CALIFORNIA ASSOCIATION OF REALTORS®

Bylaws Amendment Notice

www.car.org

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To: All C.A.R. Directors and Delegates

Regarding: C.A.R. Legal Action Fund Bylaws Amendment

This document serves as notice for the proposed amendment to the C.A.R. Legal Action Fund bylaws to be voted on by the C.A.R. Board of Directors at their January 2006 meeting at the Anaheim Marriott Hotel.

A. Explanation of the Proposed Bylaws Amendment

The amendments to the Legal Action Fund bylaws that would increase the number of trustees from 9 to 11 and change the quorum from 5 to 6. The terms are adjusted so that the staggered terms are evenly spread in light of the additions. The proposed bylaws amendments are as follows:

B. Specific Language of the Proposed Bylaws Amendment (new language underlined)

ARTICLE IV. TRUSTEES; CHAIR AND VICE CHAIR

Section 1. Composition. The Legal Action Fund shall be administered by nine (~~9~~ 11) Trustees appointed by the C.A.R. President from C.A.R. REALTOR® members. All such Trustees shall have, and maintain during their term of office, an active unrestricted real estate license and be in good standing at their local associations.

Section 2. Term of Office. Trustees hall each have five-year terms. The terms will be staggered so that two vacancies occur every first, second, third and fourth year, and three~~one~~ vacancies~~y~~ occurs every fifth year. Appointments to fill vacancies of a Trustee with an unexpired term shall be for the remaining period of the term. No Trustee shall be eligible to serve more than one consecutive term, except for any Trustee filling an unexpired term who has served less than one year may be subsequently appointed to a consecutive term.

Section 3. Meetings and Quorum. Meetings shall be scheduled in connection with the regular meetings of the C.A.R. Board of Directors and otherwise held at the call of the chairman of the Trustees including meetings by telephone conference call. A quorum of the Trustees hall consist of six (6)~~five (5)~~ Trustees who must be present at meetings or be on-line by telephone.