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**BYLAWS
OF
NORTHERN ARIZONA ASSOCIATION OF REALTORS®, INC.**

ARTICLE I - NAME

Section 1. Association Name.

The name of this organization shall be the NORTHERN ARIZONA ASSOCIATION OF REALTORS®, INC., an Arizona nonprofit corporation, hereinafter referred to as the “Association” or “NAAR”.

Section 2. Arizona Association of REALTORS®

The Arizona Association of REALTORS® (AAR) is a state level trade association acting under the authority of the National Association of REALTORS®, the purpose of which is to act as a link between local REALTOR® associations within the state of Arizona and the National Association of REALTORS®

Section 3. National Association of REALTORS®

The National Association of REALTORS® (NAR) is a national trade association representing the interests of its members in all aspects of residential and commercial real estate.

Section 4. Membership Mark

Inclusion and retention of the Registered Collective Membership Mark, REALTORS® in the name of the Association shall be governed by the Constitution and the Bylaws of the NATIONAL ASSOCIATION OF REALTORS® as from time to time amended.

Section 5. Nonprofit Operation

The Corporation will not have or issue shares of stock. No dividends will be paid. No part of the income or assets of the Corporation will be distributed or transferred to its directors or officers without full consideration. The corporation may contract in due course with its directors without violating this provision.

ARTICLE II - OBJECTIVES

The objectives of the Association are as follows:

Section 1.

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.

Section 2.

To promote and maintain high standards of conduct in the real estate profession as expressed in the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®.

Section 3.

To provide a unified medium for real estate owners and those engaged in the real estate profession whereby their interests may be safeguarded and advanced.

Section 4.

To further the interest of home and other real property ownership, and to promote the extension and preservation of private property rights.

52 **Section 5.**

53 To unite those engaged in the real estate profession with the ARIZONA ASSOCIATION OF
54 REALTORS® and the NATIONAL ASSOCIATION OF REALTORS®, thereby furthering their own
55 objectives throughout the state and nation, and obtaining the benefits and privileges of membership
56 therein.

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58 **Section 6.**

59 To designate, for the benefit of the public, individuals authorized to use the terms REALTOR® and
60 REALTORS® as licensed, prescribed, and controlled by the NATIONAL ASSOCIATION OF
61 REALTORS®.

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64 **ARTICLE III - JURISDICTION**

65 **Section 1.**

66 The territorial jurisdiction of the Association as a member of the NATIONAL ASSOCIATION OF
67 REALTORS® shall include all of Coconino County, less the following territory released to the Sedona-
68 Verde Valley Board of Realtors; in Coconino County, beginning at a point which is the west boundary of
69 Coconino County at T. 19 N thence south along the county boundary to the south line of the county,
70 thence easterly along Coconino County south boundary to R. 6 E, thence northerly direction to the
71 intersection of T 19, thus westerly along T 19 to the point of beginning.

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74 **Section 2. Territorial Jurisdiction is defined to mean:**

75 The right and duty to control the use of the terms REALTOR® and REALTORS®, subject to the
76 conditions set forth in these Bylaws and those of the NATIONAL ASSOCIATION OF REALTORS®, in
77 return for which the Association agrees to protect and safeguard the property rights of the National
78 Association in the terms

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80 **ARTICLE IV - MEMBERSHIP**

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82 **Section 1. Categories of Membership:**

- 83 A. **REALTOR® Members.** REALTOR® Members, whether primary or secondary, shall be:
84 1. Individuals who, as sole proprietors, partners, corporate officers, or branch office
85 managers, are engaged actively in the real estate profession, including buying, selling,
86 exchanging, renting or leasing, managing, appraising for others for compensation,
87 counseling, building, developing or subdividing real estate, and who maintain or are
88 associated with an established real estate office in the state of Arizona or a state
89 contiguous thereto. All persons who are partners in a partnership, or all officers in a
90 corporation, who are actively engaged in the real estate profession within the state or a
91 state contiguous thereto shall qualify for REALTOR® Membership only, and each is
92 required to hold REALTOR® Membership in an Association of REALTORS® within the
93 state or a state contiguous thereto unless otherwise qualified for Institute Affiliate
94 Membership as described in Section 1 (b) of Article IV.

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96 In the case of a real estate firm, partnership, or corporations, whose business activity is
97 substantially all commercial, only those principals actively engaged in the real estate
98 business in connection with the same office, or any other offices within the jurisdiction of
99 the board in which one of the firm's principals holds REALTOR® membership, shall be
100 required to hold REALTOR® membership unless otherwise qualified for Institute Affiliate
101 membership as described in Section 1(b) of Article IV.

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103 **NOTE:** REALTOR® Members may obtain membership in a "secondary" Association in
104 another state.

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2. Individuals who are engaged in the real estate profession other than as sole proprietors, partners, branch office managers or corporate officers and are associated with a REALTOR® Member and meet the qualifications set out in Article V.
 3. Franchise REALTOR® Membership. Corporate officers (who may be licensed or unlicensed) of a real estate brokerage franchise organization with at least one hundred fifty (150) franchisees located within the United States, its insular possessions and the commonwealth of Puerto Rico, elected to membership pursuant to the provisions in the NAR Constitution and Bylaws. Such individuals shall enjoy all of the rights, privileges and obligations of REALTOR® membership (including compliance with the Code of Ethics) except: obligations related to Association mandated education, meeting attendance, or orientation classes or other similar requirements; the right to use the term REALTOR® in connection with their franchise organization's name; and The right to hold elective office in the local association, state association and National Association.
 4. Primary and secondary REALTOR® Members. An individual is a primary member if the Association pays State and National dues based on such Member. An individual is a secondary Member if State and National dues are remitted through another Association. One of the principals in real estate firm must be a Designated REALTOR® member of the Association in order for licensees affiliated with the firm to select the Association as their "primary" Association.
 5. Designated REALTOR® Members. Each firm (or office in the case of firms with multiple office locations) shall designate in writing one REALTOR® Member who shall be responsible for all duties and obligations of Membership including the obligation to arbitrate **(or to mediate if required by the association)** pursuant to Article 17 of the Code of Ethics and the payment of Association dues as established in Article X of the Bylaws. The "Designated REALTOR®" must be a sole proprietor, partner, corporate officer or branch office manager acting on behalf of the firm's principal(s) and must meet all other qualifications for REALTOR® Membership established in Article V, Section 2, of the Bylaws.

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141 **B. Institute Affiliate Members.**

142 Institute Affiliate members shall be individuals who hold a professional designation awarded by
143 an Institute, Society, or Council affiliated with the NATIONAL ASSOCIATION OF REALTORS®
144 that addresses a specialty area other than residential brokerage or individuals who otherwise
145 hold a class of membership in such Institute, Society or Council that confers the right to hold
146 office. Any such individual, if otherwise eligible, may elect to hold REALTOR® membership,
147 subject to payment of applicable dues for such membership
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149 **C. Affiliate Members.**

150 Affiliate Members shall be real estate owners and other individuals or firms who, while not
151 engaged in the real estate profession as defined in paragraph (a) or (b) of this Section, have
152 interests requiring information concerning real estate, and are in sympathy with the objectives
153 of the Association.
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155 **D. Life Members.**

156 All NAAR Presidents (who have served a full term as President and are active members in the
157 Association) shall be awarded Life Membership
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E. **Honorary Member.**

Honorary members shall be REALTORS® in good standing that have performed notable service for the real estate profession. Membership shall be approved by and reviewed annually by the Board of Directors

F. **NAR REALTOR® Emeriti, Past NAR Presidents and NAR Distinguished Service Award Recipients.**

The Association dues and assessments of a REALTOR® Member who is a NAR REALTOR® Emeriti, a past President of the NAR, or a recipient of the NAR Distinguished Service Award shall be waived unless a contrary position is adopted by the Association Board of Directors.

G. **NAAR Past Presidents**

The Association dues of a REALTORS® member who is a NAAR past President shall be reduced by one quarter of dues unless a contrary position is adopted by the Association Board of Directors

ARTICLE V - QUALIFICATION AND ELECTION

Section 1. Application.

- A. An application for membership shall be made in such manner and form as may be prescribed by the Board of Directors and made available to anyone requesting it. The application form shall contain among the statements to be signed by the applicant (1) that applicant agrees as a condition to membership to thoroughly familiarize himself with the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, the Constitutions, Bylaws, and Rules and Regulations of NAAR, the State, and National Associations, and if approved, a Member, will abide by the Constitutions and Bylaws and Rules and Regulations of NAAR, the State and National Association, and if a REALTOR® member will abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® including the obligation to arbitrate(**or to mediate if required by the association**) controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics, and as further specified in the Code of Ethics and Arbitration Manual of the NATIONAL ASSOCIATION OF REALTORS®, as from time to time amended, and (2) that applicant consents that NAAR, through its Membership Committee or otherwise, may invite and receive information and comment about applicant from any Member or other persons, and that application agrees that any information and comment furnished to NAAR by any person in response to the invitation shall be conclusively deemed to be privileged and not form the basis of any action for slander, libel, or defamation of character. The applicant shall, with the form of application, have access to a copy of the Bylaws, Constitution, Rules and Regulations, and Code of Ethics referred to above. **(Amended 11/11)**

Section 2. Qualification

- A. An applicant for REALTOR® Membership who is a sole proprietor, partner, corporate officer, or branch office manager of a real estate firm shall supply evidence satisfactory to the Board through its Membership Committee or otherwise that he is actively engaged in the real estate profession, and maintains a current, valid real estate broker's or salesperson's license or is licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, has a place of business within the state or a state contiguous thereto (unless a secondary member), has no record of recent or pending bankruptcy*, has no record of official sanctions involving unprofessional conduct** and agrees to complete a course of instruction covering the Bylaws and Rules and Regulations of the Association, the Bylaws of the State Association, and the Constitution and Bylaws and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, and shall pass such reasonable and nondiscriminatory

212 written examination thereon as may be required by the Committee, and shall agree that if
213 elected to membership, he will abide by such Constitution, Bylaws and Regulations, and Code
214 of Ethics.

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216 **No recent or pending bankruptcy* is intended to mean that the applicant or any real estate firm
217 in which the applicant is a sole proprietor, general partner, or corporate officer, or branch office
218 manager, is not involved in any pending bankruptcy or insolvency proceedings or, has been
219 adjudged bankrupt in the past three (3) years. If a bankruptcy proceeding as described above
220 exists, membership may be rejected unless the Association establishes that its interest and
221 those of its members and public could not be adequately protected by requiring that the
222 bankrupt applicant pay cash in advance for Association and MLS fees for up to (1) year from
223 the date that membership is approved or from the date that the applicant is discharged from
224 bankruptcy proceedings, the member may be placed on a "cash basis" from the date that
225 bankruptcy is initiated until one (1) year from date that the member has been discharged from
226 bankruptcy.

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228 *** No record of official sanctions involving unprofessional conduct* is intended to mean that the
229 Association may only consider judgments within the past three (3) years of violations of (1) civil
230 rights laws; (2) real estate license laws; (3) or other laws prohibiting unprofessional conduct
231 against the applicant rendered by the courts or other lawful authorities.

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233 **NOTE:** Article IV, Section 2, of the NAR Bylaws prohibits Member Boards from knowingly
234 granting REALTOR® membership to any applicant who has an unfulfilled sanction pending
235 which was imposed by another Board or Association of REALTORS® for violation of the Code
236 of Ethics.

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239 B. Individuals who are actively engaged in the real estate profession other than as sole
240 proprietors, partners, corporate officers, or branch office managers in order to qualify for
241 REALTOR® Membership, shall at the time of application, be associated either as an employee
242 or as an independent contractor with a Designated REALTOR® Member of the Association, or
243 Designated REALTOR® Member of another association (if a secondary member) within the
244 state or a state contiguous thereto, shall have the written recommendation of such REALTOR®
245 Member, and must maintain a current, valid real estate broker's or salesperson's license or be
246 licensed or certified by an appropriate state regulatory agency to engage in the appraisal of
247 real property, shall complete a course of instruction covering the Bylaws and Rules and
248 Regulations of the Association, the Bylaws of the State Association, and the Constitution and
249 Bylaws and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and shall pass
250 such reasonable and nondiscriminatory written examinations thereon as may be required by
251 the Membership Committee and shall agree, in writing, that if elected to membership he will
252 abide by such Constitution, Bylaws Rules and Regulations and the Code of Ethics.

253
254 The Association will also consider the following in determining an applicant's qualifications
255 for REALTOR® membership:

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257 1 All final findings of Code of Ethics violations and violations of other membership duties in
258 this or any other REALTOR® association within the past three (3) years
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260 2 Pending ethics complaints (or hearings)
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262 3 Unsatisfied discipline pending

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264 4 Pending arbitration requests (or hearings)
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267 5 Unpaid arbitration awards or unpaid financial obligations to any other association or
268 association MLS.
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270 6. Any misuse of the term REALTOR® or REALTORS® in the name of the
271 applicant's firm.
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274 "Provisional" membership may be granted in instances where ethics complaints or arbitration
275 requests (or hearings) are pending in other associations or where the applicant for membership
276 has unsatisfied discipline pending in another association (except for violations of the Code of
277 Ethics; See Article V, Section 2A NOTE), provided all other qualifications for membership have
278 been satisfied. Associations may reconsider the membership status of such individuals when
279 all pending ethics and arbitration matters (and related discipline) have been resolved or if such
280 matters are not resolved within six months from the date that provisional membership is
281 approved. Provisional members shall be considered REALTORS® and shall be subject to all
282 of the same privileges and obligations of REALTOR® membership. If a member resigns from
283 another association with an ethics complaint or arbitration request pending, the association
284 may condition membership on the applicant's certification that he/she will submit to the pending
285 ethics or arbitration proceeding (in accordance with the established procedures of the
286 association to which the applicant has made application) and will abide by the decision of the
287 hearing panel (Amended 11/09)
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289 **Section 3. Election.**

290 The procedure for election to membership shall be as follows:

291 (a) The chief staff executive (or duly authorized designee) shall determine whether the applicant is
292 applying for the appropriate class of membership. If the association has adopted provisional
293 membership, applicants for REALTOR® membership may be granted provisional membership
294 immediately upon submission of a completed application form and remittance of applicable
295 association dues and any application fee. Provisional members shall be considered REALTORS®
296 and shall be subject to all of the same privileges and obligations of membership. Provisional
297 membership is granted subject to final review of the application by the board of directors.

298 (b) If the board of directors determines that the individual does not meet all of the qualifications
299 for membership as established in the association's Bylaws, or, if the individual does not satisfy all
300 of the requirements of membership (for example, completion of a mandatory orientation program)
301 within 120 days from the association's receipt of their application, membership may, at the
302 discretion of the board of directors, be terminated. In such instances, dues shall be returned to the
303 individual less a prorated amount to cover the number of days that the individual received
304 association services and any application fee. The board of directors shall vote on the applicant's
305 eligibility for membership. If the applicant receives a majority vote of the board of directors,
306 he/she shall be declared elected to membership and shall be advised by written notice.

307 (c) The board of directors may not reject an application without providing the applicant with
308 advance notice of the findings, an opportunity to appear before the board of directors, to call
309 witnesses on his/her behalf, to be represented by counsel, and to make such statements as he/she
310 deems relevant. The board of directors may also have counsel present. The board of directors

311 shall require that written minutes be made of any hearing before it or may electronically or
312 mechanically record the proceedings.

313 (d) If the board of directors determines that the application should be rejected, it shall record its
314 reasons with the chief staff executive (or duly authorized designee). If the board of directors
315 believes that denial of membership to the applicant may become the basis of litigation and a claim
316 of damage by the applicant, it may specify that denial shall become effective upon entry in a suit
317 by the association for a declaratory judgment by a court of competent jurisdiction of a final
318 judgment declaring that the rejection violates no rights of the applicant

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Section 4. New Member Code of Ethics Orientation

323 A. Applicants for REALTOR® membership and provisional REALTOR® members (where
324 applicable) shall complete an orientation program on the Code of Ethics of not less than two
325 hours and thirty minutes of instructional time. This requirement does not apply to applicants for
326 REALTOR® membership or provisional members who have completed comparable orientation
327 in another association, provided that REALTOR® membership has been continuous, or that
328 any break in membership is for one year or less.
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331 B. Failure to complete the Orientation Class and Code of Ethics Training within 120 days of
332 application (or alternatively, the date that provisional membership was granted), will result in
333 denial of the membership application or termination of provisional membership.
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336 **NOTE:** Orientation programs must meet the learning objectives and minimum established from
337 time to time by the NATIONAL ASSOCIATION OF REALTORS®.
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Section 5. Continuing REALTOR® Member Code of Ethics Training.

340 A. **Effective January 1, 2019 through December 31, 2021, and for successive two (3) year**
341 **periods** thereafter, each REALTOR® member of the association shall be required to complete
342 quadrennial ethics training of not less than two (2) hours and thirty (30) minutes of instructional
343 time. This requirement will be satisfied upon presentation of documentation that the member
344 has completed a course of instruction conducted by this or another REALTOR®,
345 association, the State Association of REALTORS®, or the NATIONAL ASSOCIATION OF
346 REALTORS®, which meets the learning objectives and minimum criteria established by the
347 NATIONAL ASSOCIATION OF REALTORS®. REALTOR® members who have completed
348 training as a requirement of membership in another association, and REALTOR® members
349 who have completed the New Member Code of Ethics Orientation during any three (3) year
350 cycle shall not be required to complete additional ethics training until a new three (3) year
351 cycle commences.
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354 B. Failure to satisfy this requirement shall be considered a violation of a membership duty Failure
355 to meet the requirement in any three (3) year cycle will result in suspension of membership for
356 the first two months (January and February) of the year following the end of any three (3)
357 cycle or until the requirement is met, whichever occurs sooner. On March 1 of that year, the
358 membership[of a member who is still suspended as of that date will be automatically
359 terminated (adopted 11/01, Amended 11/08, amended 11/2016, amended **January 1, 2020**)
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Section 6. Status Changes.

A. A REALTOR® who changes the conditions under which he holds membership shall notify the Association not later than ten (10) days after the effective date of said change. The Designated REALTOR® is required to notify the Association of a change of the Member’s status under which Membership is held in the Association, a transfer of license from one firm to another, severance of license, expired license, etc., not later than ten (10) days after the effective date of said change. A REALTOR® (non-principal) who becomes a principal in the firm with which he has been licensed, or alternatively, 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 REALTOR® (principal) members but shall, during the period of transition from one status of membership to another, be subject to all of the privileges and obligations of a REALTOR® (principal). If the REALTOR® (non-principal) does not satisfy the requirements established in these Bylaws for the category of membership to which they have transferred within **ten (10)** days of the date they advised the Association of their change in status, their new membership application will terminate automatically unless otherwise so directed by the Board of Directors.

A REALTOR® who is transferring their license from one firm comprised of REALTOR® principals to another firm comprised of REALTOR® principals shall be subject to all of the privileges and obligations of membership during the time of transition. If the transfer is not completed with 10 days of the date the association is advised of the disaffiliation with the current firm, membership will terminate automatically unless otherwise so directed by the Board of Directors.

B. Any application fee related to a change in membership status shall be adjusted by an amount equal to the application fee previously paid by the applicant.

C. Dues shall be prorated from the first day of the month in which the members is notified of election by the Board of Directors and shall be based on the new membership status for the remainder of the year.

ARTICLE VI - PRIVILEGES AND OBLIGATIONS

Section 1.

The privileges and obligations of Members, in addition to those otherwise provided in these Bylaws, shall be as specified in this Article.

Section 2.

Any member of the Association may be reprimanded, fined, placed on probation, suspended or expelled by the Board of Directors for a violation of these Bylaws and Association Rules and Regulations consistent with these Bylaws, after a hearing as provided in the *Code of Ethics and Arbitration Manual* of the Association. Although Members other than REALTORS® are neither subject to the Code of Ethics nor its enforcement by the Association, such Members are encouraged to abide by the principles established in the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and conduct their business and professional practices accordingly.

Further, Members other than REALTORS® may, upon recommendation of the Membership Committee, or upon recommendation by a hearing panel of the Professional Standards Committee, be subject to discipline as described above, for any conduct which in the opinion of the Board of Directors, applied on a non-discriminatory basis, reflects adversely on the terms REALTOR® or REALTORS®, and the real estate industry, or for conduct that is inconsistent with or adverse to the objectives and purposes of the local Association, the State Association, and the NATIONAL ASSOCIATION OF REALTORS®.

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Section 3.

Any REALTOR® Member of the Association may be disciplined by the Board of Directors for violations of the Code of Ethics or other duties of membership, after a hearing as described in the *Code of Ethics and Arbitration Manual* of the Association, provided that the discipline imposed is consistent with the discipline authorized by the Professional Standards Committee of the NATIONAL ASSOCIATION OF REALTORS® as set forth in the *Code of Ethics and Arbitration Manual* of the National Association.

Section 4.

Resignations of Members shall become effective when received in writing by the Board of Directors, provided, however that if any Member submitting the resignation is indebted to the Association for dues, fees, fines, or other assessments of the Association or any of its services, departments, divisions, or subsidiaries, the Association may condition the right of the resigning Member to reapply for membership upon payment in full of all such monies owed.

Section 5.

If a member resigns from the Association or otherwise causes membership to terminate with an ethics complaint pending the complaint shall be processed until the decision of the association with respect to disposition of the complaint is final by this association (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 Boards 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®.

(a) If a member resigns or otherwise causes membership to terminate, the duty to submit to arbitration **(or mediate if required by the association)** continues in effect even after membership lapses or is terminated, provided that the dispute arose while the former member was a REALTOR®. **(Amended 11/11)**

Section 6. REALTOR® Members.

REALTOR® Members, whether primary or secondary, in good standing whose financial obligations to the Association are paid in full shall be entitled to vote and to hold elective office in the Association; may use the terms REALTOR® or REALTORS®, which use shall be subject to the provisions of Article VIII; and have the primary responsibility to safeguard and promote the standards, interests, and welfare of the Association and the real estate profession.

- A. If a REALTOR® Member is a sole proprietor in a firm, a partner in a partnership, or an officer of a corporation, and is suspended or expelled, the firm, partnership, or corporation shall not use the terms REALTOR® or REALTORS® in connection with its business during the period of suspension, or until readmission to REALTOR® Membership, or unless connection with the firm, partnership, or corporation is severed, or management control is relinquished, whichever may apply. The membership of all other principals, partners, or corporate officers shall suspend or terminate during the period of suspension of the disciplined Member, or until readmission of the disciplined Member, or unless connection of the disciplined Member with the firm, partnership, or corporation is severed, or unless the REALTOR® who is suspended or expelled removes himself from any form or degree of management control of the firm for the term of the suspension or until readmission to membership, whichever may apply. Removal of an individual from any form or degree of management control must be certified to the Association by the Member who is being suspended or expelled and by the individual who is

464 assuming management control and the signatures of such certification must be notarized. In
465 the event the suspended or expelled Member is so certified to have relinquished all form or
466 degree of management control of the firm, the membership of other partners, corporate
467 officers, or other individuals affiliated with the firm shall not be affected, and the firm,
468 partnership or corporation may continue to use the terms REALTOR® and REALTORS® in
469 connection with its business during the period of suspension or until the former Member is
470 readmitted to membership in the Association. The foregoing is not intended to preclude a
471 suspended or expelled Member from functioning as an employee or independent contractor,
472 providing no management control is exercised. Further, the membership of REALTORS®
473 other than principals who are employed by or affiliated as independent contractors with the
474 disciplined Member shall suspend or terminate during the period of suspension of the
475 disciplined Member or until readmission of the disciplined Member or unless connection of the
476 disciplined Member with the firm, partnership, or corporation is severed, or management
477 control is relinquished, or unless the REALTOR® Member (non-principal) elects to sever his
478 connection with the REALTOR® and affiliate with another REALTOR® Member in good
479 standing with the Association, whichever may apply.

481 If a REALTOR® Member other than a sole proprietor in an firm, partner in a partnership, or an
482 officer of a corporation is suspended or expelled, the use of the terms REALTOR® or
483 REALTORS® by the firm, partnership, or corporation shall not be affected.

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485 B. In any action taken against a REALTOR® Member for suspension or expulsion under Section
486 6(a) hereof, notice of such action shall be given to all REALTORS® employed by or affiliated
487 as independent contractors with such REALTOR® Member and they shall be advised that the
488 provisions in Article VI, Section 6(a) shall apply.

490 **Section 7. Institute Affiliate Members.**

491 Institute Affiliate Members shall have rights and privileges and be subject to obligations prescribed by
492 the Board of Directors consistent with the Constitution and Bylaws of the NATIONAL ASSOCIATION OF
493 REALTORS®.

494 **NOTE:** Local associations establish the rights and privileges to be conferred on Institute
495 Affiliate Members except that no Institute Affiliate Member may be granted the right to use the
496 term REALTOR®, or the REALTOR® logo; to serve as President of the local association; or to
497 be a Participant in the local association's Multiple Listing Service.

499 **Section 8. Affiliate Members.**

500 Affiliate Members shall have rights and privileges, excluding voting privileges, and be subject to
501 obligations prescribed by the Board of Directors.

503 **Section 9. Certification by REALTOR®.**

504 "Designated" REALTOR® Members of the Association shall certify to the Association during the month
505 of December, on a form provided by the Association, a complete listing of all individuals licensed or
506 certified with the REALTOR®'s offices(s) and shall designate a primary Association for each individual
507 who holds membership. Designated REALTORS® shall also identify any non-member licensees in the
508 REALTOR®'s office(s) and if Designated REALTOR® dues have been paid to another Association
509 based on said non-member licensees, the Designated REALTOR® shall identify the Board to which
510 dues have been remitted. These declarations shall be used for purposes of calculating dues under
511 Article X, Section 2 (a) of the Bylaws. "Designated" REALTOR® Members shall also notify the
512 Association of any additional individual(s) Members shall also notify the Association of any additional
513 individual(s) licensed or certified with the firm(s) within 10 days of the date of affiliation or severance of
514 the individual.

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Section 10. Harassment

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Any member, Officer, Director or employee of the Association may be reprimanded, placed on probation, suspended or expelled for harassment of an Association or MLS employee or Association Officer or Director after an investigation in accordance with the procedures of the association. As used in this Section, harassment means any verbal or physical conduct including threatening or obscene language, unwelcome sexual advances, Cyberbullying, stalking, actions including strikes, shoves, kicks, or other similar physical contact, or threats to do the same, or any other conduct with the purpose or effect of unreasonably interfering with an individual's work environment. The decision of the appropriate disciplinary action to be taken shall be made by the investigatory team comprised of the President, President-elect and one member of the Board of Directors selected by the highest ranking officer not named in the complaint, upon consultation with legal counsel for the Association. ***Disciplinary action may include any sanction authorized in the association's Code of Ethics and Arbitration Manual.*** If the complaint names the President or President-Elect, they may not participate in the proceedings and shall be replaced by the Immediate Past President or, alternatively, by another member of the Board of Directors selected by the highest ranking officer not named in the complaint.

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Note: Suggested procedures for processing complaints of harassment are available online at <http://www.REALTOR.org/mempolweb.nsf/pages/HarassmentProcedure?OpenDocument>.

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ARTICLE VII- PROFESSIONAL STANDARDS AND ARBITRATION

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Section 1.

The responsibility of the Association and of Association Members relating to the enforcement of the Code of Ethics, the disciplining of Members, and the arbitration of disputes, and the organization and procedures incident thereto, shall be governed by the *Code of Ethics and Arbitration Manual* of the NATIONAL ASSOCIATION OF REALTORS®, as amended from time to time, which is by this reference incorporated into these Bylaws, provided, however, that any provision deemed inconsistent with state law shall be deleted or amended to comply with state law.

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Section 2.

It shall be the duty and responsibility of every REALTOR® Member of this Association to abide by the Constitution and Bylaws and the Rules and Regulations of the Association, the Constitution and Bylaws of the State Association, the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS®, and to abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, including the duty to ***mediate and*** arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics, and as further defined and in accordance with the procedures set forth in the *Code of Ethics and Arbitration Manual* of this Association as from time to time amended.

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Section 3.

The responsibility of the Association and of Association Members relating to the enforcement of the Code of Ethics, the disciplining of Members, and the arbitration of disputes, and the organization and procedures incident thereto, shall be consistent with the ARIZONA ASSOCIATION OF REALTORS® statewide Professional Standards Enforcement Agreement entered into by the NORTHERN ARIZONA ASSOCIATION OF REALTORS®, which by this reference is made a part of these Bylaws.

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ARTICLE VIII - USE OF THE TERM REALTOR® AND REALTORS®

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Section 1.

Use of the terms REALTOR® and REALTORS® by Members shall, at all times, be subject to the provisions of the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS® and to the Rules and Regulations prescribed by its Board of Directors. The Association shall have the authority to control, jointly and in full cooperation with the NATIONAL ASSOCIATION OF REALTORS®, use of the terms within its jurisdiction. Any misuse of terms by members is a violation of a membership duty and any subject members to disciplinary action by the Board of Directors after a hearing as provided for in the association's Code of Ethics and Arbitration Manual (Amended 5/2006).

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Section 2.

REALTOR® Members of the Association shall have the privilege of using the terms REALTOR® and REALTORS® in connection with their places of business within the state or state contiguous thereto so long as they remain REALTOR® Members in good standing. No other class of members shall have this privilege.

Section 3.

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 the state or state contiguous thereto are REALTOR® Members of the Association or Institute Affiliate Members as described in Section 1(b) of Article IV.

- 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® and 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 shall not use the terms REALTOR® or REALTORS®, nor the imprint of the emblem seal of the NATIONAL ASSOCIATION OF REALTORS®.

ARTICLE IX - STATE AND NATIONAL MEMBERSHIPS

Section 1.

The Association shall be a Member of the NATIONAL ASSOCIATION OF REALTORS® and of the ARIZONA ASSOCIATION OF REALTORS®. By reason of the Association's membership, each REALTOR® Member of the Member Association shall be entitled to membership in the NATIONAL ASSOCIATION OF REALTORS®, and the ARIZONA ASSOCIATION OF REALTORS®. The Association shall continue as a Member of the State and National Associations, unless by a majority vote of all its REALTOR® Members, a decision is made to withdraw, in which case the State and National Associations shall be notified at least one month in advance of the date designated for the termination of such membership.

Section 2.

The Association recognizes the exclusive property right of the NATIONAL ASSOCIATION OF REALTORS® in the terms REALTOR® and REALTORS®. The Association shall discontinue the use of the terms in any form in its name, upon ceasing to be a member of the National Association, or upon a determination by the Board of Directors of the National Association that it has violated the conditions imposed upon the terms.

Section 3.

The Association adopts the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and agrees to enforce that Code among its REALTOR® Members. The Association and all of its Members agree to abide by the Constitution, Bylaws, Rules and Regulations, and policies of the National Association and ARIZONA ASSOCIATION OF REALTORS®.

629 **ARTICLE X - DUES AND ASSESSMENTS**

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631 **Section 1. Application Fee.**

632 The Board of Directors may adopt an application fee for REALTOR® Membership in reasonable amount,
633 not exceeding three times the amount of the annual dues for REALTOR® Membership, which shall be
634 required to accompany each application for REALTOR® Membership and which shall become the
635 property of the Association upon final approval of the application.
636

637
638 **Section 2. Dues.**

639 The annual dues of each member shall be as follows:

- 640 A. REALTOR® Members. The annual dues of each Designated REALTOR® Member shall be in
641 such amount as established annually by the Board of Directors, plus an additional amount to
642 be established annually by the Board of Directors times the number of real estate salespersons
643 and licensed or certified appraisers who (1) are employed by or affiliated as independent
644 contractors, or who are otherwise directly or indirectly licensed with such REALTOR® Member,
645 and (2) are not REALTOR® Members of any Association in the state or state contiguous
646 thereto or Institute Affiliate Members of the Association. In calculating the dues payable to the
647 Association by a Designated REALTOR® Member, non-member licensees as defined in (1)
648 and (2) of this paragraph shall not be included in the computation of dues if the Designated
649 REALTOR® has paid dues based on said non-member licensees in another Association in the
650 state or state contiguous thereto, provided the Designated REALTOR® notifies the Association
651 in writing of the identity of the Association to which dues have been remitted. In the case of a
652 Designated REALTOR® Member in a firm, partnership, or corporation whose business activity
653 is substantially all commercial, any assessments for non-member licensees shall be limited to
654 licensees affiliated with the Designated REALTOR (as defined in (1) and (2) of this paragraph)
655 in the office where the Designated REALTOR holds membership, and any other offices of the
656 firm located within the jurisdiction of this board.
657

658 For the purpose of this Section, a REALTOR® Member of a Member Association shall be held
659 to be any Member who has a place or places of business within the state or a state contiguous
660 thereto and who as a principal, partner, corporate officer, or office branch manager of a real
661 estate firm, partnership, or corporation, is actively engaged in the real estate profession as
662 defined in Article III, Section 1, of the Constitution of the NATIONAL ASSOCIATION OF
663 REALTORS®. An individual shall be deemed to be licensed with a REALTOR®, or by any
664 broker who is licensed with the REALTOR®, or by any entity in which the REALTOR® has a
665 direct or indirect ownership interest and which is engaged in soliciting and/or referring clients or
666 customers to the REALTOR® or his firm on a substantially exclusive basis or which is engaged
667 in other aspects of the real estate business provided that such licensee is not otherwise
668 included in the computation of dues payable by the principal, partner, or corporate officer of the
669 entity.
670

671 A REALTOR® with a direct or indirect ownership interest in an entity engaged exclusively in
672 soliciting and/or referring clients and customers to the REALTOR for consideration on a
673 substantially exclusive basis shall annually file with the association on a form approved the
674 association a list of the licensees affiliated with that entity and shall certify that all of the
675 licensees affiliated with the entity are solely engaged in referring clients and customers and are
676 not engaged in listing, selling, leasing, renting, managing, counseling or appraising real
677 property. The individuals disclosed on such form shall not be deemed to be licensed with the
678 REALTOR filing the form for purposes of this Section and shall not be included in calculating
679 the annual dues of the Designated REALTOR®. Designated REALTORS® shall notify the
680 association within three (3) days of any changes in status of licensees in a referral firm.
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682 The exemption for any licensee included on the certification form shall automatically be
683 revoked upon the individual being engaged in real estate licensed activities (listing, selling,
684 leasing, renting, managing, counseling, or appraising real property) other than referrals, and

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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 or REALTOR-ASSOCIATE membership in the association. However, membership dues shall not be prorated if the licensee held REALTOR or REALTOR-ASSOCIATE membership during the preceding calendar year (*Amended 11/09 and 11/14*)

- B. REALTORS® Members. The annual dues of REALTORS® Members other than the Designated REALTOR® shall be as established annually by the Board of Directors. ** (NAR)
- C. The annual dues of each Institute Affiliate Member shall be as established in Article II of the Bylaws of the NATIONAL ASSOCIATION OF REALTORS®.

NOTE: The Institutes, Societies and Councils of the National Association shall be responsible for collecting and remitting dues to the National Association for Institute Affiliate Members (\$105). The National Association shall credit \$35 to the account of a local association for each Institute Affiliate Member whose office address is within the assigned territorial jurisdiction of that association, provided, however, if the office location is also within the territorial jurisdiction of a Commercial Overlay Board (COB), the \$35 amount will be credited to the COB, unless the Institute Affiliate Member directs that the dues be distributed to the other board. The National Association shall also credit \$35 to the account of state associations for each Institute Affiliate Member whose office address is located within the territorial jurisdiction of the state association. Local and state association may not establish any additional entrance, initiation fees or dues for Institute Affiliate Members, but may provide service packages to which Institute Affiliate Members may voluntarily subscribe.

- D. The annual dues of each Affiliate Member shall be in such amount as established annually by the Board of Directors.

Section 3 Dues Payable.

State and National Dues for all members shall be payable annually in advance on the first day of January. Local dues for all members shall be payable quarterly. Dues for new members shall be computed from date of application and granting of provisional membership.

In the event a sales licensee or licensed or certified appraiser who holds REALTOR® membership is dropped for nonpayment of Association dues, and the individual remains with the designated REALTOR®'s firm, the dues obligation of the "Designated" REALTOR® (as set forth in Article X, Section 2(a)) 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 30 days of the notice of termination.

Section 4. Nonpayment of Financial Obligations

If dues, fees, fines, or other assessments including amounts owed to the Association or the Association's Multiple Listing Service are not paid within one (1) month after the due date, the non-paying member is subject to suspension at the discretion of the Board of Directors. Two (2) months after the due date membership of the nonpaying Member may be terminated at the discretion of the Board of Directors. Three (3) months after the due date, membership of the nonpaying Member shall automatically terminate 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.

A former Member who has had his membership terminated for non-payment of dues, fees, fines, or other assessments duly levied in accordance with the provisions of these Bylaws or the provisions of other

741 Rules and Regulations of the Association or any of its services, departments, divisions or subsidiaries
742 may apply for reinstatement in a manner prescribed for new applicants for membership, after making
743 payment in full of all accounts due as of the date of termination.
744

745 **Section 5. Deposits and Expenditures.**

746 Deposits and **expenditures** of funds shall be in accordance with policies established by the Board of
747 Directors.
748

749 **Section 6. Notice of Dues, Fees, Fines, Assessments, and Other Financial Obligations of**
750 **Members.**

751 All dues, fees, fines, assessments, or other financial obligations to the Association or
752 Association Multiple Listing Service shall be noticed to the delinquent Association Member in writing
753 setting forth the amount owed and due date.

754 **Section 7. NAR Dues**

755 The dues of REALTOR® Members who are REALTOR® Emeriti (as recognized by the National
756 Association of REALTORS®), Past Presidents, **and past treasurers** of the National Association or
757 recipients of the Distinguished Service Award shall be as determined by the Board of Directors.
758

759 **NOTE:** A Member Board's dues obligation to the National Association is reduced by an amount
760 equal to the amount which the association is assessed for a REALTOR® member, times the
761 number of REALTOR® Emeriti (as recognized by the National Association), past presidents **and**
762 **past treasurers** of the National Association, and recipients of the Distinguished Service Award of
763 the National Association who are REALTOR® members of the association. The dues obligation
764 of such individuals to the local association should be reduced to reflect the reduction in the
765 association's dues obligation to the National Association. The association may, at its option,
766 choose to have no dues requirement for such individuals except as may be required to meet the
767 association's obligation to the State Association with respect to such individuals. Member Boards
768 should determine whether the dues payable by the association to the State Association are
769 reduced with respect to such individuals. It should be noted that this does not affect a
770 "designated" REALTOR®'s dues obligation to the association with respect to those licensees
771 employed by or affiliated with the "designated" REALTOR® who are not members of the
772 local association.
773

774 **Section 8. NAAR Dues** The local dues of REALTOR® Members who are NAAR Past Presidents
775 and/or recipients of the Distinguished Service Award shall be discounted by one quarter of NAAR dues
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778 **ARTICLE XI - OFFICERS AND DIRECTORS**
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780 **Section 1. Officers**

781 The elected Officers of the Association shall be President, President-Elect, Vice President, Immediate
782 Past President, and Treasurer.
783

784 **Section 2. Duties of Officers.**

785 The duties of the Officers shall be such as their titles, by general usage, would indicate and such as may
786 be assigned to them by the Board of Directors. It shall be the particular duty of the Executive Officer or
787 designee to keep the records of the Association and to carry on all necessary correspondence with the
788 NATIONAL ASSOCIATION OF REALTORS® and the ARIZONA ASSOCIATION OF REALTORS®.
789

790 **Section 3. Board of Directors.**

791 The governing body of the Association shall be a Board of Directors, consisting of the elected Officers, a
792 Treasurer-Elect, MLS Chair, four REALTOR® members and an Affiliate Director. These Members, as
793 Directors shall be elected to serve for terms of two years. A minimum of two members of the Board of
794 Directors shall be Designated REALTORS® or Principals of a member Real Estate Firm. Thereafter, as
795 many Directors shall be elected each year as are required to fill vacancies
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The Affiliate Director shall be accorded all the voting privileges of any member of the Board of Directors with the exception of that business requiring REALTOR® only participation (including but not limited to ratification of Professional Standards decisions) as required by the bylaws, constitution, policies and procedures of the Association, the Arizona Association of REALTORS®, and the National Association of REALTORS®.

Section 4. Term Limits

Directors shall not serve more than one (1) full two-year term. After a period of two years or more absence from the Board, a director may be re-elected to the Board for up to an additional one (1) two-year term. No Board member shall serve more than seven (7) consecutive years on the Board of Directors. (amended 9/2019)

Section 5. Election of Officers and Directors.

- A. At least *four* (4) months before the annual election as defined under Article XIII, Section 2. Annual Meeting a Nominating Task Force of five REALTOR® Members, of which no more than 2 shall be current board members, shall be appointed by the President. Candidates shall be selected so that no more than two (2) agents per brokerage serves on the Board of Directors unless there are not enough candidates to fill vacancies. The Nominating Task Force shall select at least one candidate for the following offices: Vice-President, MLS Chair-Elect, Treasurer-Elect, two 2-year Directors, Affiliate Director, and any vacancies that may exist. The President-Elect of the preceding year shall automatically become the President, the Vice-President shall automatically become the President-elect, the MLS Chair-Elect shall automatically become the MLS Chairperson, and the Treasurer-Elect shall automatically become the Treasurer (11/2015).

The immediate Past President or a Director approved by the Board of Directors shall serve as the Quota Director for the ARIZONA ASSOCIATION OF REALTORS®. The names of all the candidates shall be noticed to each member eligible to vote at least two (2) weeks preceding the election. Notice shall be by fax, electronic mail, posting on the association website or any combination of methods.

Additional candidates for the office to be filled may be placed in nomination by petition signed by at least ten percent (10%) of the REALTOR® Members eligible to vote. The petition shall be filed with the Executive Officer or designee at least *thirty (30) days* before the election. The Executive Officer or designee shall send notice containing the names of all additional candidates to each member eligible to vote at least seven (7) calendar days before the election. Notice shall be by fax, electronic mail, posting on the association website or any combination of methods.(amended 9/19)

- B. The election of Officers and Directors shall take place in accordance with the requirements of Article XII. Election shall be either by electronic validated ballot, or by secret ballot cast in-person, or by mail received not later than one business day prior to the election. The ballot shall contain the names of all candidates and the offices for which they are nominated. An Officer or Director will be elected by a simple majority of the ballots returned by members eligible to vote.

Section 6. Vacancies.

Vacancies among the Officers and Directors of the Association shall be filled by a simple majority vote of the remaining members of the Board of Directors until the next annual election.

Section 7. Removal of Officers and Directors.

In the event that an Officer or Director is deemed to be incapable of fulfilling the duties for which elected, but will not resign from office voluntarily, the Officer or Director may be removed from office under the following procedure:

- 853 A. A petition requiring the removal of an Officer or Director and signed by not less than one-third
854 of the voting membership or a majority of all Directors shall be filed with the President, or if
855 the President is the subject of the petition, with the next-ranking officer, and shall specifically
856 set forth the reasons the individual is deemed to be disqualified from further service.
857
- 858 B. Upon receipt of the petition, and not less than twenty (20) days or more than forty-five (45)
859 days thereafter, a special meeting of the voting membership of the Association shall be held,
860 and the sole business of the meeting shall be to consider the charge against the Officer or
861 Director, and to render a decision on such petition.
862
- 863 C. The special meeting shall be noticed to all voting Members at least fourteen (14) days prior to
864 the meeting, and shall be conducted by the President of the Association unless the
865 President's continued service in office is being considered at the meeting. In such case, the
866 next-ranking officer will conduct the meeting of the hearing by the Members. Provided a
867 quorum is present, a three-fourths vote of Members present and voting shall be required for
868 removal from office.
869

870 **Section 8. Limitation of Director Liability**

871 To the fullest extent that the law of the State of Arizona, as it now exists or as it may hereafter be
872 amended, permits the elimination of or limitation on the liability of directors, no director of the
873 Corporation shall be liable for monetary damages for any action taken or for any failure to take any
874 action. Any repeal or modification of this article shall be prospective only and shall not adversely affect
875 any limitation on personal liability of a director of the Corporation existing at the time of such repeal or
876 modification. For purposes of this Article, "director" shall include a person who serves on a board or
877 council of the Corporation in an advisory capacity. The private property of the incorporators, directors
878 and employees of the corporation shall be forever exempt from liability for its debts or obligations.
879

880 **Section 9. Indemnification**

881 Every officer of the NORTHERN ARIZONA ASSOCIATION OF REALTORS® shall be indemnified by the
882 Association against all expenses and liabilities, including counsel fees, reasonably incurred or imposed
883 upon such officer in conjunction with any proceeding to which that officer may have been made a party
884 or in which that officer may become involved by reason of being or having been an officer of the
885 Association, or any settlement thereof, whether or not the individual is still an officer at the time such
886 expenses are incurred, except in such cases wherein the officer is adjudged guilty of willful misfeasance
887 or malfeasance in the performance of such officer's duties or shall have acted in such a manner as has
888 exceeded such officer's authority so to act. The foregoing right of indemnification shall be in addition to
889 and not exclusive of all other rights to which such officer may be entitled.
890

891 **Section 10. Executive Officer.** There shall be an Executive Officer, appointed by the Board of
892 Directors, who shall be the chief administrative officer of the Board. The Executive Officer shall have the
893 authority to hire, supervise, evaluate and terminate other staff within the guidelines of federal and state
894 laws with appropriate documentation, if any, and shall perform such duties as prescribed by the Board of
895 Directors.
896

897 **Section 11. Operating Account.**

898 Expenditures from the operating account may be made only upon approval of the Executive Committee
899 or Board of Directors as follows:

- 900 1. The Executive Committee may approve expenditures up to ten thousand dollars (\$10,000) per
901 instance, not to exceed forty thousand dollars (\$40,000) aggregate in any budget year. Such
902 expenditures must be reported to the Board of Directors.
903
- 904 2. Expenditures over ten thousand dollars (\$10,000) per instance or over the aggregate of forty
905 thousand dollars (\$40,000) in any budget years must be approved by the Board of Directors.
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Section 12. Installation of Officers & Directors.

Installation of the returning and the newly elected incoming officers for the positions of President, President-Elect, Vice-President, Treasurer, Treasurer-Elect, MLS Chairperson, and Directors shall be held during a meeting prior to the beginning of their term.

ARTICLE XII - BOARD OF DIRECTORS MEETINGS

Section 1. Meetings of Directors. The Board of Directors shall designate a regular time and place of meetings.

Section 2. Absence. Absence from **two** meetings within a calendar year without an excuse deemed valid by the Board of Directors shall be construed as resignation from the Board of Directors. If the President is removed for non-attendance, then the President-elect shall preside at subsequent Board meetings. If the President-Elect is unavailable to so serve, then the Vice-President shall serve. If the Vice-Presidents is unavailable to serve as President, then the Board shall elect a President from among its Board.

Section 3. Quorum. A quorum for the transaction of a business for the Board of Directors shall be a majority of the voting board of directors, except as may otherwise be required by state law.

Section 4. Notice of Meetings. Written notice shall be given to each board member at least three (3) days preceding all meetings. If a special meeting, it shall be accompanied by a statement of the purpose of the meeting. Notice shall be by fax, electronic mail, posting on the Association Website or any combination of methods

Section 5. Electronic Transaction of Business. To the fullest extent permitted by law, the Board or membership may conduct business by electronic means.

Section 6. Action without Meeting. Any action required or permitted to be taken at a Board of Directors meeting may be taken without a meeting if the action is taken by all members of the Board of Directors. The action must be evidenced by one or more written consents signed by each director before or after such action, describing the action take, which consent(s) shall be included in the minutes. Action is effective when the last Director signs the consent, unless the consent specifies a different effective date.

Section 7. Attendance by Telephone. Members of the Board of Directors may participate in any meeting through the use of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Such participation shall be at the discretion of the President and shall constitute presence at the meeting.

Section 8. Open Meetings. With the exception of Executive Committee, all NAAR Standing Board and Committee meetings shall be open to any members who wish to attend. No meetings shall be electronically recorded. (9/19)

ARTICLE XIII - MEMBER MEETINGS

Section 1. Member's Voting Rights.

Each member eligible to vote shall be entitled to vote on the following matters and subject to the conditions contained below:

- A. Each member eligible to vote will be entitled to vote for Officers and Directors. An Officer or Director will be elected upon a simple majority of the ballots returned.
- B. Each member eligible to vote will be entitled to vote for the removal of Officers and Directors in accordance with Article XI, Section 8.

- 966 C. Each member eligible to vote will be entitled to vote for any proposed amendment to the
967 Bylaws. Any proposed amendment will be passed upon a simple majority of the ballots
968 returned by members ELIGIBLE to vote.
969

970 **Section 2. Annual Meeting.**

971 The annual meeting of the Association shall be held no later than the fourth week of September of each
972 year, the date, place and hour to be designated by the Board of Directors.
973

974 **Section 3. Other Meetings.**

975 Meetings of the members may be held at such other times as the president or the Board of Directors
976 may determine, or upon the written request of at least twenty-percent (20%) of the members eligible to
977 vote.
978

979 **Section 4. Notice of Meetings.**

980 Written notice shall be given to every Member entitled to participate in the meeting at least fourteen (14)
981 days preceding all meetings. Every notice must include: a statement of the purpose of the meeting, a
982 detailed agenda including the specific matters to be considered by the Members, and the specific date
983 and general times of the meeting. Open agendas are strictly prohibited. If the notice regards an
984 upcoming amendment vote, the notice must include a plain statement of the substance of such a
985 proposed amendment or amendments although the particular language of the amendment may change.
986 It is understood that due to the amount of Members that may attend or otherwise participate in a
987 meeting, problems may arise which postpone the beginning or ending time of a meeting. If this
988 happens, it will not be held to be a violation of these Bylaws. Notice shall be by fax, electronic mail,
989 posting on the association website or any combination of methods.
990

991 **Section 5. Quorum.**

992 A quorum for the transaction of business at general or/or special meetings of the membership shall
993 consist of shall be a simple majority of the Members present and eligible to vote, *except as may*
994 *otherwise be required by state law.* The term "present" as used throughout this Article is defined to
995 mean: (1) actual physical presence at the meeting; (2) any vote submitted on-line before 5:00 p.m. MST
996 on the day of the meeting; (3) any vote submitted by mail-in ballot and received by NAAR by 5:00 p.m.
997 MST on the day before the meeting or (4) electronic communication. The term "present" does not mean
998 and should not be construed to mean anything contrary or additional to the stated definition above
999 including, but not limited to, any percentage or majority of the members entitled to vote.
1000 (5/2013)
1001

1002 **Section 6. Voting Methods.**

1003 Members may exercise their voting rights as defined in this Article at any meeting of the members.
1004 However, the election of Officers and Directors shall take place at the annual meeting only. Any
1005 member vote shall be either by the submission of an on-line ballot submitted not later than 5:00 p.m. on
1006 the day of the vote (wherein a Member will access NAAR's website using a specified password and
1007 submit their vote on a secure server), by secret ballot cast in person, or by mail-in ballot received not
1008 later than one business day prior to the election. All ballots shall contain an appropriate description of
1009 the candidate and office.
1010

1011 **Section 7. Waiver.**

1012 Any member entitled to vote, by electing not to physically attend or participate in a meeting, expressly
1013 waives any and all rights they may have in regard to their participation in any discussion that may take
1014 place during the course of a meeting as outlined in Section 5. Action without Meeting.
1015
1016
1017
1018
1019
1020
1021

1022 **ARTICLE XIV - COMMITTEES**

1023
1024 **Section 1. Standing Committees.**

1025 The President-Elect shall appoint or reaffirm for their term, subject to confirmation by the Board of
1027 Directors, the following standing committee chairs

- 1028 A. Events
- 1029 B. Government Affairs
- 1030 C. Education
- 1031 D. Community Outreach
- 1032 E. MLS

1033
1034 Other standing committees which may be listed under this section include, but are not limited to, public
1035 relations, membership, RAPAC, etc.

1036
1037 **Section 2. Special Task Force.**

1038 The President shall appoint special work groups as deemed necessary.

1039
1040 **Section 3. Organization.**

1041 All Committees and Task Forces shall be of such size and shall have duties, functions, and powers as
1042 may be assigned to them by the President or the Board of Directors except as otherwise provided in
1043 these Bylaws.

1044
1045 **Section 4. President.**

1046 The President shall be an ex-officio member of all standing committees and shall be notified of their
1047 meetings.

1048
1049 **Section 5. Action without Meeting.** Any action which may be taken at a meeting of a committee may
1050 be taken without a meeting if an acknowledgement in writing delivered by mail or electronically, by one
1051 or more written consents setting forth the actions so taken, is signed by all of the members of a
1052 committee entitled to vote on the matter.

1053
1054 **Section 6. Attendance by Telephone.** Members of a committee may participate in any meeting
1055 through the use of electronic communication, a conference telephone or similar communications
1056 equipment by means of which all persons participating in the meeting can hear each other. Such
1057 participation shall be at the discretion of the President and shall constitute presence at the meeting

1058
1059 **ARTICLE XV- FISCAL AND ELECTIVE YEAR**

1060
1061 **Section 1. Fiscal Year**

1062 The fiscal year of the Association shall be January 1 to December 31

1063
1064 **Section 2. Elective Year**

1065 The elective year of the Association shall be January 1 to December 31.

1066
1067
1068 **ARTICLE XVI- RULES OF ORDER**

1069
1070 **Section 1. Robert's Rule**

1071 Robert's Rules of Order, latest edition, shall be recognized as the authority governing the meetings of
1072 the Association, its Board of Directors and committees, in all instances wherein its provisions do not
1073 conflict with these Bylaws.

1079
1080 **ARTICLE XVII- AMENDMENTS**
1081

1082 **Section 1.**

1083 These Bylaws may be amended by a simple majority vote of the ballots returned by members eligible to
1084 vote at any meeting. The substance of such a proposed amendment or amendments shall be plainly
1085 stated in the call for the meeting. The Board of Directors may, at any regular or special meeting of the
1086 Board of Directors at which a quorum is present, approve amendments to the Bylaws which are
1087 mandated by NAR policy.
1088

1089 **Section 2.**

1090 Notice shall be given to every voting Member of all meetings at which such amendments are to be
1091 considered at least **seven (7)** days prior to the time of the meeting. Notice shall be by mail, fax, and
1092 electronic mail, posting on the association website or any combination of methods.
1093

1094 **Section 3.**

1095 Amendments to these Bylaws affecting the admission or qualification of REALTOR® and Institute
1096 Affiliate Members, the use of the terms REALTOR® and REALTORS®, or any alteration in the territorial
1097 jurisdiction of the Association shall become effective upon their approval as authorized by the Board of
1098 Directors of the NATIONAL ASSOCIATION OF REALTORS®.
1099

1100
1101 **ARTICLE XVIII - DISSOLUTION**
1102

1103 **Section 1.**

1104 Upon the dissolution of this Association, the Board of Directors, after providing for the payments of all
1105 obligations, shall distribute any remaining assets to the Arizona Association of REALTORS®, or, within
1106 its discretion, to any other non-profit tax exempt organization.
1107

1108 **ARTICLE XIX- MULTIPLE LISTING**
1109

1110 **Section 1. Authority.**

1111 The Association of REALTORS® shall maintain for the use of its Members a Multiple Listing Service
1112 which shall be subject to the Bylaws of the Association of REALTORS® and such Rules and Regulations
1113 as may be hereinafter adopted.
1114

1115 **Section 2. Purpose.**

1116 A Multiple Listing Service is a means by which authorized Participants make blanket unilateral offers of
1117 compensation to other Participants (acting as subagents, buyer agents, or in other agency or non-
1118 agency capacities defined by law); by which cooperation among participants is enhanced; by which
1119 information is accumulated and disseminated to enable authorized participants to prepare appraisals,
1120 analysis, and other valuations or real property *for bona fide clients and customers*; by which participants
1121 engaging in real estate appraisal contribute to common databases; and is a facility for the orderly
1122 correlation and dissemination of listing information so participants may better serve their clients and the
1123 public. Entitlement to compensation is determined by the cooperating broker's performance as a
1124 procuring cause of the sale (or lease).
1125

1126 **Section 3. Participation.**

- 1127 A.
1128 Any REALTOR® of this or any other Member Board/Association who is a principal, partner, or
1129 corporate officer, or branch manager acting on behalf of the principal, without further
1130 qualification, except as otherwise stipulated in these bylaws, shall be eligible to participate in
1131 Multiple Listing upon agreeing in writing to conform to the Rules and Regulations thereof and to
1132 pay the costs incidental thereto. However, under no circumstances is any individual or firm,
1133 regardless of membership status, entitled to Multiple Listing Service "Membership" or
1134 "Participation" unless they hold a current, valid real estate broker's license and offer or accept
1135 cooperation and compensation to and from other Participants or are licensed or certified by an

1136 appropriate state regulatory agency to engage in the appraisal of real property. Use of
1137 information developed by or published by a Board/Association Multiple Listing Service is strictly
1138 limited to the activities authorized under a Participant's licensure(s) or certification and
1139 unauthorized uses are prohibited. Further, none of the foregoing is intended to convey
1140 "Participation", or "Membership" or any right of access to information developed or published by
1141 an Association Multiple Listing Service where access to such information is prohibited by law.
1142 (6/09)
1143

1144 **Note:** Mere possession of a broker's license is not sufficient to qualify for MLS participation. Rather,
1145 the requirement that an individual or firm 'offers or accepts cooperation and compensation' means
1146 that the Participant actively endeavors during the operation of its real estate business to list real
1147 property of the type listed on the MLS and/or to accept offers of cooperation and compensation
1148 made by listing brokers or agents in the MLS. "Actively" means on a continual and on-going basis
1149 during the operation of the Participant's real estate business. The „'actively" requirement is not
1150 intended to preclude MLS participation by a Participant or potential Participant that operates a real
1151 estate business on a part time, seasonal, or similarly time-limited basis or that has its business
1152 interrupted by periods of relative inactivity occasioned by market conditions. Similarly, the
1153 requirement is not intended to deny MLS participation to a Participant or potential Participant who
1154 has not achieved a minimum number of transactions despite good faith efforts. Nor is it intended to
1155 permit an MLS to deny participation based on the level of service provided by the Participant or
1156 potential Participant as long as the level of service satisfies state law.
1157

1158 The key is that the Participant or potential Participant actively endeavors to make or accept offers of
1159 cooperation and compensation with respect to properties of the type that are listed on the MLS in
1160 which participation is sought. This requirement does not permit an MLS to deny participation to a
1161 Participant or potential Participant that operates a Virtual Office Website ("VOW") (including a VOW
1162 that the Participant uses to refer customers to other Participants) if the Participant or potential
1163 Participant actively endeavors to make or accept offers of cooperation and compensation. An MLS
1164 may evaluate whether a Participant or potential Participant "actively endeavors during the operation
1165 of its real estate business" to "offer or accept cooperation and compensation" only if the MLS has a
1166 reasonable basis to believe that the Participant or potential Participant is in fact not doing so. The
1167 membership requirement shall be applied on a nondiscriminatory manner to all Participants and
1168 potential Participants.
1169

1170 B. The MLS "Participant" is defined as the chief principal officer of the firm. Brokers or
1171 salespersons other than principals are not considered "Participants" in the Service, but have
1172 access to and use of the Service through the principal(s) with whom they are affiliated.
1173

1174 **Section 4. Supervision.**

1175 The activity shall be operated under the supervision of the Multiple Listing Committee, in accordance
1176 with the Rules and Regulations, subject to approval of the Board of Directors of the NAAR.
1177

1178 **Section 5. Appointment of MLS Committee**

1179 The MLS Chair shall appoint a Multiple Listing Committee. All members of the Committee shall be
1180 REALTOR® Participants in the MLS and serve a minimum of one year and in such numbers as
1181 determined by the Board of Directors.
1182

1183 **Section 6. Vacancies.**

1184 The MLS Chair shall appoint a member for any vacancies in unexpired terms.
1185

1186 **Section 7. Attendance.**

1187 Any Committee Member who fails to attend **two (2)** regular or special meetings of the Committee,
1188 without excuse acceptable by the Chair of the Committee, shall be deemed to have resigned from the
1189 Committee and the vacancy shall be filled as herein provided for original appointees.
1190

1193 **Section 8. Access to Comparable and Statistical Information.**

1194 Association Members who are actively engaged in real estate brokerage, management, mortgage
1195 financing, appraising, land development or building, but who do not participate in the MLS, are
1196 nonetheless entitled to receive, by purchase or lease, information other than current listing information
1197 that is generated wholly or in part by the MLS including "comparable" information, "sold" information, and
1198 statistical reports. This information is provided for the exclusive use of Association Members and
1199 individuals affiliated with Association Members who are also engaged in the real estate business and
1200 may not be transmitted, re-transmitted, or provided in any manner to any unauthorized individual, office
1201 or firm except as otherwise specified in the MLS Rules and Regulations.

1202
1203 Association members who receive such information, either as an Association service or through the
1204 Association's MLS, are subject to the applicable provisions of the MLS Rules and Regulations whether
1205 they participate in the MLS or not.

1206
1207 **Section 9. Subscribers**

1208 Subscribers (or users) of the MLS include non-principal brokers, sales associates, and licensed and
1209 certified appraisers affiliated with Participants. Subscribers also include affiliated unlicensed
1210 administrative and clerical staff, unlicensed personal assistants, and individuals seeking licensure or
1211 certification as real estate appraisers who are under the direct supervision of an MLS Participant or the
1212 Participant's licensed designee.

1213
1214 **ARTICLE XX AFFILIATED TRANSACTIONS AND INTERESTED PARTIES**

1215
1216 **Section 1. Affiliated Transactions**

1217 No contract or other transaction between the Corporation and Interested Persons (as hereinafter
1218 defined), including the sale, lease or exchange of property to or from Interested Persons, the lending or
1219 borrowing of monies to or from Interested Persons by the Corporation or the payment of compensation
1220 by the Corporation for services provided by Interested Persons, shall be void or voidable because of the
1221 relationship or interest between the Corporation and the Interested Persons or because any Interested
1222 Person is present at the meeting of the Board of Directors or a committee thereof which authorizes,
1223 approves or ratifies such transaction or because his, her or their votes are counted for such purpose if:

- 1224 A. the fact of such relationship or interested is disclosed or known to the Board of Directors or a
1225 committee thereof which authorizes, approves or ratifies the contract or transaction by a vote or
1226 consent sufficient for the purpose without counting the votes or consents of any Interested
1227 Person(s); or
1228 B. The contract or transaction is fair and reasonable to the Corporation at the time the contract or
1229 transaction is authorized, approved or ratified in the light of circumstances known to the entities
1230 to vote thereon at that time.

1231
1232 As used herein, the term "Interested Persons" shall mean any director or officer of the Corporation, or
1233 any corporation, firm, association or other entity in which one or more of the Corporation's directors or
1234 officers are directors, officers or members or are financially interested.

1235
1236 Any person seeking to establish that a contract or transaction described herein is void or voidable for
1237 any reason set forth herein shall first prove, by a preponderance of the evidence, that the provision of
1238 subparagraphs (a) and (b) of Section 1 are not applicable.

1239
1240 **ARTICLE XXI - ASSOCIATION RESERVES**

1241
1242 **Section 1. Definition.**

1243 The term "Association Reserves" shall include all real estate, leasehold interests and rights, fixtures,
1244 personal property, furniture, supplies, inventory and reserve funds held by the Association which are in
1245

1249 excess of the operating budget.

1250
1251 **Section 2. Operating Reserve Fund.**

1252 The Association shall maintain a cash reserve fund for major capital expenditures, to include a new
1253 NAAR facility when needed, furniture, and equipment. It may also be used for repairs, legal and
1254 accounting expenses, and other normal operating purposes when there has been a reversal in operating
1255 revenue. Ten dollars (\$10.00) per member of the annual Association dues shall be placed in the fund.
1256 Said fund shall be a segregated fund placed at interest, with any interest earned remaining in the fund.
1257 Said ten dollars (\$10.00) per member shall be contributed to the fund each year until the fund attains a
1258 total of one hundred twenty five thousand dollars (\$125,000.00) or 50% of the current year's annual
1259 budgeted operating expense, whichever is greater.

1260
1261 **Section 3. Operating Reserve Fund Review**

1262 The reserve fund shall be reviewed on an annual basis by the Budget Committee each year when the
1263 new operating budget is analyzed and drafted. If the fund is 2% below the required amount the Budget
1264 Committee may recommend to the Board of Directors to reinstate the ten dollars (\$10.00) per member
1265 per year contribution, as a special assessment at the inception of the next budget year. In the event that
1266 the operating budget should have excess monies at the end of a budget year, said monies may, at the
1267 discretion of the Board of Directors, be placed into the reserve fund to make up the shortage. If the fund
1268 is found to be in excess of 52% of the next year's annual budgeted annual operating expense, the
1269 excess shall be transferred at the beginning of the next calendar year to the operating account.

1270
1271
1272 **Section 4. Reserve Funds Expenditures**

1273 Expenditures from the reserve fund other than for legal or sustaining purposes may be made only upon
1274 approval of the Executive Committee or Board of Directors as follows:

- 1275
- 1276 A. The Executive Committee may approve expenditures, other than for legal purposes, up to ten
1277 thousand dollars (\$10,000) per instance, not to exceed forty thousand dollars (\$40,000)
1278 aggregate in any budget year. Such expenditures must be reported to the Board of Directors.
 - 1279
 - 1280 B. Capital expenditures in excess of ten thousand (\$10,000) per instance or over the aggregate of
1281 forty thousand dollars (\$40,000) in any budget year for other than legal expenditures must be
1282 approved by the Board of Directors.
 - 1283
 - 1284 C. The President and or the Executive Officer shall be authorized to make such capital
1285 expenditures as are required but no to exceed **\$1200** per expenditure or more than **\$2400**
1286 cumulative in any budget year. Capital Expenditure over \$600 shall require the approval of the
1287 Executive Committee.
 - 1288
 - 1289