the date of termination, together with interest at a rate as established annually by the Board of Directors for each item comprising the accounts, from its due date until paid, and complying with all sanctions imposed by a disciplinary panel together with the payment of the application fee required of new applicants. If the amount past due consists only of membership dues and late fees and if the former Member is a non-member for at least one full membership year no payment of those past due amounts shall be required.

Article 6. Deposit. All monies received by SAR for any purpose shall be deposited to the credit of SAR in a financial institution or institutions selected by resolution of the Board of Directors.

Section 7. Notice of Delinquent Dues, Fees, Fines, Assessments and Other Financial Obligations of Members. Delinquent Members shall be notified in writing of all delinquent dues, fees, fines, or other financial obligations owing to the SAR stating the amount owed and the due date.

Article X – Officers and Directors

Section 1. Officers. The officers of the Association shall be a President, President-elect, Secretary/Treasurer, and the Immediate Past President. The President shall automatically succeed to the office of Immediate Past President and the President-elect shall automatically succeed to the office of President. The terms of the officers shall be for one calendar year, commencing January 1. Each officer shall automatically serve as a director.

Section 2. Powers and Duties of Officers. The powers and duties of the officers shall be such as their titles, by general usage, would indicate and such as may be assigned to them by the Board of Directors. It shall be the duty of the Secretary/Treasurer to keep the records of the Board of Directors and to carry on all necessary correspondence with NAR and C.A.R.

Section 3. Board of Directors. The governing body of SAR shall be a Board of Directors consisting of nineteen (19) persons, as follows: the President, President-elect, Secretary/Treasurer, and the Immediate Past President (together the “Officer/Directors”), twelve Directors elected from the REALTOR® Membership (“Elected Directors”); the MetroList Regional Advisory Committee Liaison, the Chair of the DEI & Fair Housing Committee, and the Chair of the Preferred Partners Advisory Committee (“Designated Directors”).

- (a) The term as director for each Officer/Director and Designated Director shall be concurrent with the terms of such office or position. The Chair of the DEI & Fair Housing Committee, The Chair of the Preferred Partners Advisory Committee, and the MetroList Regional Advisory Committee Liaison shall be appointed by the president for a one-year term commencing January 1.
- (b) Elected Directors shall be elected for staggered two (2) year terms with one-half of the Elected Directors elected each year.

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

- (a) Subject to the provisions of the California Nonprofit Corporation Law and any limitations in the Articles or Bylaws relating to action required to be approved by the REALTOR® Members or a majority of all the REALTOR® Members, the activities and affairs of the SAR shall be conducted, and all management powers shall be exercised by or under the direction of the Board of Directors. Subject to the limitations set forth in Article XII, Section 4, the Board of Directors may delegate the management of the activities of the SAR to any committee so long as the Board of Directors provides the ultimate direction.

- (b) The Board of Directors may employ a Chief Executive Officer who shall have such title and who shall perform such duties and powers as prescribed by the Board of Directors. The Board of Directors may also retain legal counsel and may employ such other persons as shall be deemed necessary to properly conduct the business of the Association. The Board of Directors shall designate an address as the official place of business, office, or headquarters of the Association.
- (c) The Board of Directors shall adopt a Manual of Procedures and approve any amendments thereto.
- (d) The Board of Directors shall have charge of the funds and property of the Association, may designate depositories for the Association's funds and may invest them in such a manner as shall be deemed advantageous by the Board of Directors.
- (e) In the event of any ambiguity in these Bylaws and such disciplinary proceedings and arbitration rules as may from time to time be adopted, the Board of Directors' interpretation shall be final and conclusive.

Section 5. Qualifications of Officers.

- (a) Immediately prior to nomination for office, at the time of nomination and at all times during the tenure of office, the President, President-elect, Secretary/Treasurer, and Immediate Past President shall:
 - (1) have been a REALTOR® Member of SAR (excluding a Senior Member not actively engaged in the real estate industry) for not less than three consecutive years prior to the date of assuming office;
 - (2) hold a valid California real estate license;
 - (3) as to the Secretary/Treasurer and President-elect only, shall meet such other administrative requirements of the Nominating Committee as set forth in the Manual of Procedures, as may be amended from time to time; and
 - (4) satisfy the specific qualifications for each office as set forth in subsections (b) through (d) of this Section 5.
- (b) To be qualified to serve as President, such person shall have served as an officer of SAR for the year immediately preceding the year of assuming office or have served as a Director of SAR for not less than two (2) years, one year of which shall have been immediately preceding the year of assuming office.
- (c) To be qualified to be elected and to serve as President-elect, such person shall have served as an officer of SAR during the year immediately preceding the year of assuming office or have served as a Director of SAR for not less than two (2) of the past five (5) years prior to the year of assuming office.
- (d) To be qualified to be elected and to serve as Secretary/Treasurer, such person shall have served as a Director of SAR for not less than two (2) of the past five (5) years prior to the year of assuming office.

Section 6. Qualifications of Directors.

- (a) To be qualified to be nominated to serve as an Elected Director, such person shall have been a REALTOR® Member of the SAR (excluding a Senior Member not actively engaged in the real estate industry) for not less than one (1) year; and shall have served in one of the following capacities within the last five (5) years:
 - (1) As chair of at least one SAR or C.A.R. committee, task force, forum, special committee, or a Trust or Foundation of the Association for at least one (1) year; or
 - (2) As an elected or appointed leader of the SAR Masters Club, Women's Council of REALTORS® chapter or other real estate professional organization for at least one (1) year; or
 - (3) As a C.A.R. or MetroList Director for at least one (1) year; or
 - (4) On at least one committee, task force, Trust, or Foundation of SAR, C.A.R., NAR, or MetroList for at least two (2) of the past five (5) years, or
 - (5) As an officer, manager, or broker of a real estate office, with not less than 90% of associates being REALTORS®, for at least two (2) years.
 - (6) To have successfully completed the SAR Leadership Academy.
- (b) No Elected Director shall serve more than four consecutive two-year terms without being absent for at least a one-year election cycle before being eligible for reelection. The years served as an Officer of SAR or as a Designated Director shall be disregarded in making the determination of consecutive years served.
- (c) To be qualified to be selected and to serve as the Designated Director, Chair of the Preferred Partners Advisory Committee, such person shall have been a Preferred Partner Member of the SAR, participating in the Real Estate Finance & Preferred Partner Forum for at least one (1) year prior to the year assuming office.
- (d) To be qualified to be selected and to serve as the Designated Director, Chair of the DEI & Fair Housing Committee, such person shall have been a Member of the SAR, participating in the DEI & Fair Housing Committee for at least one (1) year prior to the year assuming office.
- (e) The President shall appoint a Liaison to the MetroList MLS Committee. This representative shall be appointed to a one-year term on the Board of Directors. In the case where the Liaison already sits on the Board his/her elected seat shall be vacated for that year and may be filled by appointment. At the conclusion of the term the liaison shall be entitled to reclaim any remaining period of their elected term.

Section 7. Annual Election of Officers and Directors. Each year, an election shall be held to elect the number of Elected Directors whose terms will be expiring at the end of the calendar year, and to elect a President-elect and a Secretary/Treasurer. Voting shall be by written ballot without a meeting pursuant to the procedures set forth in the manual of Procedures.

- (a) At least four (4) months before the date of distribution of the ballots for the annual election, the Nominating Committee shall solicit from the membership candidates for the Officer and Director positions and shall specify a date (no later than three (3) months before ballot distribution) by which the application period shall close. The Nominating Committee's procedures for evaluation of the candidates' applications and qualifications, and preparation of the slate of nominees shall be as set forth in the Manual of Procedures. The Nominating Committee shall timely report the slate of nominees to the Board of Directors.
- (b) Additional candidates for the Officer and Director positions may be placed in nomination by petition signed by at least four percent (4%) of the REALTOR® Members. Any such petitions shall be filed with the President at least thirty (30) days prior to ballot distribution. Any candidate nominated by petition shall be subject to Administrative Screening by staff to insure they meet all the eligibility requirements for the office sought as established by the Bylaws and Manual of Procedures of the SAR. Upon successful completion of the Administrative Screening, the name of the petition candidate shall be added to the ballot for the position sought.
- (c) At the conclusion of the nominating and petition process, if no more candidates are qualified for the ballot than are eligible to be elected each qualified candidate shall be deemed to have been elected to the position qualified and no distribution of ballots shall occur.
- (d) If Section (c) above does not apply, distribution of ballots shall be no later than July 25. The ballot distributed to all REALTOR® Members shall specify the date by which the ballot must be received by the Association in order to be counted. Such date shall be at least ten (10) days after mailing or electronic distribution of the ballot.
- (e) The Election Tellers shall meet to count ballots within two (2) business days after the deadline for casting ballots. The Teller's Report of the election shall be adopted by the Board of Directors and announced at the next membership meeting.
- (f) No more than two Directors from one firm or brand affiliation shall be elected to serve in any two-year election cycle. If, in any election, more than two Candidates from one firm or one brand affiliation would be elected, but for the restriction of this paragraph, the two candidates receiving the most votes will be elected and any other candidate from that same firm or brand affiliation will be disqualified from being elected. The restriction shall also apply to any filling of a vacancy under the provisions of Section 8(b).

Section 8. Creation of Vacancies.

- (a) Events Causing Vacancy. A vacancy or vacancies on the Board of Directors shall be deemed to exist and shall be filled to complete the unexpired term on the occurrence of the following: (i) the death, resignation, or removal of any Officer or Director; (ii) the increase of the authorized number of Directors; or (iii) the failure of the Members to elect the number of Directors to be elected.
- (b) Resignation. Any Director may resign, which resignation shall be effective on giving written notice to the President, the Secretary/Treasurer, or the Board of Directors, unless the notice specifies a later time for the resignation to be effective. If the resignation is effective at a future time, the successor may be elected or appointed, as the case may be pursuant to Section 8, to take office when the resignation becomes effective, for the remainder of the term.
- (c) Removal of Directors.
 - (1) For Cause. The Board of Directors, by a majority vote of the Directors who meet all of the required qualifications to be a Director, shall have the power and authority to remove an Officer/Director, Elected Director or Designated Director and declare his or her office vacant if he or she (i) has been declared of unsound mind by a final order of court; (ii) has been convicted of a felony; (iii) has found by a final order or judgment of any court to have breached any duty under sections 7230 through 7238 of the California Nonprofit Corporation law (relating to the standards of conduct of directors); (iv) has failed to attend three (3) consecutive regular meetings of the Board of Directors; or (v) fails or ceases to meet any required qualification that was in effect at the beginning of that Officer/Director's, Elected Director's or Designated Director's current term.
 - (2) Without Cause. A Designated Director serving on the Board of Directors may be removed without cause only by the Board of Directors. Officer/Directors and all Elected Directors may be removed without cause only by vote of the REALTOR® Members, under the following procedure:
- (d) A petition requiring the removal of an Officer/Director or Elected Director signed by not less than one-third of the voting membership or not less than 75% of the Board of Directors shall be filed with the President, or if the President is the subject of the petition, with the next-ranking officer, and shall specifically set forth the reasons for removal.

- (1) Upon receipt of the petition, and not less than twenty (20) days or more than forty-five (45) days thereafter, a special meeting of the voting membership of the SAR shall be held, and the sole business of the meeting shall be to consider the removal petition, and to render a decision on such petition. Action by written ballot without a meeting shall not be substituted for this special meeting.
 - (2) The special meeting shall be noticed to all voting Members at least ten (10) days prior to the meeting and shall be conducted by the President unless the President's continued service in office is being considered at the meeting. In such case, the next ranking officer will conduct the meeting of the Members. A quorum of five percent (5%) of the REALTOR® Members must be present and a two-thirds vote of REALTOR® Members present and voting shall be required for removal from office.
- (e) No Vacancy on Reduction of Directors. No reduction of the authorized number of Directors shall have the effect of removing any Director before that Director's term of office expires.

Section 9. Filling of Vacancies.

- (a) Vacancies in Designated Director Positions. A vacancy in a Designated Director position shall be filled by Presidential appointment for the remainder of the term.
- (b) Vacancies in Elected Director Positions.
 - (1) A vacancy created by removal of an Elected Director shall be filled for the remainder of the term by a special election held pursuant to the procedure set forth in subsection 8(e) below.
 - (2) A vacancy in the office of an Elected Director created other than by removal may be filled for the remainder of the term by the vote of a majority of the Directors then in office, whether or not less than a quorum.
- (c) Vacancies in Officer Positions Prior to the Next Annual Election. Vacancies in an Officer position occurring prior to the annual election of Officers for the following year shall be filled pursuant to this subsection 8 (c). The annual election shall be deemed to have occurred as the deadline for casting ballots.
 - (1) If the office of the Immediate Past President should become vacant for any reason the position shall remain vacant.
 - (2) If the office of the President should become vacant for any reason, the President-elect shall fill the vacancy and complete the remainder of the term. If the President-elect is unable or unwilling to do so, the vacancy shall be filled for the remainder of the term by a special election held pursuant to the procedures set forth in subsection 8(e) below. A President-elect who fills the vacancy in the office of President shall automatically become President for a full term after completion of the unexpired term.
 - (3) If the office of the President-elect or Secretary/Treasurer should become vacant for any reason, the vacancy shall be filled for the remainder of the term by a special election held pursuant to the procedures set forth in subsection 8(e) below.
- (d) Vacancies in Officer Positions After the Annual Election. Vacancies in an Officer position occurring after the annual election of Officers for the following year, but prior to expiration of the term of office, shall be filled pursuant to this subsection 8(d). The annual election shall be deemed to have occurred as of the deadline for casting ballots.
 - (1) If the office of the Immediate Past President should become vacant for any reason the position shall remain vacant.
 - (2) If the office of the President should become vacant for any reason, the President-elect shall fill the vacancy and complete the remainder of the term. If the President-elect is unable or unwilling to do so, the vacancy shall be filled for the remainder of their term by the President-elect duly elected at the annual election for the following year ("President-elect Designate"). A President-elect Designate shall be deemed to have met the qualifications of President in the event of filling such vacancy. If the president-elect Designate is unable or unwilling to fill the vacancy, the vacancy shall be filled for the remainder of the term by a special election held pursuant to the procedures set forth in subsection 8(e) below. A President-elect (but not a President-elect Designate) who fills the vacancy in the office of President shall automatically become President for a full term after completion of the unexpired term.
 - (3) If the office of the President-elect should become vacant for any reason, the President-elect Designate shall fill the vacancy and complete the remainder of the term. If the President-elect Designate is unable or unwilling to do so, the vacancy shall be filled for the remainder of the term by a special election held pursuant to the procedures set forth in subsection 8(e) below. A President-elect Designate who fills the vacancy in the office of President or President-elect shall automatically become President-elect for a full term after completion of the unexpired term.
 - (4) If the office of Secretary/Treasurer should become vacant for any reason, the Secretary/Treasurer duly elected at the annual election for the next year ("Secretary/Treasurer Designate") shall fill the vacancy and complete the remainder of the term. If the Secretary/Treasurer Designate is unable or unwilling to do so, the vacancy shall be filled for the remainder of the term by a special election held pursuant to the procedures set forth in subsection 8 (e) below. A Secretary/Treasurer Designate who fills a vacancy in the position of Secretary/Treasurer shall automatically become Secretary/Treasurer for a full term after completion of the unexpired term.
 - (5) If the position of the President-elect Designate or Secretary/Treasurer Designate should become vacant for any reason, the Board of Directors shall schedule a special election, pursuant to the procedure set forth in subsection 8(e) below to fill the position of President-elect or Secretary/Treasurer.

(e) Procedure for Special Election.

- (1) Within seven (7) days of occurrence of vacancy, the President, or if the President is unavailable, the next-ranking officer or the Board of Directors, shall call a special election to take place within thirty (30) days of written notice of the Members. The special election may be either by written ballot without a meeting, or at a special meeting called for such purpose.
- (2) Within five (5) days of written notice, candidates shall present to the Nominating Task Force their application for review.
- (3) The Nominating Task Force shall convene upon receipt of applications and submit a slate of no more than three (3) candidates per vacancy within seven (7) working days of the application deadline.
- (4) If the election is to be by ballot without a meeting, a ballot shall be prepared and distributed to REALTOR® Members at least ten (10) days prior to the deadline for receipt of ballots. Balloting shall be conducted pursuant to the procedures set forth in the Manual of Procedures. No petition candidates will be accepted for the purpose of filling the vacancy.
- (5) If the election is to be at a special meeting, such election shall be by written ballot at that meeting. No nominations from the floor will be accepted for the purpose of filling the vacancy.
- (6) After balloting the Election Tellers shall prepare a teller's report for adoption by the Board of Directors and announced to the membership at the next membership meeting.

XI – Meetings

Section 1. Annual Meeting. The annual meeting of SAR shall be held each year on the first Tuesday of October unless otherwise designated by the Board of Directors and set forth with the time in the notice of the meeting sent to Members. Meetings of the Members shall be held at the principal office of SAR or at such other reasonable place as may be designated by the Board of Directors.

Section 2. Special Meetings. A majority of the Board, the President, or five percent (5%) or more of the REALTOR® Members may call special meetings of the Members at any time. If a special meeting is called by Members other than the Board of Directors or President, the request shall be in writing, specifying the general nature of the business proposed to be transacted, and shall be delivered personally or sent by registered mail or by telegraphic or other facsimile transmission to the President, President-elect, or the Secretary/Treasurer of SAR. The officer receiving the request shall cause notice to be promptly given to every Member entitled to participate in the meeting that a meeting will be held, and the date, time and purpose for such meeting, which date shall be not less than thirty-five (35) nor more than ninety (90) days following the receipt of the request. If notice of the meeting is not given within twenty (20) days after receipt of the request, the persons requesting the meeting may give the notice. Nothing contained in this Section shall be construed as limiting, fixing, or affecting the time when a meeting of Members may be held when the meeting is called by action of the Board of Directors or the President.

Section 3. Notice of Members' Meetings. Subject to Section 2 above, all notices of meetings of Members (whether annual or special) shall be given to each Member who is entitled to participate in such meeting, not less than ten (10) nor more than ninety (90) days before the date of the meeting. The notice shall specify the place, date, and time of the meeting and (i) in the case of a special meeting, the general nature of the business to be transacted, and no other business may in that case be transacted, or (ii) in the case of an annual meeting, those matters which the Board of Directors, at the time of giving the notice, intend to present for action by the Members. Any proper matter, in addition to those set forth on the annual meeting notice, may be presented at the annual meeting for action so long as a quorum of the REALTOR® Members are present. The notice of any meeting at which Directors or Officers are to be elected shall include the names of all those who are nominees at the time notice is given. If action is proposed to be taken at any meeting for approval of any of the following, the notice shall also state the general nature of the proposal: removing a director without cause; filling vacancies on the Board of Directors under those circumstances where a vote of the REALTOR® Members is required pursuant to Article X, Section 8 of these Bylaws; amending the Articles of Incorporation or these Bylaws in any manner requiring approval of the REALTOR® Members; approving a contract or transaction between the Association and one or more of its directors, or between the Association and any corporation, firm or association in which one or more of the Association's directors has a material financial interest; and voting upon any election to voluntarily terminate and dissolve the Association.

Section 4. Manner of Giving Notice. Notice of any meeting of Members shall be given either personally, by first-class mail or by other written communication (including facsimile, telegram, or electronic mail message) with charges prepaid, addressed to each Member at the physical address or electronic address of that Member appearing on the books of the Association or the address given by the Member to the Association for the purpose of notice. Notwithstanding the requirements of Sections 2, 3, or 4 no action or vote of the REALTOR® Members shall be void or invalid by reason of failure to give adequate notice to non-REALTOR® members.

Section 5. Quorum Requirements. Subject to Article XI, Section 3, fifty voting REALTOR® Members of SAR, represented in person at a meeting or by written ballot without a meeting, shall constitute a quorum at any meeting of Members. The Members present at a duly held meeting at which a quorum is initially present may continue to transact business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the Members required to constitute a quorum.

Section 6. Manner of Casting Votes at a Meeting; Proxies; Cumulative Voting. Voting at a meeting of Members may be by voice or by ballot as determined by the President, in his/her discretion. Proxy voting shall not be permitted on any matter put to the vote of the members. Cumulative voting, as defined in the California Nonprofit Corporation Law, shall not be permitted.

Section 7. Action by Written Ballot Without a Meeting. The election of Officers and Directors and voting on other matters may be conducted by the submission of written ballots to the REALTOR® Members without necessity of calling a meeting of Members, so long as the requirements for action by written ballot set forth in the Manual of Procedures are satisfied. The determination to seek Member approval for action in this fashion shall be made by a majority vote of the Board.

Section 8. Majority Vote of Members Represented at Meeting or By Ballot Required. If a quorum is present at a meeting or if the quorum number of REALTOR® Members have voted by written ballot without a meeting, the affirmative vote of the majority of the voting power of REALTOR® Members represented at the meeting or by written ballot without a meeting, entitled to vote and voting on any matter (except the election of directors), shall be the act of the Members, unless the vote of a greater number is required by California's Nonprofit Corporation Law or the Bylaws of the Association. In the case of director elections, each directorship is a separate matter to be voted upon by the REALTOR® Members and the candidates receiving the highest number of votes, up to the number of directors to be elected, shall be elected to the vacant director seats. In the case of a tie vote, the Board of Directors shall select one of the nominees to fill the position.

Section 9. Meetings of Directors

- (a) **Regular Meeting of Directors.** The Board of Directors shall designate a regular time and place of meetings. Each Director shall be notified of regular meetings.
- (b) **Special Meetings of the Board.** Special meetings of the Board of Directors for any purpose may be called at any time by the President or by written request of six (6) Directors. In the case of director request for a special meeting, the President shall give notice of such meeting within (5) days of such request. If a special meeting is called it shall be accompanied by a statement of the purpose of the meeting.
- (c) **Notice of Meetings.** Notice of the time and place of regular and special meetings of the Board shall be given to each Director and each Officer by one of the following methods: (i) upon forty-eight (48) hours' notice by personal delivery of written notice, (ii) upon four (4) days' notice by first-class mail, postage prepaid, or (iii) upon forty eight (48) hours' notice by telephone communication, including voice mail, electronic mail or facsimile transmission, receipt confirmed.
- (d) **Waiver of Notice.** Notice of a meeting need not be given to any director who, either before or after the meeting, signs a waiver of notice, a written consent to the holding of the meeting, or an approval of the minutes of the meeting. The waiver of notice or consent need not specify the purpose of the meeting. All waivers, consents, and approvals shall be filed with the Corporation records or made a part of the minutes of the meeting. The requirement of notice of a meeting shall also be deemed to have been waived by any director who attends the meeting without protesting before or at its commencement the lack of notice.
- (e) **Attendance by Members.** All meetings of the Board shall be open to Members of SAR and any persons approved by the Executive Committee or the Board; provided, however, that non-director Members and other persons may only participate in deliberations or discussions of the Board when expressly authorized by a majority vote of the Board; and provided further that the Board shall be entitled to adjourn at any time for purposes of reconvening in executive session to discuss litigation in which the Association is or may become a party, personnel matters, or business of a similar nature. Prior to adjourning into an executive session, the topic(s) to be discussed in such session shall be announced, in general terms, to the Members and others in attendance at the meeting.
- (f) **Quorum Requirements.** A majority of the Directors shall constitute a quorum for the transaction of business, but if less than a majority of Directors are present, a majority of Directors present may adjourn the meeting. Every act done or decision made by a majority vote of the directors present at a meeting duly held at which a quorum is present shall be the act of the Board, unless a greater number is required by law. Each Director shall have one (1) vote.

A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Directors below a quorum, if any action taken is approved by at least a majority of the required quorum for that meeting.

- (g) **Action Without a Meeting.** Any action required or permitted to be taken by the Board of Directors may be taken without a meeting, if all Members of the Board, individually or collectively, consent in writing to that action. Such action by written consent shall have the same force and effect as a unanimous vote of the Board of Directors. Such written consent or consents shall be filed with the minutes of the proceedings of the Board.
- (h) **Compensation.** Directors shall not be entitled to compensation for their services as such, although they may be reimbursed for such actual expenses as may be determined by resolution of the Board of Directors to be just and reasonable before such services are rendered.

Article XII – Committees, Special Organizations & Trusts

Section 1. Committees. In addition to the Standing Committees and Special Organizations and Trusts provided for in this Article, the President may establish subject to confirmation by the Board of Directors, such special committees, task forces and forums as may be deemed necessary by the Board. The President shall appoint from among REALTOR® and Preferred Partner Members, subject to confirmation by the Board of Directors, a Chairperson and at least one Vice-Chairperson for each of the Special and Standing Committees, Task Forces and Forums established.

Section 2. Standing Committees. The President shall appoint the following standing committees and other such standing committees, as approved by the Board of Directors: Grievance Committee, Professional Standards Committee, and Cultural Diversity/Fair Housing Committee.

Section 3. Special Committees, Task Forces and Forums. The President shall appoint such special committees, task forces or forums, as approved by the Board of Directors to perform specified functions as described in their appointment or in the Manual of Procedures. Such appointments are normally for the calendar year of the appointing President's term but may end sooner if their purpose has been fulfilled.

Section 4. Authority. These standing and special committees, task forces and forums shall have the authority delegated by the Board with respect to matters within their area of assigned responsibility, except that none of these entities, regardless of Board resolution, may:

- (a) Take any final action on any matter, which, under the Nonprofit Corporations Law of California, also requires approval of the Members.
- (b) Fill vacancies on the Board of Directors or on any committee which has been delegated any authority of the Board.
- (c) Amend or repeal Bylaws or adopt new Bylaws.
- (d) Amend or repeal any resolution of the Board of Directors.
- (e) Appoint any other committees of the Board of Directors or the Members of those committees.
- (f) Expend Association funds to support a nominee for officer or director.
- (g) Approve any transaction (i) to which the Association is a party and one or more directors have a material financial interest, (ii) between the Association and one (1) or more of its directors, or (iii) between the Association and any person in which one (1) or more of the Association's directors have a material financial interest.

All delegation of management and authority to any committee shall be exercised under the ultimate direction of the Board.

Section 5. Organization. The President shall appoint persons to serve on all established committees, task forces and forums as appropriate. Unless otherwise designated in these Bylaws or the Manual of Procedures the terms of appointment of all committee, task force and forum members shall run from January 1 through December 31 of each year.

All committees, task forces and forums shall be of such size and shall have such duties, functions and powers as may be assigned to them by the President or the Board of Directors, subject to Section 1 and except as otherwise proved in these Bylaws or the *Manual of Procedures*. The President shall be an ex-officio Member of all committees, task forces and forums and shall be notified of their meetings.

Section 6. Special Organizations. The following special organizations, although operating under the control and authority of the Board of Directors, elect their own officers and select their own Members:

- (a) Masters Club

Section 7. Trusts and Political Action Committees.

- (a) The following trust operates under the control and authority of the Board of Directors:

- (1) Sacramento Association of REALTORS® 401K & Profit-Sharing Plan

- (b) The following operate independently of the Board of Directors:

- (1) SAR Scholarship Foundation Trust
- (2) Local Candidate Recommendation Committee
- (3) SAR Charitable Foundation

Section 8. Removal. The President shall have the power, to remove any Member from a committee, task force or forum.

- (a) The President may remove on their own motion if they become aware of reasons causing the President to feel that continued service by that individual is not in the best interest of the SAR.
- (b) Chairs of committees, task forces or forums shall recommend to the President removal of members whose continued service is not considered to be in the best interest of the organization.
- (c) Chairs of committees, task forces or forums shall periodically review attendance records and recommend to the President removal of persons not regularly attending committee meetings or participating in committee activities. Attendance requirements shall be governed by the SAR Attendance Policy.

Section 9. Shareholder Representation on MetroList Board of Directors. The President shall submit to the SAR Board of Directors a list of nominees to serve on the MetroList Board of Directors, based on the following criteria:

- (a) Served as a Director of SAR for one full term (President to determine currency)
- (b) No more than two MetroList Directors appointed from the same firm
- (c) Members of the SAR Executive Committee shall not serve on the MetroList Board
- (d) MetroList Directors shall serve no more than six (6) consecutive one (1) year terms
- (e) After serving six (6) consecutive one (1) year terms, MetroList Directors must wait at least one (1) year before becoming eligible for reappointment.

Article XIII – FISCAL AND ELECTIVE YEAR

Section 1. Fiscal and Elective Year. The fiscal and elective year of the SAR shall be the calendar year.

Article XIV – RULES OF ORDER

Section 1. Rules of Order. Robert’s Rules of Order, latest edition, shall be recognized as the authority governing the meetings of the SAR, its Board of Directors, and committees, in all instances wherein its provisions do not conflict with the California Nonprofit Corporations Code or these Bylaws.

ARTICLE XV – AMENDMENTS

Section 1. Amendment or Repeal of Bylaws.

- (a) Amendment by Directors. These Bylaws may be amended or repealed by a majority of Directors present at a meeting duly held at which a quorum is present, or by unanimous written consent, except as provided in paragraph (b).
- (b) Amendment by Members. These Bylaws may be amended or repealed only by a majority of the Members at a meeting duly held and noticed at which a quorum is present, or by written ballot, if the Bylaw change would:
 - (1) Change the number of directors (Corp. Code, § 7151, subd. (b));
 - (2) Increase the term of a director (Corp. Code § 7220(a));
 - (3) Change any provision pertaining to directors who hold office by designation (Corp. Code, § 7220, subd. (d));
 - (4) Change any provision pertaining to the filling of vacancies on the board which must, by the terms of these Bylaws, be filled by the vote of the Members (Corp. Code, § 7224, subd.(a));
 - (5) Change the quorum requirements for membership meetings (Corp. Code, § 7512);
 - (6) Change the Bylaws' provisions governing the use of proxies (Corp. Code, § 7613, subd. (f));
 - (7) Materially and adversely affect the rights of the Members as to voting, dissolution, redemption, or transfer (Corp. Code, § 7150, subd. (b));
 - (8) Increase or decrease the number of Members authorized in total or for any class (Corp. Code, § 7150, subd. (a));
 - (9) Effect an exchange, reclassification or cancellation of all or part of the memberships (Corp. Code, § 7150, subd. (a)); or
 - (10) Authorize a new class of membership (Corp. Code, § 7150, subd. (a)).

Section 2. Mandated NAR and C.A.R. Amendments. The Board of Directors may, at any regular or special meeting of the Board of Directors at which a quorum is present, approve amendments to the Bylaws which are mandated by NAR or C.A.R. policy.

Section 3. Approval of Amendments by NAR. Amendments to these Bylaws affecting the admissions or qualification of REALTOR® and Institute Affiliate Members, the use of the term REALTOR®, REALTORS®, or any alteration in the territorial jurisdiction of the Association shall become effective upon their approval as authorized by the Board of Directors of the NAR.

ARTICLE XVI – DISSOLUTION

Section 1. Upon the dissolution of the SAR, the Board of Directors, after providing for the payment of all obligations, shall distribute any remaining assets to the C.A.R. or, within its discretion, to any other non-profit tax-exempt organization.

ARTICLE XVII – MULTIPLE LISTING SERVICE

Section 1. Independent MLS. SAR may maintain for the use of licensed real estate brokers and salespersons, and licensed or certified appraisers an MLS which shall be subject to the Bylaws of SAR and such Rules as may be hereinafter adopted.

Section 2. Regional MLS. SAR may join with other Associations to form a Regional MLS under terms and conditions established by the Board of Directors. If SAR participates in a Regional MLS, the provisions of Section 1 of this Article shall not apply.

ARTICLE XVIII – MISCELLANEOUS

Section 1. Right to Indemnity. To the fullest extent permitted by law, the SAR shall ~~indemnify~~ indemnify its Directors, Officers, Employees, and other persons described in Section 7237 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 any action by or in the right of the SAR, by reason of the fact that the person is or was a person described in that Section. “Expenses” as used in the Bylaw shall have the same meaning as in Section 7237 of the California Corporations Code.

Section 2. Annual Statement of General Information. As and when required by section 8210 of the California Nonprofit Corporation Law, the SAR shall file with the Secretary of State of the State of California, on the prescribed form, a statement setting forth the authorized number of directors, the names and complete business or residence addresses of all incumbent directors, the names and complete business or residence addresses of the chief executive officer, Secretary and designation of the agent of the SAR for the purpose of service of process.

Section 3. Maintenance of Corporate Records. The Association shall keep adequate and correct books and records of account; written minutes of the proceedings of its members, Board, and Committees; and a record of each Member’s name, address, and class of membership.

History of Amendments to the Bylaws of the Sacramento Association of REALTORS®

- Amended: March 3, 1992
- Amended: September 6, 1994
- Amended: April 4, 1995
- Amended: November 4, 1997
- Amended: March 3, 1998
- Amended: January 5, 1999
- Amended: December 21, 2000
- Amended: May 30, 2002
- Amended: May 22, 2003
- Amended: November 2, 2004
- Amended: June 23, 2005
- Amended: September 28, 2006
- Amended: June 28, 2007
- Amended: September 27, 2007
- Amended: November 29, 2012
- Amended: June 27, 2013
- Amended: August 29, 2013
- Amended: December 3, 2013
- Amended: December 19, 2013
- Amended: April 24, 2014
- Amended: June 6, 2014
- Amended August 28, 2014
- Amended April 27, 2017
- Amended October 26, 2017
- Amended August 23, 2019
- Amended May 19, 2020
- Amended November 20, 2020
- Amended March 24, 2022
- Amended August 25, 2022
- Amended October 27, 2022
- Amended October 3, 2023

CERTIFICATE OF SECRETARY/TREASURER

I certify that I am the duly elected Secretary/Treasurer of the Sacramento Association of REALTORS®, a California nonprofit mutual benefit corporation, that the above Bylaws are the Bylaws of this Association as modified by the Board of Directors of the Association on October 3, 2023 and that they have not been amended or modified since that date.

Secretary/Treasurer: _____

Dated: _____