

# 2011 BYLAWS BALLOT

1. To change Article XI. Directors and Officers as follows:

## ARTICLE XI - DIRECTORS and OFFICERS

### Section 1. DIRECTORS

A. **Powers.** Subject to the limitations of Articles of Incorporation, of the Bylaws and of the California General Corporation Law as to the action to be authorized or approved by the members, and subject to the duties of Directors as prescribed by the Bylaws, all corporate powers shall be exercised by or under the authority of, and the business affairs of the Association shall be controlled by the Board of Directors. Without prejudice to such general powers, but subject to the same limitations, it is hereby expressly declared that the Directors shall have the following powers:

(1) To select and remove all Trustees, Agents, Independent Contractors and employees of the Association, prescribe such powers and duties for them as are consistent with law, the Articles of Incorporation and the Bylaws, fix their compensation or assign that duty to the Executive Vice President, except that the compensation of any Officer-Employee must be approved by the Directors.

(2) To conduct, manage and control the affairs and business of the Association as described in the Board approved **Leadership Management** Model, and to make such rules and regulations therefore consistent with law, the Articles of Incorporation and the Bylaws as they deem best.

(3) To change the principal office for the transaction of the business of the Association from one location to another within the same county as provided in Article I, Section 2, hereof; to fix and locate from time to time one or more subsidiary offices of the Association within or without the State of California for the holding of any member meeting or meetings, and to adopt, make and use a corporate seal and to alter the form of such seal from time to time, as in the judgment they may deem best, provided such seal shall at all times comply with the provisions of the law.

(4) To borrow money and incur indebtedness for the purposes of the Association, and to cause to be executed and delivered therefore, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations or other evidence of debt and securities therefore.

(5) To make donations for the public welfare or for charitable, scientific or education purposes.

(6) In the event of a dispute regarding the application or execution of Association policy or Board of Directors actions, the matter shall be reviewed and determined by the Board of Directors.

B. **Number and Qualification of Directors.** The composition of the entire Board of Directors shall be computed as follows and composed of the following **twenty-seven (27)** members, elected by the membership:-

(1) The President, President-Elect, Vice-President, Treasurer, and **the two** Immediate Past Presidents of the Association, collectively known as “the Officers” and shown in order of rank; **and-**

(2) Twenty Directors elected from the REALTOR® members of the Association, who are members in good standing; **and-**

**(3) One representative of the Commercial Division, to be either the President of the Commercial Division Executive Committee or that individual’s designee, with the approval of the Commercial Division Executive Committee as provided herein.**

**(34)** To be eligible for the position of director of the Association, prior to the effective date of office, a member:

(a) must have been a REALTOR® member of the Association for a minimum of two (2) full calendar years of the last three (3); and

(b) must have served a minimum of at least two (2) full calendar years of the last three (3) as a member of a standing committee.

**(45)** All Past Presidents, except the **most recent two** Immediate Past Presidents, and Honorary Directors of the Association who are present at a Directors’ meeting and who are REALTOR® members of the Association, are invited to participate in Board meetings in an advisory capacity without voting rights.

C. **Election and Term of Office.**

(1) The Directors (including the elected Officers except for the Treasurer) shall be elected yearly by the members.

(2) The Officers indicated under Section B.1. above, shall serve one-year terms, except for the Treasurer who shall serve a term of two (2) consecutive years. The Directors to be elected under Section B.2. above, shall serve two-year terms, their terms to be staggered so that one-half will be elected each year.

(3) The term for all elected Directors shall be the calendar year. All Directors shall hold office until their respective successors are elected and/or qualify.

(4) If any Director serves two consecutive two-year terms, she/he will not be eligible for another term until one year has elapsed since her/his last term as Director.

(5) A candidate for election shall run for only one position in any annual or special election.

**D. Vacancies.** Vacancies among the Officers and the Board of Directors shall be filled by appointment of the President with approval of the Board of Directors until the next annual election or a special meeting of the members. A vacancy or vacancies in the Board of Directors shall be deemed to exist in case of death, by election to another office, resignation or removal of any Director, or if the authorized number of Directors be increased. A Director shall be removed in the event that she/he is absent from two consecutive meetings of the Board of Directors, whether regular or special, unless good cause is submitted, in writing, and approved by the President. Any removal is subject to Board of Directors' approval.

The members may elect a Director or Directors at any time to fill any vacancy or vacancies not filled by the Directors. If the Board of Directors accepts the resignation of a Director tendered to take effect at a future time, the Board of Directors or the members shall have the power to elect a successor to take office when the resignation is to become effective.

No reduction of the authorized number of Directors shall have the effect of removing any Director prior to the expiration of her/his term of office.

**E. Removal of Directors and Officers.**

(1) Code of Ethics Violations. Any member of the Board of Directors (or officer) subject to having their name published because of violations of the Code of Ethics per NAR guidelines shall be removed from the Board of Directors. The effective date of termination shall be after the Board of Director's ratifies the hearing panel's findings of facts and after the appeal period has expired.

(2) Code of Ethics Involving Public Trust. Any member of the Board of Directors (or officer) found in violation of the Code of Ethics involving a matter that must be referred to the California Department of Real Estate (i.e. a violation of public trust) shall be removed from the Board of Directors. The effective date of termination shall be after the Board of Directors ratifies the hearing panel's findings of facts and after the appeal period has expired.

(3) Incapacity. In the event that an Officer or Director is deemed to be incapable of fulfilling the duties upon which he/she is elected, but will not resign from office voluntarily, such Officer or Director may be removed from office under the following procedure:

(a) A petition requesting the removal of any member of the Board of Directors shall specifically set forth the reason(s) that officer or director is deemed to be disqualified from further service. Such petition requesting the removal of an Officer or Director shall be signed by not less than 5% of the eligible voting membership of the Association, or a majority vote of the Board of Directors, and shall be filed with the President. If the President is the subject of the petition for removal, such petition shall be filed with the President-Elect.

(b) Upon receipt of the petition, and not less than twenty (20) days or more than seventy-five (75) days thereafter, a special election of the eligible voting membership of the Association shall be held. The sole purpose of the election shall be to decide whether or not the officer or director shall be deemed disqualified and removed from office.

(c) The special election shall be noticed to the eligible voting membership of the Association at least thirty (30) days prior to the election, and shall be conducted by the

President of the Association. If the President is the subject of the special election, the President-Elect shall conduct the special election. A two-thirds vote of members casting votes shall be required for removal from office. The removal date shall be deemed effective upon ratification of the Board of Directors.

F. **Regular Meetings.** Regular meetings of the Board of Directors shall be held at such times and place as may be designated from time to time by resolution of the Board of Directors.

G. **Special Meetings.** Special Meetings of the Board of Directors for any purpose or purposes shall be called at any time by the President or if she/he is absent, unable or refuses to act, by a majority of the Directors. Written notice of the time and place of special meetings shall be delivered personally to each Director by mail, e-mail, fax, or other form of written communication, charges prepaid, addressed to the Director at her/his address as it is shown upon the records of the Association. Notice by mail shall be sent first class and deposited at least four (4) days before the date of the special meeting. Notice by email or fax shall be sent at least forty-eight (48) hours prior to the time of the meeting. Such mailing, or notification as above provided shall be due, legal and personal notice to such Directors.

H. **Notice of Adjournment.** Notice of the time and place of holding an adjourned meeting need not be given to absent Directors if the time and place was fixed at the meeting adjourned.

I. **Waiver of Notice.** The transactions at any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though had a meeting been duly held after regular call and notice, if a quorum be present and if either before or after the meeting, each of the Directors not present signs a written waiver of notice of the meeting thereof. All such waivers, consents, or approval shall be filed with the corporate records or made part of the minutes of the meeting.

J. **Action by Consent.** Any action required or permitted to be taken by this Board of Directors may be taken without meeting, if all members of the Board of Directors, excluding Honorary Directors, shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board of Directors. Such action by written consent shall have the same force and effect as a unanimous vote of such Directors.

K. **Quorum.** A majority of the authorized number of Directors shall be necessary to constitute a quorum for the transaction of business, except to adjourn, as hereinafter provided shall be counted to determine a quorum. Every act or decision done or made by a majority of the Directors present at a meeting duly held at which a quorum is present shall be regarded as the act of the Board of Directors, unless a greater number be required by law or by Articles of Incorporation. A two thirds (2/3) majority shall be required for the Directors to endorse a political candidate or a public issue.

L. **Visitors.** Members may attend any meetings of the Board of Directors except for Executive Sessions.

M. **Adjournment.** A quorum of the Directors may adjourn any Directors meeting to meet again at a stated day and hour; provided, however, that in the absence of a quorum a majority of the Directors present at any Directors meeting, either regular or special, may adjourn from time to time until fixed for the next regular meeting of the Board of Directors.

N. **Fees and Compensation.** Directors and members of committees may not receive compensation for their services, unless such compensation is fixed and determined by resolution of the Board of Directors.

## Section 2. OFFICERS

A. **Officers.** The Officers of the Association shall be the President, who shall be the person who was the President-Elect during the preceding year, the President-Elect, the Vice President, the Treasurer, **the two most recent** Immediate Past Presidents, and the Executive Vice President who may also be the Secretary. The Association may also have, at the discretion of the Board of Directors, a Chair of the Board, one or more Assistant Secretaries, one or more Assistant Treasurers, and such other Officers as may be appointed and approved.

B. **Qualifications.** To be eligible for an officer position of the Association, the person must have served on the Board of Directors of the Association for a minimum of two (2) full calendar years of the last <sup>1</sup>five (5) prior to the effective date of office.

C. **Election.** The Officers of the Association other than the Executive Vice President and Secretary shall be elected by the voting members. Each Officer of the Association shall hold office until she/he resigns, is removed, disqualified to serve, or her/his successor is elected.

D. **Removal.** See Article XI. Removal of Directors and Officers.

E. **Resignation.** Any Officer may resign at any time by giving written notice to the Board of Directors, to the President or to the Executive Vice President/Secretary of the Association. Such resignation shall take effect upon acceptance of the Board of Directors.

F. **Vacancies.** A vacancy in any office because of death, resignation, removal, disqualification or any other cause, shall be filled by appointment of the President with approval of the Board of Directors.

G. **Chair of the Board.** The Chair of the Board shall be the President, who shall preside at all meetings of the Board of Directors and exercise and perform such powers and duties as may be from time to time assigned to the Chair by the Board of Directors or prescribed by the Bylaws.

H. **President.** The President shall be the Chair of the Board of the Association and shall, subject to the direction of the Board of Directors, have general supervision, direction and control of the business and meetings of the members and all meetings of the Board of Directors. The President shall be an ex-officio non-voting member of all committees, and shall have such other powers and duties as may be prescribed by the Board of Directors or the Bylaws. The President is

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<sup>1</sup> Approved by membership 11/4/10

the spokesperson for the Association. Spokesperson authority may be given to other Directors, Officers, or staff by the President according to policy established by the Association. The President may appoint Presidential Advisory Groups.

I. **Executive Vice President.** The Executive Vice President shall be the Chief Executive Officer of the Association, and shall be appointed by the Board of Directors. The Executive Vice President shall, consistent with the approved **Leadership Management** Model: plan, direct and supervise the professional and clerical employees of the Association; oversee all operational functions and administrative policies of the Association, and; administer the budget in conjunction with the Treasurer. The Executive Vice President shall be the principal liaison officer with other local real estate boards, the State Association and the National Association. The Executive Vice President may serve under written contract providing such contract not be for a period exceeding seven (7) years. The Executive Vice President must attend all Board of Directors meetings unless excused by the Board of Directors, and shall be an ex-officio non-voting member of the Executive Committee. In addition to the President, the Executive Vice President or designee is also authorized to serve as the spokesperson for the Association.

J. **President-Elect.** In the absence or disability of the President, the President-Elect shall perform all the duties of the President, also serving as President during the term for which the President-Elect was elected. The President-Elect shall be a member of the Executive Committee, a member of the Budget and **Assets Finance** Committee, and shall be chair of the Strategic Planning Committee during the year of service as President-Elect.

K. **Vice President.** The Vice President shall be a member of the Executive Committee. The Vice President shall have such other powers and perform such other duties as from time to time may be prescribed by the President and the Board of Directors.

L. **Secretary.** Unless otherwise appointed by the Board of Directors, the Executive Vice President shall serve as the Secretary of the Association. The Secretary shall cause to be kept at the principal office or such other place as the Board of Directors may order, a record of minutes of all meetings of the Board of Directors and members, with the time and place holding, whether regular or special, and if special, how authorized, the notice thereof given, the names of those present at Director's meetings, the number of members present at members' meetings, and the proceeding thereof. The Secretary shall keep membership records containing the name and address of each member and showing the class of her/his membership. Termination of any membership shall be recorded together with the date on which the membership ceased.

The Secretary shall cause to be given, notice of all meetings of the members and of the Board of Directors required by the Bylaws or by law. The Secretary shall keep the seal of the Association in safe custody and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or the Bylaws.

M. **Treasurer.** The Treasurer shall serve a term of two (2) consecutive years. The Treasurer shall be a member of the Executive Committee, **and** chair of the Budget and **Assets Finance** Committee, ~~and a member of the Investment Management Trustees.~~ The Treasurer shall ~~cause~~ **oversee and ensure** to be kept and maintained adequate and correct account of the properties and business transactions of the Association, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital and surplus. The book of accounts shall upon reasonable notice be open to inspection by any eligible voting member.

The Treasurer shall ~~cause~~ **oversee and ensure** to be deposited all monies and other valuables in the name and to the credit of the Association in accordance with policies established by the Board of Directors. The Treasurer shall ~~cause~~ **oversee and ensure** ~~to be disbursed~~ the **disbursement of** funds of the Association as may be ordered by the Board of Directors, and shall upon request render to the President and Directors, an account of transactions as Treasurer and of the financial condition of the Association. The Treasurer shall have such other powers and perform such other duties as may be prescribed by the Board of Directors.

### **Section 3. ELECTION PROCEDURE**

A. **Nominations.** A Nominating/**Election Committee** of **a minimum of** seven (7) members, including the chair, shall be appointed by the President with the approval of the Board of Directors. The **two** Immediate Past Presidents **servng as Officers** shall be **a members** of this committee. The President-Elect will be an ex-officio member of the committee without a vote, but able to participate in discussions. At least ninety (90) days prior to the Annual Election by the members, the Nominating/**Election** Committee shall select at least one candidate for each elective office, and at least one candidate for each other vacancy on the Board of Directors. The candidates should be selected based upon objective criteria established by the Nominating/**Election** Committee. The committee should also endeavor to select candidates from differing geographical locations. All voting for candidate positions by the Nominating/**Election** Committee is to be conducted by secret ballot. The report of the Nominating/**Election** Committee shall be presented to the Board of Directors and upon acceptance, shall be mailed to each REALTOR® member at least fifteen (15) days prior to the election date. The election date is the **last** day the ballots are due. **All candidates must adhere to the Board approved election calendar and election policies and procedures.** Additional candidates may be placed in nomination by a petition filed with an Officer of the Association at least thirty (30) days before the election, signed by **at least** 2% of the REALTOR® members eligible to vote.

~~B. **Elections.** The President, with the approval of the Board of Directors, shall appoint an Election Committee of REALTOR® members to conduct the annual election or special elections.~~

**CB. Use of Ballots.** Every issue requiring a vote by the members may be conducted by a ballot distributed to every member entitled to vote on the matter. Such ballot shall set forth the candidate and proposed action, provide an opportunity to specify approval or disapproval of any candidate or proposal, and provide a reasonable time in which to return the ballot to the Association. The **Nominating/Election** Committee shall adopt appropriate administrative procedures governing the use of ballots, which procedures shall incorporate Sections 7513 and 7514 of the California Corporation Code, and shall be subject to ratification by the Board of Directors.

**NOTE:** The above amendments change the makeup of the Board of Directors, as well as provide updates to Article XI. regarding the current standing committees and SDAR's Leadership Model.