

SCOTTSDALE AREA ASSOCIATION OF REALTORS®, INC.

4221 North Scottsdale Road * Scottsdale, Arizona 85251

*Incorporated in Arizona * October 20, 1964*

BYLAWS

SCOTTSDALE AREA ASSOCIATION OF REALTORS®, INC.

AN ASSOCIATION OF REALTORS®

Article I – Name

Section 1: Name. The name of this organization will be the Scottsdale Area Association of REALTORS®, Inc. (hereafter referred to as SAAR).

Section 2: REALTORS®. Inclusion and retention of the registered collective membership mark REALTORS® in the name of SAAR will be governed by the *Constitution* and *BYLAWS of the National Association of REALTORS®* (hereafter referred to as NAR) as amended.

Article II – Objectives

The objectives of SAAR are:

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®* (hereafter referred to as *Code of Ethics*).

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 interests of home and other real property ownership.

Section 5: To unite those engaged in the real estate profession in this community with the Arizona Association of REALTORS® (hereafter referred to as AAR) and NAR, thereby

furthering their own objectives throughout the State (hereafter referred to as Arizona) and Nation, and obtaining the benefits and privileges of membership therein. **(Amended 3/05)**

Section 6: To designate, for the benefit of the public, individuals authorized to use the terms REALTOR® and REALTORS® as licensed, prescribed, and controlled by NAR.

Article III – Jurisdiction

Section 1: The territorial jurisdiction of SAAR, as a member of NAR, will consist of all the area south of the NORTHERN BOUNDARY (which extends west on Township 6 North to 24th Street and east to the Verde River), west of the EASTERN BOUNDARY (which extends south along the west bank of the Verde River to Rio Verde Drive and then east to the Maricopa County Line, south of Rio Verde Drive to Apache Lake), north of the SOUTHERN BOUNDARY (which is the Tempe City Limits), and east of the WESTERN BOUNDARY (which is the western boundary of the Scottsdale City Limits from the Tempe City Limits, north to Cactus Road, then north on the west side of Scottsdale Road, but not including frontage area on Scottsdale Road, to Dynamite/Rio Verde Drive, then west on Dynamite Boulevard to 24th Street). The territorial jurisdiction of SAAR will include the communities of Carefree, Cave Creek, Fountain Hills, and Scottsdale, Arizona.

Section 2: Territorial jurisdiction is defined to mean the right and duty to control the use of the terms REALTOR® and REALTORS®, subject to the conditions set forth in these *BYLAWS* and those of NAR, in return for which SAAR agrees to protect and safeguard the property rights of NAR in the terms.

Article IV – Membership

Section 1: There will be eight classes of Members as follows: **(Amended 8/07)**

(a) REALTOR® Members, whether primary or secondary, will be:

1. Individuals who, as sole proprietors, partners, corporate officers, branch office managers, or branch managers who are acting on behalf of the owners who are not physically present within the jurisdiction of SAAR, are engaged actively in the real estate profession, including buying, selling, exchanging, renting or leasing, managing, appraising for others for-compensation, counseling, building, developing, or subdividing real estate, and who maintain or are associated with an established real estate office in Arizona or a contiguous state. All persons who are partners in a partnership, or all officers in a corporation who are actively engaged in the real estate profession within Arizona or a contiguous state will qualify for REALTOR® membership only, and each is required to hold REALTOR® membership (except as provided in the following paragraph) in an association/board of REALTORS® within Arizona or a contiguous state

unless otherwise qualified for Institute Affiliate Membership as described in Section 1(b) of Article IV. **(Amended 4/05, 8/07)**

In the case of a real estate firm, partnership, or corporation whose business activity is substantially all commercial, only those principals actively engaged in the real estate business in connection with the same office, or any other offices within the jurisdiction of SAAR in which one of the firm's principals holds REALTOR® membership, will be required to hold REALTOR® membership unless otherwise qualified for Institute Affiliate Membership as described in Article IV, Section 1(c). **NOTE:** REALTOR® Members may obtain Secondary Membership in an association/board in another state. **(Amended 12/01)**

1. Individuals who are engaged in the real estate profession other than as sole proprietors, partners, corporate officers, or branch office managers and are associated with a Designated REALTOR® Member and meet the qualification set out in Article V. **(Amended 3/05)**

1. **Franchise REALTOR® Members.** Corporate officers (licensed or unlicensed) of a real estate brokerage franchise organization with at least 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 board mandated education, meeting attendance, or indoctrination 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 board, state association and National Association. **(Adopted 1/96, Amended 8/07)** _

1. **Primary and Secondary REALTOR® Members.** An individual is a primary Member if SAAR 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/board. One of the principals in a real estate firm must be a Designated REALTOR® Member of SAAR in order for licensees affiliated with the firm to select SAAR as their primary association/board.

1. **Designated REALTOR® Members.** Each firm will designate, in writing, one REALTOR® Member who will be responsible for all duties and obligations of membership, including the obligation to arbitrate pursuant to Article 17 of the *Code of Ethics* and the payment of SAAR dues as established in Article X of these *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 these *BYLAWS*.

(b) Affiliate Members will be individuals engaged in businesses or professions that are complimentary to the real estate profession, and/or require information concerning real estate. **(Amended 4/06, 8/07)**

(c) Appraiser Members will be individuals who are not REALTORS®, but hold an Arizona Board of Appraisal Certified Residential or Certified General License and are engaged in appraising property for others for compensation, provided the applicant is engaged exclusively in a specialty of the real estate business other than brokerage of real property. **(Adopted 8/07)**

(d) Multiple Listing Service Only Members will be individuals who have a valid Arizona Real Estate Broker's License, offer or accept compensation to and from other participants, and require only access to ARMLS. **(Adopted 8/07, Amended 11/08)**

(e) Institute Affiliate Members will be individuals who hold a professional designation awarded by an Institute, Society or Council Affiliate with NAR that addresses a specialty area other than residential brokerage or individuals who otherwise hold a class of membership in such Institute, Society or Council that confers the right to hold office. Any such individual, if otherwise eligible, may elect to hold REALTOR® membership, subject to payment of applicable dues for such membership. **(Amended 6/03, 3/05)**

(f) Staff/Assistant Members will be individuals who are engaged in the real estate profession and employed by one or more Designated REALTOR® or REALTOR® Members.

(g) Honorary Members will be individuals not engaged in the real estate profession who have performed notable service for SAAR, the real estate profession or the public; surviving spouses of REALTORS®; or REALTORS® who have retired from the profession and placed their license on an inactive status with the Arizona Department of Real Estate. **(Amended 6/03)**

(h) Student Members will be individuals who are seeking an undergraduate or graduate degree, with a specialization or major in real estate, at institutions of higher learning, who have completed at least two years of college and at least one college level course in real estate, and who do not hold a real estate license.

Article V – Application and Qualification

Section 1: Application. An application for membership will be made in such manner and form as may be prescribed by the Board of Directors and made available upon request. The application form will contain a statement, to be signed by the Applicant, that the Applicant will thoroughly familiarize himself/herself with and agrees to abide by the *SAAR*, *AAR*, and *NAR BYLAWS*, the *SAAR Rules and Regulations*, and the *NAR Constitution*. If the Applicant is a

REALTOR®, he/she will abide by the *Code of Ethics and Arbitration Manual of the National Association of REALTORS®*, as amended (hereafter referred to as *Manual*), including the obligation to arbitrate controversies arising out of real estate transactions as specified by Article 17 of the *Code of Ethics*. The Applicant will, with the application form, have access to a copy of the *SAAR*, *AAR*, and *NAR BYLAWS*, the *SAAR Rules and Regulations*, and the *NAR Constitution and Code of Ethics*. The application will also contain authorization to verify the information provided. **(Amended 8/07)**

An Applicant's membership will become effective when the Applicant has paid the application fee and any pro-rated share of the current annual dues pertaining to the Applicant's class of membership, and has completed the SAAR New Member Orientation, when applicable. **(Amended 10/03, 3/05, 8/07)** **NOTE:** Membership will not knowingly be granted to any Designated REALTOR® or REALTOR® Applicant who has an unfulfilled sanction pending which was imposed by another association/board of REALTORS® for violation of the *Code of Ethics*. **(Amended 12/01, 8/07)**

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 will supply evidence satisfactory to the Membership Coordinator that he/she is actively engaged in the real estate profession and maintains a valid Arizona 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 in Arizona; or a contiguous state (unless a Secondary Member), has no record of recent or pending bankruptcy*; has no record of official sanctions involving unprofessional conduct**; agrees to complete the SAAR New Member Orientation, which references the *SAAR*, *AAR*, and *NAR BYLAWS*, the *SAAR Rules and Regulations*, and the *NAR Constitution and Code of Ethics*; and will abide by these documents. **(Amended 8/07)**

(*) NO RECENT OR PENDING BANKRUPTCY is intended to mean that the Applicant or any real estate firm in which the Applicant is a sole proprietor, general partner, corporate officer, or branch office manager is not involved in any pending bankruptcy or insolvency proceedings, or has not been adjudged bankrupt in the past three years. If a bankruptcy proceeding as described above exists, membership may not be rejected unless SAAR establishes that its interests, those of its Members, and the public could not be adequately protected by requiring that the bankrupt Applicant pay cash in advance for SAAR and MLS fees for up to one year from the date that membership is approved or from the date the Applicant is discharged from bankruptcy (whichever is later). In the event an existing Member initiates bankruptcy proceedings, the Member may be placed on a "cash basis" from the date that bankruptcy is initiated until one year from the date the Member has been discharged from bankruptcy.

(**) NO RECORD OF OFFICIAL SANCTIONS INVOLVING UNPROFESSIONAL CONDUCT is intended to mean that SAAR may only consider judgments within the past three years of violations of (1) civil rights laws, (2) real estate license laws, or (3) other laws

prohibiting unprofessional conduct against the Applicant rendered by the courts or other lawful authorities.

(b) Individuals who are actively engaged in the real estate profession other than as principals, partners, corporate officers, or branch office managers, in order to qualify for **REALTOR® Membership**, will, at the time of application, be associated either as an employee or as an independent contractor with a Designated REALTOR® Member of SAAR, or a Designated REALTOR® of another association/board within Arizona. They must maintain a current, valid Arizona Real Estate Broker's or Salesperson's License or be licensed or certified by an appropriate State regulatory agency to engage in the appraisal of real property. They will complete the SAAR New Member Orientation which references the *SAAR*, *AAR*, and *NAR BYLAWS*, the *SAAR Rules and Regulations*, and the *NAR Constitution and Code of Ethics* (unless a Secondary Member). **(Amended 8/07)**

(c) SAAR will also consider the following in determining an Applicant's qualifications for **Designated REALTOR® or REALTOR® Membership**: (1) all final findings of *Code of Ethics* violations and violations of other membership duties in any other association/board within the past three years; (2) pending ethics complaints; (3) pending unsatisfied discipline; (4) pending arbitration requests; and (5) unpaid arbitration awards or unpaid financial obligations to any other association/board or association/board MLS. **(Amended 8/07)**

(d) Applicants for **Franchise REALTOR® Membership** will enjoy all the rights, privileges, and obligations of REALTOR® membership (including compliance with the *Code of Ethics*), except: obligations related to SAAR mandated education, meeting attendance, 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 SAAR, AAR or NAR. **(Amended 8/07)**

(e) Applicants for **Affiliate Membership** will subscribe to the objectives of SAAR and agree to abide by the *SAAR BYLAWS* and *Rules and Regulations*. **(Amended 4/06, 8/07)**

(f) Applicants for **Appraiser Membership** will provide proof of their valid Arizona Board of Appraisal Certified Residential or Certified General License. **(Adopted 8/07)**

(g) Applicants for **Multiple Listing Service Only Membership** will provide proof of their valid Arizona Real Estate Broker's License. **(Adopted 8/07)**

(h) Applicants for **Institute Affiliate Membership** will be individuals who hold a professional designation awarded by an Institute, Society or Council Affiliate with NAR that addresses a specialty area other than residential brokerage or individuals who otherwise hold a class of membership in such Institute, Society or Council that confers the right to hold office. Any such individual, if otherwise eligible, may elect to hold REALTOR® membership, subject to payment of applicable dues for such membership. **(Amended 6/03, 3/05, 8/07)**

(i) Applicants for **Staff/Assistant, Honorary, and Student Memberships** will be required to meet such qualifications as determined by the SAAR Board of Directors. **(Amended 8/07)**

Section 3: *New Member Code of Ethics Orientation.* Applicants for REALTOR® membership will complete an orientation program on the *Code of Ethics* of not less than two hours and thirty minutes of instructional time. This requirement does not apply to Applicants for REALTOR® Membership who have completed comparable orientation at another association/board, provided that REALTOR® membership has been continuous, or that any break in membership is for one year or less. Failure to satisfy this requirement within 45 days of the date of application will result in denial of the membership application. **NOTE:** Orientation programs must meet the learning objectives and minimum criteria established by NAR. **(Amended 12/01, 8/07)**

Section 4: *Continuing Member Code of Ethics Training.* Effective January 1, 2001, through December 31, 2004, and for successive four year periods thereafter, each SAAR REALTOR® Member will be required to complete quadrennial ethics training of not less than two hours and thirty minutes of instructional time. This requirement will be satisfied upon presentation of documentation that the Member has completed a course of instruction conducted by SAAR or another association/board, AAR, NAR or any other recognized educational institution or provider which meets the learning objectives and minimum criteria established by NAR. REALTOR® Members who have completed the new member *Code of Ethics* orientation during any four-year cycle will not be required to complete additional ethics training until a new four-year cycle commences.

Failure to satisfy this requirement will be considered a violation of a membership duty for which REALTOR® membership will be suspended until such time as the training is completed. A reinstatement fee will be charged to restore a Member to good standing. **(Amended 12/01, 3/05)**

Members suspended for failing to meet the requirement for the first four (4) year cycle (2001-2004) will have until December 31, 2005 to meet the requirement. Failure to meet the requirement by that time will result in automatic termination of membership. **(Amended 7/05)**

Failure to meet the requirement for the second (2005-2008) cycle and subsequent four year cycles will result in suspension of membership for the first two months (January and February) of the year following the end of any four year cycle or until the requirement is met, whichever occurs sooner. On March 1st of that year, the membership of a Member who is still suspended as of that date will be automatically terminated. **(Amended 7/05)**

Section 5: *Status Changes - Membership Changes.* In the event of any change in the conditions under which a REALTOR® holds membership, he/she will be required to provide written notification to SAAR within ten days. A REALTOR® (non-principal) who becomes a principal in a firm with which he/she has been licensed, and then becomes a principal in a new firm, will be required to satisfy any previously unsatisfied membership requirements applicable to principal REALTOR® Members. During the period of transition from one status of membership to another, the Member will be subject to all the requirements, privileges, and obligations

established in the *BYLAWS* for the category of membership to which he/she is transferring. **(Amended 4/06, 8/07)**

Section 6: Certification by Designated REALTORS®. Designated REALTOR® Members of SAAR will certify to SAAR, during the month of July, on a form provided by SAAR, a complete listing of all individuals licensed or certified with the REALTOR® firms(s) within Arizona, and will designate a primary association/board for each individual. These declarations will be used for purposes of calculating dues under Article X, Section 2(a) of these *BYLAWS*. Designated REALTOR® Members will also notify SAAR of any additional individual(s) licensed or certified with the firm(s) within ten days of the date of affiliation or severance of the individual. **(Amended 3/05)**

Article VI - Privileges and Obligations

Section 1: The privileges and obligations of Members, in addition to those otherwise provided in these *BYLAWS*, will be as specified in this Article.

(a) Designated REALTOR® and REALTOR® Members, whether primary or secondary, in good standing, whose financial obligations to SAAR are paid in full, will be entitled to ARMLS access, to vote, and to hold elective office in SAAR. They may use the terms REALTOR® and REALTORS®, which use will be subject to the provisions of Article VIII; and have the primary responsibility to safeguard and promote the standards, interest, and welfare of SAAR and the real estate profession. **(Amended 10/03, 8/07)**

(b) Franchise REALTOR® Members will enjoy all the rights, privileges, and obligations of REALTOR® membership (including compliance with the *Code of Ethics*), except: obligations related to SAAR mandated education, meeting attendance, 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 SAAR, AAR or NAR. **(Amended 8/07)**

(c) Affiliate Membership benefits include the opportunity to: network at REALTOR® Marketing Sessions; promote their company at Orientation; flyer distribution opportunities; sponsor SAAR events and seminars; submit articles for the *REALTOR® Magazine*; purchase products at member cost; serve on committees; receive all SAAR mailings; and vote in SAAR elections. **(Amended 6/04, 3/05, 4/06, 8/07)**

(d) Appraiser Members are not required to attend Orientation, and can not use the term REALTOR® or the REALTOR® logo. They are eligible to vote in SAAR elections and can have access to ARMLS. **(Adopted 8/07)**

(e) Institute Affiliate Members will have rights and privileges and be subject to obligations prescribed by the Board of Directors. **NOTE:** Local associations/boards establish the rights and privileges to be conferred on Institute Affiliate Members, consistent with the *NAR Constitution*

and *BYLAWS* except that no Institute Affiliate Member may be granted the right to use the term REALTOR® or REALTOR-ASSOCIATE®, or the REALTOR® logo. They can not participate in ARMLS, hold elective office, attend SAAR committee or RMS meetings, vote, or hold elective office in SAAR, AAR, or NAR. **(Amended 6/08)**

(f) Multiple Listing Service Only Members have access to ARMLS. They are not required to attend Orientation; can not use the term REALTOR® or the REALTOR® logo. Additionally, they can not attend SAAR committee or RMS meetings, vote, or hold elective office in SAAR, AAR, or NAR. **(Adopted 8/07, 6/08)**

(g) Applicants for Staff/Assistant, Honorary, and Student Memberships will be granted such privileges and obligations as determined by the SAAR Board of Directors. **(Amended 8/07)**

Section 2: Any Member of SAAR may be reprimanded, fined, placed on probation, suspended, or expelled, as required by the Board of Directors for a violation of these *BYLAWS*, or any *SAAR Rules and Regulations* consistent with these *BYLAWS*, after a hearing as described in the *Manual*. Although Members other than Designated REALTORS® and REALTORS® are not subject to the *Code of Ethics*, such Members are encouraged to abide by the principals established in the *Code of Ethics* and to conduct their business and professional practices accordingly. In addition, Members other than Designated REALTORS® and REALTORS® may, upon the recommendation of a Hearing Panel of the AAR Professional Standards Committee, be subject to discipline as described above, applied on a nondiscriminatory basis, for any conduct which, in the opinion of the Board of Directors, 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 SAAR, AAR, and NAR.

Section 3: Any REALTOR® Member of SAAR may be disciplined by the Board of Directors for violations of the *Code of Ethics* or other duties of membership, after a hearing as provided for in the *Manual*, provided that the discipline imposed is consistent with the discipline authorized by the NAR Professional Standards Committee. **(Adopted 8/07)**

Section 4: Resignations of Members will become effective when received in writing by the Membership Coordinator. However, if any resigning Member is indebted to SAAR for dues, fees, fines or other assessments of SAAR or any of its departments, divisions, or subsidiaries, SAAR may condition the right of the resigning Member to reapply for membership upon payment-in-full of all such indebtedness.

Section 5: If a Member resigns from SAAR or otherwise causes membership to terminate with an ethics complaint pending, the Board of Directors may condition the right of the resigning Member to re-apply for membership upon the Applicant's certification that he/she will participate in the pending ethics proceeding and will abide by the decision of the Hearing Panel.

If a Member resigns or otherwise causes membership to terminate, the duty to participate in arbitration continues in effect even after membership lapses or is terminated, provided that the dispute arose while the former Member was a REALTOR®. **(Amended 10/03, 7/04, 4/05)**

Section 6: Any Member of SAAR may be reprimanded, placed on probation, suspended or terminated for harassment of a SAAR Employee, Officer, or Director after an investigation in accordance with the procedures of SAAR. As used in this section, harassment means any verbal or physical conduct including threatening or obscene language; unwelcome sexual advances; 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 performance by creating a hostile, intimidating or offensive work environment. The decision of the appropriate disciplinary action to be taken will be made by the investigatory team comprised of the President, the President-Elect and/or Vice President, the CEO, and one member of the Board of Directors selected by the highest ranking officer not named in the complaint, upon consultation with the SAAR Legal Counsel. Disciplinary action may include any sanction authorized in the *Manual*. If the complaint names the President, President-Elect, Vice President, or CEO, they may not participate in the proceedings and will 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. **(Amended 6/04, 4/06, 8/07, 11/08)**

Article VII - Professional Standards and Arbitration

Section 1: The responsibility of SAAR and of SAAR Members relating to the enforcement of the *Code of Ethics*, the disciplining of Members, the arbitration of disputes, and the organization and procedures incident thereto, will be governed by the *Manual*, which by reference is incorporated into these *BYLAWS*, provided that any provision deemed inconsistent with applicable State law will be deemed deleted or amended to comply with State law. **(Amended 8/07)**

Section 2: It will be the duty and responsibility of every REALTOR® Member of SAAR to abide by the *SAAR*, *AAR*, and *NAR BYLAWS*, the *SAAR Rules and Regulations*, and the *NAR Constitution* and *Code of Ethics*, including the duty to arbitrate disputes 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 *Manual*. **(Amended 3/05, 8/07)**

Section 3: The responsibility of the Board of Directors and its Members relating to the enforcement of the *Code of Ethics* will be consistent with the *AAR Statewide Professional Standards Agreement* entered into by the Board of Directors, which by reference is made a part of these *BYLAWS*. **(Amended 2/02, 4/06, 8/07)**

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

Section 1: Use of the terms REALTOR® and REALTORS® by Members will, at all times, be subject to the provisions of the *NAR Constitution* and *BYLAWS*, and to the *SAAR Rules and Regulations* prescribed by its Board of Directors. SAAR will have the authority to control,

jointly and in full cooperation with NAR, use of the terms within its jurisdiction. Any misuse of the terms by Members is a violation of a membership duty and may subject members to disciplinary action by the Board of Directors after a hearing as provided for in the *Manual*. **(Amended 8/07)**

Section 2: REALTOR® Members of SAAR will have the privilege of using the terms REALTOR® and REALTORS® in connection with their places of business within Arizona or a contiguous state so long as they remain REALTOR® Members in good standing. No other class of Members will have this privilege. **(Amended 8/07)**

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 Arizona or a contiguous state, and are REALTOR® Members or Institute Affiliate Members as described in Article IV, Section 1(e). **(Amended 6/03, 8/07)**

In the case of a REALTOR® Member who is a principal of a real estate firm, partnership, or corporation whose business activity is substantially all commercial, the right to use the term REALTOR® or REALTORS® will 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. **(Amended 12/01)**

Section 4: Institute Affiliate Members will not use the terms REALTOR® or REALTORS®, or the imprint of the NAR logo.

Section 5: If a Designated REALTOR® or REALTOR® Member who is a sole proprietor, partner, or a principal in a corporation is suspended or expelled, the firm, partnership, or corporation will not use the terms REALTOR® or REALTORS® in connection with its business until the expiration of the period of suspension, or until re-admission to Designated REALTOR® or REALTOR® membership, unless the suspended or expelled Designated REALTOR® or REALTOR® Member's connection with the firm, partnership, or corporation is severed, which ever may apply. Further, the membership of REALTORS®, other than principals who are employed by or affiliated as independent contractors with the disciplined Member, will be suspended or terminated during the period of suspension or until re-admission of the disciplined Member or until connection of the disciplined Member with the firm, partnership, or corporation is severed, or unless the Designated REALTOR® or REALTOR® Member elects to sever his connection with the Designated REALTOR® and affiliate with another Designated REALTOR® Member in good standing in SAAR. If a Designated REALTOR® or REALTOR® Member who is other than a principal in a firm, partnership, or corporation is suspended or expelled, the use of the terms REALTOR® or REALTORS® by the firm, partnership, or corporation will not be affected.

Section 6: In any action taken against a Designated REALTOR® or REALTOR® Member for suspension or expulsion under Section 2 of this Article, notice of such action will be given to all REALTORS® employed by or affiliated as independent contractors with such REALTOR® Members, and they will be advised that the provisions in Section 5 of this Article will apply.

Article IX - State and National Memberships

Section 1: SAAR will be a member of NAR and AAR. By reason of SAAR's membership, each Designated REALTOR® and REALTOR® Member of SAAR will be entitled to membership in NAR and AAR, without further payment of dues. SAAR will continue as a member of NAR and AAR unless, by a majority vote of all Designated REALTOR® and REALTOR® Members of SAAR, a decision is made to terminate such memberships, in which case AAR and NAR will be notified at least one month in advance of the date designated for the termination of such membership. **(Amended 8/07)**

Section 2: SAAR recognizes the exclusive property rights of the NAR in the terms REALTOR® and REALTORS®. SAAR and its Members will discontinue use of the terms in any form in its name, upon ceasing to be a member of NAR or upon a determination by the NAR Board of Directors that SAAR has violated the conditions imposed upon the use of such terms. **(Amended 8/07)**

Section 3: SAAR adopts the *Code of Ethics* and agrees to enforce the *Code of Ethics* among its Designated REALTOR® and REALTOR® Members, as a signatory of the *AAR Statewide Professional Standards Agreement*. SAAR and all of its REALTOR® Members agree to abide by the *NAR and AAR BYLAWS*, and the *NAR Constitution and Code of Ethics*. **(Amended 8/07, 6/08)**

Article X - Dues, Fees, and Assessments

Section 1: Application Fee. The Board of Directors may establish a reasonable application fee for the Designated REALTOR® and REALTOR® Membership, not exceeding three times the amount of the annual dues, which will be required to accompany each application for Designated REALTOR® or REALTOR® membership, and which will become the property of SAAR upon final approval of the application. For purposes of bookkeeping, the Designated REALTOR® is responsible for the payment of all dues, including late and reinstatement fees (if applicable), for himself/herself as well as all licensees under his/her license. **(Amended 6/03, 3/05)**

Section 2: Dues. The annual dues of Members will be as follows:

- a. **Designated REALTOR® Members.** The annual dues of each Designated REALTOR® Member will be established annually by the Board of Directors, plus an amount equal to the number of real estate salespersons and licensed or certified appraisers who (1) are employed by or affiliated as independent contractors, or who are otherwise directly or indirectly licensed with such REALTOR® Member, and (2) are not REALTOR®

Members of any association/board in Arizona or a contiguous state or Institute Affiliate Members of an association/board. In calculating the dues payable to SAAR by a Designated REALTOR® Member, non-member licensees, as defined in (1) and (2) of this paragraph, will not be included in the computation of dues if the Designated REALTOR® has paid dues based on said non-member licensees in another association/board in Arizona or a contiguous state provided the Designated REALTOR® notified SAAR in writing of the identity of the association/board to which dues have been remitted. In the case of a Designated REALTOR® Member in a firm, partnership, or corporation whose business activity is substantially all commercial, any assessments for non-member licensees will be limited to licensees affiliated with the Designated REALTOR®, as defined in (1) and (2) of this paragraph, in the office where the Designated REALTOR® holds membership, and any other offices of the firm located within the jurisdiction of SAAR. **(Amended 12/01, 8/07)**

For the purpose of this section, a REALTOR® member of SAAR will be held to be any member who has a place or places of business within Arizona or a contiguous state and who, as a principal, partner corporate officer, or branch office manager of a real estate firm partnership, or corporation, is actively engaged in the real estate profession as defined in Article III, Section 1, of the *NAR Constitution*. An individual will be deemed to be licensed with a Designated REALTOR® if the license of the individual is held by the Designated REALTOR®, or by a broker who is licensed with the Designated REALTOR®, or by any entity in which the Designated REALTOR®, has a direct or indirect ownership interest, provided that such licensee is not otherwise included in the computation of dues payable by the principal, partner, or corporate officer of the entity. **(Amended 10/03, 8/07)**

A Designated REALTOR®, with a direct or indirect ownership interest in an entity engaged exclusively in soliciting and/or referring clients and customers to the Designated REALTOR® for consideration on a substantially exclusive basis will annually file with SAAR, on a form approved by NAR, a list of the licensees affiliated with that entity and will certify that all of the licensees affiliated with the entity are solely engaged in referring clients and customers and are not engaged in listing, selling, leasing, managing, counseling, or appraising real property. The individuals disclosed on such form will not be deemed to be licensed with the Designated REALTOR®, filing the form for purposes of this section and will not be included in calculating the annual dues of the Designated REALTOR®. **(Amended 1/04, 3/05, 8/07)**

NAR Membership dues will be prorated for any licensee included on the NAR certification form submitted to SAAR who, during the same calendar year, applies for REALTOR® membership in SAAR. However, membership dues will not be prorated if the licensee held REALTOR® membership during the preceding calendar year. **(Amended 1/04, 3/05)**

(b) REALTOR® Members. The annual dues of REALTOR® Members, other than the Designated REALTOR®, will be an amount established annually by the Board of Directors.

(c) Institute Affiliate Members. The annual dues of each Institute Affiliate Member will be established in Article II of the *NAR BYLAWS*. **NOTE:** The Institutes, Societies, and Councils of NAR will be responsible for collecting and remitting dues to NAR for Institute Affiliate Members (\$75.00). NAR will credit \$25.00 to the account of a local association/board for each Institute Affiliate Member whose office address is within the assigned territorial jurisdiction of that association/board, provided, however, if the office location is also within the territorial jurisdiction of a Commercial Overlay Board (COB), the \$25.00 amount will be credited to the COB, unless the Institute Affiliate Member directs that the dues be distributed to the other association/board. NAR will also credit \$25.00 to the account of State associations/boards for each Institute Affiliate Member whose office address is located within the territorial jurisdiction of the State association/board. Local and State associations/boards 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. **(Amended 6/03, 4/05)**

(d) Other Members. The annual dues of each Affiliate, Appraiser, Student/Assistant, Honorary, and Student Member will be established by the Board of Directors. **(Amended 4/05, 8/07, 6/08)**

Section 3: Payment of Dues and Other Indebtedness.

(a) Dues for all Members will be payable annually before the first day of January. Dues for new Members will be pro-rated from the date of application. **(Amended 3/05)**

(b) In the event a REALTOR® Member does not pay their annual dues, the Designated REALTOR® will be responsible for dues payment, including late and reinstatement fees (if applicable), for any agent who is in their employ. Designated REALTORS® are not responsible for other fees, fines, or financial obligations to SAAR incurred solely by their sales associates. **(Amended 3/05)**

(c) In the event any sales licensee or licensed or certified appraiser who holds REALTOR® membership is terminated for nonpayment of SAAR dues, and thereafter remains employed or associated with a Designated REALTOR® firm as a licensed sales person, 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, as of the preceding January 1st, payable within 30 days following the notice of termination. **(Amended 8/07)**

(d) There will be no refund of dues assessments upon termination of membership in SAAR.

Section 4: Nonpayment of Financial Obligations. If annual dues payable to SAAR are not paid within 15 days after becoming due, they will be considered delinquent; 30 days past the original due date, membership will be suspended (all services, including access to ARMLS will be denied); and 45 days past the original due date, membership will automatically terminate. However, no action will be taken to suspend or terminate a Member for non-payment of disputed

amounts until the Board of Directors or Chief Executive Officer (hereafter referred to as CEO) has confirmed the accuracy of the amount owed. A former Member whose membership has been terminated for non-payment of dues or other financial obligations duly levied in accordance with the provisions of the *SAAR BYLAWS* or *Rules and Regulations*, may apply for reinstatement after making payment in full of all amounts due as of the date of termination, including late and reinstatement fees. **(Amended 3/05, 8/07)**

Section 5: Deposits and Expenditures. Deposits and expenditures of funds will be in accordance with policies established by the Board of Directors. **(Amended 3/05)**

Section 6: Changing of Dues. Dues may be changed only by a vote of three-fourths of the Members of the Board of Directors present and voting at a regular or special meeting of the Board of Directors called for such purpose, at which a quorum is present. The Directors and any class of Members whose dues might be increased by such change must be notified two weeks in advance of any meeting for such purpose. **(Amended 3/05)**

Section 7: Notice of Dues, Fees, Fines, Assessments, and Other Financial Obligations of Members. SAAR will notify any delinquent Member setting forth the amount owed and due date for all delinquent dues, fees, fines, assessments, or other obligations or indebtedness to SAAR.

Article XI - Officers and Directors

Section 1: Officers. The Officers of SAAR are the President, President-Elect, Vice President, and Treasurer. The President-Elect and Vice President will be elected by the Board of Directors for terms of one year, and will serve until such term expires or until their successors have been duly elected. The Treasurer will be appointed by the President and will be selected from among existing Board Members to serve a one-year term. This appointment is to be ratified by the Board of Directors. The President's appointed Director may also serve as Treasurer so long as he/she has served at least one full year on the Board in the past two years. A Past President is not eligible to be Treasurer. In addition, the CEO will also serve as Corporate Secretary (non-voting). **(Amended 10/03, 3/05, 4/06, 6/08)**

Section 2: Duties of Officers. The duties of the Officers will be as described in the *Rules and Regulations*. Additional duties as may be assigned to them by the Board of Directors. **(Amended 3/05)**

Section 3: Board of Directors. The governing body of SAAR will be the Board of Directors that will consist of the elected Officers, the Immediate Past President, eight Designated REALTOR® and/or REALTOR® Members, and one Affiliate Member elected to serve for terms of two years. No REALTOR® or Affiliate will serve as Director for more than six years, exclusive of time served as President, President Elect, or an Immediate Past President. **(Amended 6/08)**

The President may also appoint two additional Directors for a one-year term, subject to approval by the Board of Directors. Once a Member has gone through the chairs as an Officer, they are

ineligible to serve on the Board of Directors again. Affiliate Members are not eligible to serve as officers. **(Amended 8/07, 6/08)**

Section 4: Leadership Team. The Leadership Team will consist of the President, President-Elect, Vice President, Immediate Past President, Treasurer, and CEO (non-voting). When attending Leadership Team meetings, the Treasurer will have voting privileges. The CEO may be excluded for any portion of any Leadership Team meeting at which the CEO's employment will be discussed. **(Amended 10/03, 4/06)**

Section 5: Qualifications.

(a) Prospective Board of Director Candidates must be Primary Members of SAAR for a period of at least two years immediately prior to applying for candidacy. **(Amended 6/08)**

(b) Prospective Board of Director Candidates must be full-time REALTORS® or, where applicable, full-time Affiliates.

(c) All Officer/Director Candidates must submit a copy of their Arizona Real Estate License, a signed "Consent to Serve" form, and a signed "Conflict of Interest Policy" form with their "Candidate Application" form. **(Amended 10/03, 3/05, 8/07)**

(d) Prospective Board of Director Candidates must attend an orientation session, conducted by the Leadership Team, prior to the election. **(Amended 10/03)**

(e) Only Designated REALTOR® and REALTOR® Members whose principal place of business and license are located within Maricopa County, and who are Members in good standing as Members of SAAR may be nominated, elected, or (except in the case of the CEO) appointed as Officers and Directors. **(Amended 10/03)**

(f) No more than two people from a firm with the same Designated REALTOR® may be elected/appointed to serve simultaneously on the Board of Directors, only one of whom may be elected/appointed as an Officer. **(Amended 3/05)**

(g) E-mail addresses are required for all Officer/Director Candidates, and all Committee Chairpersons and Vice Chairpersons.

Section 6: Election of Officers and Directors.

(a) At least four months before the annual election, applications from Members interested in election to the Board of Directors will be solicited. **(Amended 10/03)**

(b) Information about all candidates whose names will appear on the ballot will be published in the SAAR official publication immediately prior to the election and by hyperlink during electronic voting. **(Amended 3/05, 4/06)**

(c) The election will be conducted by electronic vote. **(Amended 4/03)**

(d) The names of all candidates will appear in alphabetical order. **(Amended 4/03, 3/05)**

(e) The election of Directors will take place during the month of October, at a date and time established by the Board of Directors. The terms of the newly-elected Directors will commence on December 1st. **(Amended 4/03, 3/05)**

(f) All Designated REALTOR®, REALTOR®, Affiliate, and Appraiser Members who have paid all current dues and other indebtedness will be eligible to vote. **(Amended 8/07)**

(g) Election results will be reported to the Board of Directors on a prepared form containing the Candidates' names and number of votes each received, signed by the Controller and witnessed by the President, a Past President (who will be appointed by the President-Elect), and the CEO. In case of a tie vote, lot will be drawn at a special Directors' meeting held for the purpose of certifying the election results, and the current President will draw the name. **(Amended 10/03, 3/05, 8/07)**

(h) The election results will be posted in a timely manner at the SAAR offices, on the SAAR Web site, and by a blast e-mail to the SAAR Members following ratification of the results by the Board of Directors and personal notification of the candidates by the current SAAR President. **(Amended 10/03, 4/06, 6/08)**

(i) Beginning with the 2004 election, officer positions (Vice President and President-Elect) will be filled each year by an election at the Board of Directors' meeting in October. The Officer Candidates will announce their candidacy at the September Board of Directors' meeting. A candidate must have previously served at least one complete year as a SAAR Director within the past two years to be eligible for an officer position. The person elected Vice President will serve a one-year term. The person elected President-Elect will automatically become President the following year. **(Amended 4/03, 3/05, 4/06)**

(j) When a Director is elected to an officer position, the vacated director position will be filled by the next highest vote-getter in the general election. In the event there is no remaining candidate, an invitation will be sent by Staff to the SAAR Membership, to solicit applications to fill the position. The Board of Directors will make the appointment. **(Amended 4/03, 6/08)**

Section 7: Vacancies.

(a) Any vacancy occurring on the Board of Directors may be filled by the vote of a majority of the remaining Members of the Board of Directors. Board Members will nominate candidates at a special meeting or the next regularly scheduled Board of Directors' meeting. Candidates will address the Board of Directors at their meeting, at which time they will submit a signed "Consent to Serve" form. A written vote will be taken at that meeting and the results will be announced by the President. **(Amended 10/03, 3/05)**

(b) If a vacancy occurs in the office of President, the President-Elect will assume the duties of the President for the remainder of the unexpired term and serve as President for a full term the following year, but will not be eligible to serve a second successive complete term. Any vacancy occurring in any other office may be filled by a vote of a majority of the members of the Board of Directors present and voting at any regular or special meeting, at which a quorum is present.

Section 8: Removal of Officers and Directors. A Director or an Officer (other than the CEO) may be removed from office in the following manner: **(Amended 8/07)**

(a) A petition requesting the removal of an Officer or Director, signed by a majority of all Directors, will be filed with the President, or, if the President is the subject of the petition, with the President-Elect, and will specifically set forth the reason(s) the individual is deemed to be incapable of further service.

(b) Not less than 20 days after or more than 45 days following receipt of such petition, a special meeting of the Board of Directors will be held for the sole purpose of considering the charge against the Office or Director, and rendering a decision on such petition.

(c) The affirmative vote of a majority of those Directors present and voting at such a meeting, at which a quorum is present, will be required to remove such Officer or Director from office, and any such removal will become effective immediately upon the adjournment of the special meeting.

Section 9: Chief Executive Officer. The CEO is hired by and serves at the pleasure of the Board of Directors and will be the chief administrative officer of SAAR. In the event of the inability of the CEO to carry out his/her duties as Corporate Secretary, those duties revert to the Assistant Executive Officer on an interim basis. **(Amended 3/05, 8/07)**

Article XII – Meetings

Section 1: Membership Meetings; Quorum; Transaction of Business. Meetings of the Membership of SAAR will be held on such date and at such place and hour as may be designated by the Board of Directors. Notice of any such meeting will be given in accordance with Section 4 of this Article. A quorum for the transaction of business at any such meeting will consist of those REALTOR® Members in good standing present. Approval of any matter at any such meeting will require a two-thirds vote of those present and voting, in person or by proxy. **(Amended 6/04, 4/06)**

Section 2: Meetings of Directors.

a. The Board of Directors will designate a regular time and place for meetings.

(b) A majority of the members of the Board of Directors then in office will constitute a quorum. **(Amended 6/04)**

(c) Approval of actions by the Board of Directors will be by majority vote of the Directors in attendance. **(Amended 6/04)**

(d) *MINUTES* will be taken of the actions and proceedings at regular meetings.

(e) Voting items must be submitted for inclusion in the Agenda prior to the close of business seven calendar days before the regularly scheduled Board of Directors' Meeting. This rule may be suspended at the meeting by a two-thirds vote of the Directors in attendance. **(Amended 6/04, 3/05, 4/06)**

(f) Two consecutive unexcused absences or three unexcused absences in a one-year term, or four unexcused absences in a two-year term, will result in the automatic removal of the Director. Excused and unexcused absences may be considered on an individual basis by the Leadership Team **(Amended 10/03, 8/07)**

(g) A Director will be considered absent for a meeting if the Director arrives more than ten minutes after the official call to order by the Presiding Officer and can not vote on the issue currently before the Board. **(Amended 8/07)**

(h) Attendance is required for the entire meeting unless prior arrangements have been made with the Presiding Officer. **(Adopted 8/07)**

Section 3: Special Meetings. The President, President-Elect, or CEO may call a special meeting of the Board of Directors. A seven-day notification will be issued and will include a statement of the specific purpose of the meeting (which may not be amended). When it is deemed necessary or advisable, because of an emergency, a deficient notice will be permissible, provided, however, that in any such case, it will be necessary to obtain a waiver of notice from the Leadership Team. **(Amended 10/03, 3/05)**

Section 4: Other Meetings. Meetings of the Members may be held at such other times as the President or the Board of Directors may determine, or upon the written request of at least 25 percent of SAAR Members. Any such request will contain a statement of the purpose of the meeting. Written notice will be given to every Member entitled to participate in a meeting at least one week preceding the meeting. **(Amended 10/03)**

Section 5: Electronic Transaction of Business. To the fullest extent permitted by law, the Board of Directors or Membership may conduct business by electronic means. **(Amended 3/05)**

Section 6: Action without Meeting. Unless specifically prohibited by the *Articles of Incorporation*, any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if written or electronic consent, setting forth the action taken, will be provided by all of the Directors. The consent will be evidenced by one or more written approvals, each of which sets forth the action taken. All the approvals evidencing the consent will be delivered to the CEO to be filed in the corporate records. The action taken will

be effective when all the Directors have approved the consent unless the consent specified a different effective date. **(Amended 3/05, 4/06)**

Article XIII – Committees, Task Forces, and Special Programs

Committees, Task Forces, and Special Programs will be established by the Board of Directors and governed by the *Rules and Regulations*. **(Amended 8/07)**

Article XIV - Fiscal and Elective Year

Section 1: The SAAR fiscal year will be from January 1st to December 31st of the same calendar year.

Section 2: The terms of Officers and Directors will begin on December 1st and end on November 30th of the following year. **(Amended 2/04, 3/05)**

Article XV - Rules of Order

The latest edition of *Robert's Rules of Order* will be recognized as the authority governing the meetings of SAAR, its Board of Directors, and committees in all instances wherein its provisions do not conflict with these *BYLAWS*.

Article XVI – Amendments

Section 1: Except as provided in Section 4, these *BYLAWS* may be amended by a vote of three-fourths of the members of the Board of Directors present at any meeting at which a quorum is present, provided the substance of any proposed amendment or amendments will be plainly stated to all Directors at least seven days in advance of the meeting. **(Amended 12/01, 3/05)**

Section 2: Except as provided in Section 4, notice of all meetings at which amendments to the *BYLAWS* are to be considered will be given to every member of the Board of Directors at least seven days prior to the meeting except when changing dues, pursuant to Article X, Section 6, in which case 14 days notice will be given to Directors and REALTOR® Members. **(Amended 12/01, 3/05)**

Section 3: Amendments to these *BYLAWS* affecting the admission or qualification of REALTOR® or Institute Affiliate Members, the use of the terms REALTOR® and REALTORS®, or any alteration in the territorial jurisdiction of SAAR will become effective upon approval by the NAR Board of Directors.

Section 4: Notwithstanding Sections 1 and 2, any amendments to these *BYLAWS* that may be mandated by AAR or NAR will become effective immediately upon mailing notice to the Board of Directors.

Article XVII - Rules and Regulations

The Board of Directors may amend, by a three-fourths vote of the Directors in attendance, such *Rules and Regulations* as it deems necessary in the best interests of SAAR, at any Board of Directors' meeting provided the substance of any proposed amendment will be plainly stated to all Directors at least seven days in advance of the meeting and provided that any such *Rules and Regulations* will not be in conflict with the *NAR BYLAWS* or *Constitution*. **(Amended 6/04, 3/05, 8/07)**

Article XVIII – Dissolution

Upon the dissolution of the affairs of SAAR, the Board of Directors, after providing for the payment of all obligations, will distribute any remaining assets to AAR, or, within SAAR's discretion, to any other non-profit tax exempt organization. **(Amended 3/05)**

Article XIX - Multiple Listing Service

Section 1: SAAR will participate as a shareholder in the Arizona Regional Multiple Listing Service (hereafter referred to as ARMLS), for the voluntary use of its Members. Participants in ARMLS will follow the *Rules and Regulations* promulgated by ARMLS, which are hereby made a part of these *BYLAWS*. **(Amended 10/03, 3/05)**

Section 2: Any REALTOR® of this or any other Board who is a principal, partner, corporate officer, or branch office manager acting on behalf of a principal, without further qualification, except as otherwise stipulated in these bylaws, shall be eligible to participate in Multiple Listing Service upon agreeing in writing to conform to the rules and regulations thereof and to pay the costs incidental thereto. However, under no circumstances is any individual or firm, regardless of membership status, entitled to Multiple Listing Service “membership” or “participation” unless they hold a current, valid real estate broker's license and are capable of offering and accepting offer or accept compensation to and from other Participants or are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property. Use of information developed by or published by a Board Multiple Listing Service is strictly limited to the activities authorized under a Participant's licensure(s) or certification and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey “participation” or “membership” or any right of access to information developed by or published by a Board Multiple Listing Service where access to such information is prohibited by law. **(Amended 11/08)**

Section 3: Mere possession of a broker's license is not sufficient to qualify for MLS participation. Rather, the requirement that an individual or firm offers or accepts cooperation and compensation means that the participant actively endeavors during the operation of its real estate business to list real property of the type listed on the MLS and/or to accept offers of cooperation and compensation made by listing brokers or agents in the MLS. “Actively” means on a continual and ongoing basis during the operation of the participant's real estate business. The “actively” requirement is not intended to preclude MLS participation by a participant or potential participant that operates a real estate business on a part-time, seasonal, or similarly

time-limited basis or that has its business interrupted by periods of relative inactivity occasioned by market conditions. Similarly, the requirement is not intended to deny MLS participation to a participant or potential participant who has not achieved a minimum number of transactions despite good faith efforts. Nor is it intended to permit an MLS to deny participation based on the level of service provided by the participant or potential participant as long as the level of service satisfies state law. **(Adopted 11/08)**

The key is that the participant or potential participant actively endeavors to make or accept offers of cooperation and compensation with respect to properties of the type that are listed on the MLS in which participation is sought. This requirement does not permit an MLS to deny participation to a participant or potential participant that operates a “Virtual Office Website” (VOW) (including a VOW that the participant uses to refer customers to other participants) if the participant or potential participant actively endeavors to make or accept offers of cooperation and compensation. An MLS may evaluate whether a participant or potential participant actively endeavors during the operation of its real estate business to offer or accept cooperation and compensation only if the MLS has a reasonable basis to believe that the participant or potential participant is in fact not doing so. The membership requirement shall be applied in a nondiscriminatory manner to all participants and potential participants. **(Adopted 11/08)**

Article XX - Insurance

Insurance will be maintained to provide coverage of the following: casualty and liability, business interruption, errors and omissions, extra expenses, and drive coverage, including an employee dishonesty bond and related coverage.

Article XXI - Legal Information

Section 1: Legal Cases and Legal Information. No Member or group of Members, other than the Board of Directors, President, or CEO, on behalf of SAAR, will be permitted to obligate SAAR for legal fees or litigation costs. No Member of SAAR will seek legal information from the Officer, Directors, or Office Staff of SAAR. If a Member requests legal advice from SAAR’s attorney, he/she will do so with the understanding he/she is seeking such information as an individual and is obligated to pay any legal charges for such services rendered.

Section 2: Indemnification. SAAR will indemnify each Officer and Director, and each former Officer and Director, who is or was, or is threatened to be made a part to any action or proceeding as a consequence of any action taken or omitted in his capacity as such Officer or Director to the fullest extent permitted by the laws of Arizona and may purchase appropriate insurance coverage for such purpose.

Article XXII – Endorsements

No resolution for private, civic, legislative or political endorsements, or any endorsement of, or opposition to any proposed legislation, whether state or local, will be adopted by SAAR unless approved by the Board of Directors. **(Amended 6/08)**

Article XXIII - Certification of Adoption

This is to certify that the *BYLAWS of the Scottsdale Area Association of REALTORS®*, Inc. were amended and adopted by the necessary three-fourths majority vote of the Board of Directors present during a Board of Directors' meeting held today. With adoption of these *BYLAWS*, all previous *BYLAWS* will be null and void.

IN WITNESS WHEREOF, I, DOUG GROPPENBACHER, PRESIDENT OF THE SCOTTSDALE AREA ASSOCIATION OF REALTORS®, INC., HAVE SET MY HAND THIS 19TH DAY OF JUNE, TWO THOUSAND AND NINE, A.D.

Doug Groppenbacher, 2009 SAAR President: _____