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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  
148

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 local association dues of a REALTORS® member who is a NAAR past President shall be waived 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.

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

- 256  
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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332 B. Failure to complete the Orientation Class and Code of Ethics Training within 120 days of  
333 application (or alternatively, the date that provisional membership was granted), will result in  
334 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, 2022 through December 31, 2024, 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 association, the State  
345 Association of REALTORS®, the NATIONAL ASSOCIATION OF REALTORS®, or any other  
346 recognized educational institution or provider which meets the learning objectives and minimum  
347 criteria established by the NATIONAL ASSOCIATION OF REALTORS®. REALTOR®  
348 members who have completed training as a requirement of membership in another association,  
349 and REALTOR® members who have completed the New Member Code of Ethics Orientation  
350 during any three (3) year cycle shall not be required to complete additional ethics training until  
351 a new three (3) year cycle commences.  
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355 B. Failure to satisfy this requirement shall be considered a violation of a membership duty Failure  
356 to meet the requirement in any three (3) year cycle will result in suspension of membership for  
357 the first two months (January and February) of the year following the end of any three (3)  
358 cycle or until the requirement is met, whichever occurs sooner. On March 1 of that year, the  
359 membership[ of a member who is still suspended as of that date will be automatically  
360 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 are 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 a 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.

- 484
- 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.

489

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.

498

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.

502

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.

515

516

**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.**

529

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.

532

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

533

**ARTICLE VII- PROFESSIONAL STANDARDS AND ARBITRATION**

536

537

**Section 1.**

538

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.

544

545

**Section 2.**

546

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.

553

554

**Section 3.**

556

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.

561

562

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

563

564

**Section 1.**

565

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**

630  
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.  
681

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 shall be waived.  
776

777  
778 **ARTICLE XI - OFFICERS AND DIRECTORS**  
779

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 Two shall be current board members, shall be appointed by the President with the approval of the Board of Directors. 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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910 **Section 12. Installation of Officers & Directors.**

911 Installation of the returning and the newly elected incoming officers for the positions of President,  
912 President-Elect, Vice-President, Treasurer, Treasurer-Elect, MLS Chairperson, and Directors shall be  
913 held during a meeting prior to the beginning of their term.  
914

915 **ARTICLE XII - BOARD OF DIRECTORS MEETINGS**

916  
917 **Section 1. Meetings of Directors.** The Board of Directors shall designate a regular time and place of  
918 meetings.  
919

920 **Section 2. Absence.** Absence from **two** meetings within a calendar year without an excuse deemed  
921 valid by the Board of Directors shall be construed as resignation from the Board of Directors. If the  
922 President is removed for non-attendance, then the President-elect shall preside at subsequent Board  
923 meetings. If the President-Elect is unavailable to so serve, then the Vice-President shall serve. If the  
924 Vice-Presidents is unavailable to serve as President, then the Board shall elect a President from  
925 among its Board.  
926

927 **Section 3. Quorum.** A quorum for the transaction of a business for the Board of Directors shall be a  
928 majority of the voting board of directors, except as may otherwise by required by state law.  
929

930 **Section 4. Notice of Meetings.** Written notice shall be given to each board member at least three (3)  
931 days preceding all meetings. If a special meeting, it shall be accompanied by a statement of the purpose  
932 of the meeting. Notice shall be by fax, electronic mail, posting on the Association Website or any  
933 combination of methods  
934

935 **Section 5. Electronic Transaction of Business.** To the fullest extent permitted by law, the Board or  
936 membership may conduct business by electronic means.  
937

938 **Section 6. Action without Meeting.** Any action required or permitted to be taken at a Board of Directors  
939 meeting may be taken without a meeting if the action is taken by all members of the Board of Directors.  
940 The action must be evidenced by one or more written consents signed by each director before or after  
941 such action, describing the action take, which consent(s) shall be included in the minutes. Action is  
942 effective when the last Director signs the consent unless the consent specifies a different effective date.  
943

944 **Section 7. Attendance by Telephone.** Members of the Board of Directors may participate in any  
945 meeting through the use of a conference telephone or similar communications equipment by means of  
946 which all persons participating in the meeting can hear each other. Such participation shall be at the  
947 discretion of the President and shall constitute presence at the meeting.  
948

949 **Section 8. Open Meetings.** With the exception of Executive Committee, all NAAR Standing Board  
950 and Committee meetings shall be open to any members who wish to attend. No meetings shall be  
951 electronically recorded. (9/19)  
952

953 **ARTICLE XIII - MEMBER MEETINGS**

954  
955 **Section 1. Member's Voting Rights.**

956 Each member eligible to vote shall be entitled to vote on the following matters and subject to the  
957 conditions contained below:  
958

- 959 A. Each member eligible to vote will be entitled to vote for Officers and Directors. An Officer or  
960 Director will be elected upon a simple majority of the ballots returned.  
961  
962 B. Each member eligible to vote will be entitled to vote for the removal of Officers and Directors in  
963 accordance with Article XI, Section 8.  
964

- 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 prohibited. If the notice regards an upcoming  
984 amendment vote, the notice must include a plain statement of the substance of such a proposed  
985 amendment or amendments although the particular language of the amendment may change. It is  
986 understood that due to the number of Members that may attend or otherwise participate in a meeting,  
987 problems may arise which postpone the beginning or ending time of a meeting. If this happens, it will  
988 not be held to be a violation of these Bylaws. Notice shall be by fax, electronic mail, posting on the  
989 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 **Section 1. Standing Committees.**

1024 The President-Elect shall appoint or reaffirm for their term, subject to confirmation by the Board of  
1025 Directors, the following standing committee chairs

- 1027 A. Events
- 1028 B. Government Affairs
- 1029 C. Education
- 1030 D. Community Outreach
- 1031 E. MLS

1032 Other standing committees which may be listed under this section include, but are not limited to, public  
1033 relations, membership, RAPAC, etc.

1034 **Section 2. Special Task Force.**

1035 The President shall appoint special work groups as deemed necessary.

1036 **Section 3. Organization.**

1037 All Committees and Task Forces shall be of such size and shall have duties, functions, and powers as  
1038 may be assigned to them by the President or the Board of Directors except as otherwise provided in  
1039 these Bylaws.

1040 **Section 4. President.**

1041 The President shall be an ex-officio member of all standing committees and shall be notified of their  
1042 meetings.

1043 **Section 5. Action without Meeting.** Any action which may be taken at a meeting of a committee may  
1044 be taken without a meeting if an acknowledgement in writing delivered by mail or electronically, by one  
1045 or more written consents setting forth the actions so taken, is signed by all of the members of a  
1046 committee entitled to vote on the matter.

1047 **Section 6. Attendance by Telephone.** Members of a committee may participate in any meeting  
1048 through the use of electronic communication, a conference telephone or similar communications  
1049 equipment by means of which all persons participating in the meeting can hear each other. Such  
1050 participation shall be at the discretion of the President and shall constitute presence at the meeting

1051 **ARTICLE XV- FISCAL AND ELECTIVE YEAR**

1052 **Section 1. Fiscal Year**

1053 The fiscal year of the Association shall be January 1 to December 31

1054 **Section 2. Elective Year**

1055 The elective year of the Association shall be January 1 to December 31.

1056 **ARTICLE XVI- RULES OF ORDER**

1057 **Section 1. Robert's Rule**

1058 Robert's Rules of Order, latest edition, shall be recognized as the authority governing the meetings of  
1059 the Association, its Board of Directors and committees, in all instances wherein its provisions do not  
1060 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 meetings 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

1127 **Section 3. Participation.**

- 1128 A. 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 limited  
1138 to the activities authorized under a Participant's licensure(s) or certification and unauthorized  
1139 uses are prohibited. Further, none of the foregoing is intended to convey "Participation", or  
1140 "Membership" or any right of access to information developed or published by an Association  
1141 Multiple Listing Service where access to such information is prohibited by law. (6/09)

1142 **Note:** Mere possession of a broker's license is not sufficient to qualify for MLS participation. Rather,  
1143 the requirement that an individual or firm 'offers or accepts cooperation and compensation' means  
1144 that the Participant actively endeavors during the operation of its real estate business to list real  
1145 property of the type listed on the MLS and/or to accept offers of cooperation and compensation  
1146 made by listing brokers or agents in the MLS. "Actively" means on a continual and on-going basis  
1147 during the operation of the Participant's real estate business. The „actively" requirement is not  
1148 intended to preclude MLS participation by a Participant or potential Participant that operates a real  
1149 estate business on a part time, seasonal, or similarly time-limited basis or that has its business  
1150 interrupted by periods of relative inactivity occasioned by market conditions. Similarly, the  
1151 requirement is not intended to deny MLS participation to a Participant or potential Participant who  
1152 has not achieved a minimum number of transactions despite good faith efforts. Nor is it intended to  
1153 permit an MLS to deny participation based on the level of service provided by the Participant or  
1154 potential Participant as long as the level of service satisfies state law.  
1155  
1156

1157 The key is that the Participant or potential Participant actively endeavors to make or accept offers of  
1158 cooperation and compensation with respect to properties of the type that are listed on the MLS in  
1159 which participation is sought. This requirement does not permit an MLS to deny participation to a  
1160 Participant or potential Participant that operates a Virtual Office Website ("VOW") (including a VOW  
1161 that the Participant uses to refer customers to other Participants) if the Participant or potential  
1162 Participant actively endeavors to make or accept offers of cooperation and compensation. An MLS  
1163 may evaluate whether a Participant or potential Participant "actively endeavors during the operation  
1164 of its real estate business" to "offer or accept cooperation and compensation" only if the MLS has a  
1165 reasonable basis to believe that the Participant or potential Participant is in fact not doing so. The  
1166 membership requirement shall be applied on a nondiscriminatory manner to all Participants and  
1167 potential Participants.  
1168

1169 B. The MLS "Participant" is defined as the chief principal officer of the firm. Brokers or  
1170 salespersons other than principals are not considered "Participants" in the Service but have  
1171 access to and use of the Service through the principal(s) with whom they are affiliated.  
1172

#### 1173 **Section 4. Supervision.**

1174 The activity shall be operated under the supervision of the Multiple Listing Committee, in accordance  
1175 with the Rules and Regulations, subject to approval of the Board of Directors of the NAAR.  
1176

#### 1177 **Section 5. Appointment of MLS Committee**

1178 The MLS Chair shall appoint a Multiple Listing Committee. All members of the Committee shall be  
1179 REALTOR® Participants in the MLS and serve a minimum of one year and in such numbers as  
1180 determined by the Board of Directors.  
1181

#### 1182 **Section 6. Vacancies.**

1183 The MLS Chair shall appoint a member for any vacancies in unexpired terms.  
1184

#### 1185 **Section 7. Attendance.**

1186 Any Committee Member who fails to attend **two (2)** regular or special meetings of the Committee,  
1187 without excuse acceptable by the Chair of the Committee, shall be deemed to have resigned from the  
1188 Committee and the vacancy shall be filled as herein provided for original appointees.  
1189  
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