

**BYLAWS OF
THE PHOENIX BOARD OF REALTORS®, INC.
DOING BUSINESS AS THE
PHOENIX ASSOCIATION OF REALTORS®**
Incorporated in Arizona, 1946
PAR Board of Directors approved May 21st, 2019
NAR Approved February 15, 2018

ARTICLE I - NAME

SECTION 1. Name. The name of this organization shall be the Phoenix Board of REALTORS®, Inc., doing business as the Phoenix Association of REALTORS® hereinafter referred to as the "Association" or "PAR."

SECTION 2. REALTORS®. Inclusion and retention of the registered collective membership mark REALTORS® in the name of the Association shall be governed by the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS® as from time to time amended.

ARTICLE II - OBJECTIVES

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® as may be amended from time to time.

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® and the NATIONAL ASSOCIATION OF REALTORS®, thereby furthering their own objectives throughout the state and nation, and obtaining the benefits and privileges of membership therein.

SECTION 6. To designate, for the benefit of the public, those individuals authorized to use the term REALTOR® and REALTORS® as licensed, prescribed, and controlled by the NATIONAL ASSOCIATION OF REALTORS®.

ARTICLE III - JURISDICTION

SECTION 1. The territorial jurisdiction of the Phoenix Association of REALTORS® as a member of the NATIONAL ASSOCIATION OF REALTORS® is:

Northern Boundary. Beginning at the intersection of Interstate 17 (Black Canyon Freeway) and the Maricopa and Yavapai Counties line East to the intersection of the Maricopa, Yavapai and Gila Counties lines.

Eastern Boundary. Then South on the Maricopa, Gila Counties line to the prolongation of Rio Verde Drive; then West along said prolongation to its intersection with the West Bank of the Verde River (in Section 29, R7E, T5N); then North along the West bank of the Verde River to a southwest point of the West Bank of the Verde River and the North line of Township 6

North; then West on Township 6 North (northern boundary between Township 6 North and Township 7 North) to its intersection with the northward prolongation of 24th Street; then South on the prolongation of 24th Street to its intersection with Dynamite Boulevard; then East on Dynamite Boulevard to Scottsdale Road; then South on a line of Scottsdale Road -- but not including frontage areas or City of Scottsdale area -- to the Salt River.

Southern Boundary. Then West along the North Bank of the Salt River from Scottsdale Road to the East line of Range 3 East; except that the territory of the Phoenix Association of REALTORS® shall not include any of the area within the city limits of Tempe North of the South Bank of the Salt River; then straight South on this range line (40th Street) to the South Boundary of South Mountain Park; then West along the Park Boundary to an alignment with 43rd Avenue; then South to Pecos Road; then East on Pecos Road; then straight South on the east line of Range 3 East (40th Street) to the Maricopa, Pinal Counties line; then following this County line West, then South along the East line of Range 1 East to the intersection of the Maricopa, Pinal and Pima Counties lines; then West to the West line of Range 1 East (Gila - Salt River Meridian).

Western Boundary. Then straight North along the West line of Range 1 East, which becomes 115th Avenue, to the Southeast corner of Indian School Road; then East on the South side of Indian School Road to 91st Avenue; then North on the East side of 91st Avenue to Camelback Road; then east on the South side of Camelback Road to 43rd Avenue; then North on the east side of 43rd Avenue to Peoria Avenue; then Northwest along the East bank of the Arizona Canal to the intersection of Cactus Road and 51st Avenue; then North on the East side of 51st Avenue to Pinnacle Peak Road; then West to 67th Avenue; then North on the East side of 67th Avenue to Jomax Road; then East on the South side of Jomax Road to Interstate 17; then North on the East side of Interstate 17 to the Maricopa and Yavapai Counties line to the point of beginning, all within Maricopa County, Arizona (EXCEPT within the jurisdiction description of the Scottsdale Association of REALTORS®). All area within the PAR outer boundaries which is located within the city limits of the City of Scottsdale is territory of the Scottsdale Association of REALTORS®.

SECTION 2. 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 the NATIONAL ASSOCIATION OF REALTORS®, in return for which the Association agrees to protect and safeguard the property rights of the National Association in the terms.

ARTICLE IV - MEMBERSHIP

SECTION 1. Membership Classes. There shall be eight classes of Members as follows:

(a) **REALTOR® Members.** REALTOR® Members whether primary or secondary shall be:

- (1) Individuals who, as sole proprietors, partners, branch office managers or corporate officers, 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 located within the State of Arizona, or a state contiguous thereto. 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 state contiguous thereto shall qualify for REALTOR® Membership only, and each is required to hold REALTOR® Membership in a Board of REALTORS® within the state

unless otherwise qualified for Institute Affiliate Membership as described in Section I(b) of Article IV.

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 the Association in which one of the firm's principals holds REALTOR® membership, shall be required to hold REALTOR® membership unless otherwise qualified for Institute Affiliate Membership as described in 1(b) of Article IV.

(2) Individuals who are engaged in the real estate profession other than as sole proprietors, partners, or corporate officers, or as individuals in positions of management control, and are associated with a REALTOR® Member and meet the qualifications set out in Article V.

(3) 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/Board. One of the principals in a 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/Board.

(4) 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 indoctrination classes or other similar requirements; the right to use the term REALTOR® in connection with their franchise organization's name; the right to hold elective office in the Phoenix Association, State Association and the National Association.

(6) Designated REALTOR® Members. Each firm shall designate in writing one REALTOR® Member who shall be responsible for all duties and obligations of Membership including the obligation to mediate and arbitrate pursuant to 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.

(b) **Institute Affiliate Members.** Institute Affiliate members shall be individuals who hold a professional designation awarded by an Institute, Society or Council affiliated with the NATIONAL ASSOCIATION OF REALTORS® 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.

(c) **Affiliate Members.** Affiliate Members shall be real estate owners and other individuals or firms who, while not engaged in the real estate profession as defined in paragraphs (a) or

(b) of this Section, have interests requiring information concerning real estate, and are in sympathy with the objectives of the Association.

(d) **Public Service Members.** Public Service Members shall be individuals who are interested in the real estate profession as employees of or affiliated with educational, public utility, governmental or other similar organizations, but are not engaged in the real estate profession on their own account or in association with an established real estate business.

(e) **Secondary Members.** Secondary Members shall be individuals who hold their primary membership in another Association which is a Member of the NATIONAL ASSOCIATION OF REALTORS® and desire to obtain the services afforded the Members of the Phoenix Association. The privileges of membership shall be the same including the right to vote.

(f) **Honorary Members.** Honorary Members shall be individuals not engaged in the real estate profession who have performed notable service for the real estate profession, for the Board, or for the public.

(g) **Student Members.** Student Members shall be individuals who are seeking an undergraduate or graduate degree with a specialization or major in real estate at institutions of higher learning, and who have completed at least two years of college and at least one college level course in real estate, but are not engaged in the real estate profession on their own account or not associated with an established real estate office.

(h) **Lifetime Members.** Any REALTOR® and/or REALTOR-ASSOCIATE® who has held membership for twenty-five (25) years or more continuously, or who has served as a member of the Professional Standards Committee for ten (10) or more years, may be granted a lifetime REALTOR® Membership upon application and approval of the Board of Directors. Maintaining Association Lifetime Membership shall be contingent upon maintaining membership in a state association and the NATIONAL ASSOCIATION OF REALTORS®.

(i) **Appraiser Affiliate 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 and has opted to not hold REALTOR® membership.

(j) **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 the Arizona Regional MLS (ARMLS) or a real estate licensee affiliated with an MLS Only Participant that requires only access to ARMLS. (See Article XVIII Section 3)

SECTION 2. Divisions. The Board of Directors possess the authority to create one or more membership divisions made up of Members of the Association and to alter or dissolve any such division at any time. Any of such divisions shall be for the purpose of serving the particular needs, requirements and interests of members who concentrate their professional efforts in particular specialties of real estate brokerage. Each such division shall submit its governing documents to the Board of Directors for ratification and shall make any changes required by the Board of Directors. With prior approval of the Board of Directors, any division may establish or revise policies with regard to division dues, application fees and other membership requirements. All divisions are ultimately responsible to and shall comply with these Bylaws and all policies,

resolutions and directives of the Board of Directors of the Phoenix Association of REALTORS®. No division may act as an independent entity or obligate the Association for any indebtedness.

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 that:

(1) applicant agrees, as a condition of membership, to thoroughly familiarize himself/herself with the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, the Constitutions, Bylaws, and Rules and Regulations of the Local, the State and National Associations, and if elected a Member, will abide by the Constitutions and Bylaws and Rules and Regulations of the Local, State and National Associations, and if a REALTOR® or Secondary Member, will abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® including the duty to mediate and the obligation to arbitrate controversies arising out of real estate transactions as specified by 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) applicant consents, that the Association, may invite and receive information and comment about applicant from any Member or other persons, and that applicant agrees that any information and comment furnished to the Association 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.

SECTION 2. Qualification.

(a) An applicant for REALTOR® Membership who is a principal, partner, branch office manager or corporate officer of a real estate firm shall supply evidence satisfactory to the Association that he/she is actively engaged in the real estate profession, and maintains a current valid real estate broker's or salespersons license or is licensed or certified by an appropriate state, or contiguous state, regulatory agency to engage in the appraisal of real property, has a place of business within Arizona, 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, agrees to complete a course of instruction covering the Bylaws and Rules and Regulations of the Association/Board, the Bylaws of the State Association, and the Constitution and Bylaws and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and shall agree that if elected to membership, will abide by such Constitution, Bylaws, Rules and Regulations, and the Code of Ethics.

NOTE 1: 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, or corporate officer is not involved in any pending bankruptcy or insolvency proceedings or, has not been adjudged bankrupt in the past three (3) years. If a bankruptcy proceeding as described above exists, membership may not be rejected unless the Association establishes that its interests and those of its members and the public could not be adequately protected by requiring that the bankrupt applicant pay cash in advance for Association and MLS fees for up to one (1) year from the date

that membership is approved or from the date that the applicant is discharged from bankruptcy (whichever is later). In the event that an existing member initiates bankruptcy proceedings, the member may be placed on a cash basis from the date that bankruptcy is initiated until one (1) year from the date that the member has been discharged from bankruptcy, provided the Association is aware of the bankruptcy.

No record of official sanctions involving unprofessional conduct is intended to mean that the Association may only consider:

NOTE 2:

A. judgments within the past three (3) years of violations of (1) civil rights laws; (2) real estate license laws; (3) or other laws prohibiting unprofessional conduct against the applicant rendered by the courts or other lawful authorities.

B. criminal convictions if (1) the crime was punishable by death or imprisonment in excess of one year under the law under which the applicant was convicted, and (2) no more than ten years have elapsed since the date of the conviction or the release of the applicant from the confinement imposed for that conviction, whichever is the later date.

NOTE 3:

Article IV, Section 2 of the NAR Bylaws prohibits member Associations from knowingly granting REALTOR® membership to any applicant who has an unfilled sanction pending which was imposed by another Association of REALTORS® for violation of the Code of Ethics.

(b) Individuals who are actively engaged in the real estate profession other than as principals, partners, branch office managers or corporate officers, in order to qualify for REALTOR® Membership, shall at the time of application, be associated either as an employee or as an independent contractor with a Designated REALTOR® Member of PAR and maintains a current valid real estate broker's or salespersons license or is licensed or certified by an appropriate state regulatory agency, or state contiguous thereto, to engage in the appraisal of real property, has no record of official sanction involving unprofessional conduct, agrees to complete a course of instruction covering the Bylaws and Rules and Regulations of the Association/Board, the Bylaws of the State Association, and the Constitution and Bylaws and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and shall agree that if elected to membership, will abide by such Constitution, Bylaws, Rules and Regulations, and the Code of Ethics.

(c) The Association will also consider the following in determining an applicant's qualification for REALTOR® membership:

1. All final findings of Code of Ethics violations and violations of other membership duties in this or any other REALTOR® Association within the past three (3) years.
2. Pending ethics complaints (or hearings).
3. Unsatisfied discipline pending.
4. Pending arbitration requests (or hearings).
5. Unpaid arbitration awards or unpaid financial obligations to any other Association or Association MLS.
6. Any misuse of the term REALTOR® or REALTORS® in the name of the applicant's firm name, email address or web address.

"Provisional" membership may be granted in instances where ethics complaints or arbitration requests (or hearings) are pending in other Associations or where the applicant for membership has unsatisfied discipline pending in another Association

(except for violations of the Code of Ethics; see Article V, Section 2(a) NOTE 3 provided all other qualifications for membership have been satisfied. Associations may reconsider the membership status of such individuals when all pending ethics and arbitration matters (and related discipline) have been resolved or if such matters are not resolved within six months from the date that provisional membership is approved. Provisional members shall be considered REALTORS® and shall be subject to all of the same privileges and obligations of REALTOR® membership. If a member resigns from another Association with an ethics complaint or arbitration request pending, the Association shall condition membership on the applicant's certification that he/she will submit to the pending ethics or arbitration proceeding in accordance with the established procedures of the Association to which the applicant has made application and will abide by the decision of the Professional Standards Hearing Panel.

SECTION 3. Election. The procedure for election to REALTOR®, Designated REALTOR® and, Affiliate membership shall be as follows:

- (a) It shall be determined whether the applicant is applying for the appropriate class of membership.
- (b) All membership applications shall be automatically approved through an administrative process after review by the Chief Executive Officer (or duly authorized designee). In the event an application is rejected, the Chief Executive Officer shall present the application along with the rationale for the rejection to the Board of Directors for its review and action.
- (c) Effective January 1, 2005 all REALTOR® members shall be granted provisional membership immediately upon submission of a completed application form and remittance of applicable association dues and any application fee. Provisional members shall be considered REALTOR® members and shall be subject to the same privileges and obligations of membership. Provisional membership is granted subject to each applicant completing new member orientation and satisfying the NATIONAL ASSOCIATION OF REALTORS® Code of Ethics quadrennial requirement, or proof of compliance, within sixty (60) days of application. If the individual does not satisfy all of the requirements of membership within sixty (60) days of application, membership may, at the discretion of the Board of Directors, be terminated. Dues shall be computed from the date of application and shall be non-refundable unless the association's Board of Directors terminates the individual's membership in accordance with subsection (a) above. In such instances, dues shall be returned to the individual less a prorated amount to cover the number of days that the individual received association services and any application fee.
- (d) The Board of Directors may not reject an application without providing the applicant with advance notice and a full hearing observing all due process rules, and an opportunity to appear before the Board of Directors, to call witnesses on his/her behalf, to be represented by counsel, and to make such statements as he or she deems relevant. The Board of Directors may also have counsel present. The Board of Directors shall require that written minutes be made of any hearing before it or may electronically or mechanically record the proceedings.
- (e) If the Board of Directors determines that the application should be rejected, it shall record its reasons with the Chief Executive Officer. If the Board of Directors believes that denial of membership to the applicant may become the basis of litigation and a claim of damage by the applicant, it may specify that denial of membership or termination membership shall become effective upon entry in a suit by the Association for a declaratory

judgment by a court of competent jurisdiction of a final judgment declaring that the rejection violates no rights of the applicant.

Note: Institute Affiliate members do not apply to PAR directly for membership but become members of PAR through application and payment of fees to their institute, society or council affiliated with the NATIONAL ASSOCIATION OF REALTORS®. The annual dues for each Institute Affiliate member shall be as established in Article II of the Bylaws of the NATIONAL ASSOCIATION OF REALTORS®. 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 that shall be determined during the budget process. The National Association shall credit an amount determined during the budget process to the account of a local association of 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 amount will be credit to the COB, unless the Institute Affiliate member directs that the dues be distributed to the other association. The National Association shall also credit the budgeted amount 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 associations 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.

SECTION 4. New Member Code of Ethics Orientation.

Applicants for REALTOR® membership shall 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 in another Association, 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 180 days of the date of the application will result in termination of membership.

NOTE: All Code of Ethics classes must meet the learning objectives and minimum criteria established from time to time by the NATIONAL ASSOCIATION OF REALTORS®.

SECTION 5. Continuing Member Code of Ethics Training.

Effective January 1, 2017 through December 31, 2018, and for successive two year periods thereafter, each REALTOR® member of the Association shall 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 this or another Association, a State Association of REALTORS®, the NATIONAL ASSOCIATION OF REALTORS®, or any other recognized educational institution or provider which meets the learning objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTORS® from time to time. REALTOR® members who have completed their training as a requirement of membership in another Association and REALTOR® members who have completed the New Member Code of Ethics Orientation during any four year cycle shall not be required to complete additional ethics training until a new two year cycle commences.

Failure to meet the requirement by that time will result in automatic termination of membership. Failure to meet the requirement for subsequent two (2) year cycles will result in suspension of membership for the first two months (January and February) of the year following the end of any two(2)-year cycle or until the requirement is met, whichever occurs

sooner. On March 1 of that year, the membership of a member who is still suspended as of that date will be automatically terminated.

SECTION 6 Status Changes.

- (a) A REALTOR® who changes the conditions under which he/she holds membership shall be required to provide written notification to PAR within thirty (30) days. A REALTOR® non-principal who becomes a principal in the firm with which he/she has been licensed or, alternatively, becomes a principal in a new firm which will be comprised of REALTOR® principals will be required to satisfy any previously unsatisfied membership requirements applicable to REALTOR® principal 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 sixty (60) 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.
- (b) Any application fee related to a change in membership status shall be reduced by an amount equal to any application fee previously paid to PAR by the applicant if the applicant has maintained continuous membership with PAR.
- (c) Dues shall be prorated from the first day of the quarter in which the member is notified of election by the Board of Directors and shall be based on the new membership status for the remainder of the year.

ARTICLE VI - PRIVILEGES AND OBLIGATIONS

SECTION 1. Privileges and Obligations. The privileges and obligations of Members, in addition to those otherwise provided in these Bylaws, shall be specified in this Article.

SECTION 2. Discipline, Suspension and Expulsion. 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 not inconsistent with these Bylaws, after a hearing as provided for in the Code of Ethics and Arbitration Manual of the Association. Although Members other than REALTORS® are not 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 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 nondiscriminatory basis, reflects adversely on the term REALTOR®, and the real estate industry, or for conduct that is inconsistent with or adverse to the objectives and purposes of the Phoenix Association of REALTORS®, the Arizona Association of REALTORS®, or the NATIONAL ASSOCIATION OF REALTORS®.

SECTION 3. Authorized Discipline. 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. Resignations of Members, shall become effective, when received in writing by the Association, 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. Resignations with Pending Complaints. 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 ethics 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 mediation and arbitration continues in effect even after membership lapses or is terminated, provided that the dispute arose while the former member was a REALTOR®.

SECTION 6. REALTOR® Members.

(a) REALTOR® Members, whether primary, secondary or Lifetime in good standing, whose financial obligations to the Board are paid in full, shall be:

(1) entitled to vote and to hold elective office in the Association;

(2) may use the term REALTOR®, which use shall be subject to the provisions of Article VIII;

and

(3) hold the primary responsibility to safeguard and promote the standards, interests, and welfare of the Association and the real estate profession.

(b) If a REALTOR® Member is a sole proprietor in a firm, a partner in a partnership or an officer in 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/herself 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 assuming management control, and the signatures of such certification must be notarized. In the event the suspended or expelled Member is so

certified to have relinquished all form or degree of management control of the firm, the membership of other partners, corporate officers, or other individuals affiliated with the firm shall not be affected, and the firm, partnership or corporation may continue to use the terms REALTOR® and REALTORS® in connection with its business during the period of suspension or until the former Member is readmitted to membership in the Board. The foregoing is not intended to preclude a suspended or expelled Member from functioning as an employee or independent contractor, providing no management control is exercised. Further, the membership of REALTORS® other than principals who are employed or affiliated as independent contractors with the disciplined Member 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 management control is relinquished, or unless the REALTOR® Member (non-principal) elects to sever his connection with the REALTOR® and affiliate with another REALTOR® Member in good standing in the Board, whichever may apply. If a REALTOR® Member other than a sole proprietor in a firm, partner in a partnership, or an officer of a corporation is suspended or expelled, the use of the terms REALTOR® or REALTORS® by the firm, partnership or corporation shall not be affected.

SECTION 7. Institute Affiliate Members. Institute Affiliate Members shall have rights and privileges and be subject to obligations prescribed by the Board of Directors consistent with the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS® as may be amended from time to time.

SECTION 8. Affiliate Members. Affiliate Members shall have rights and privileges and be subject to obligations prescribed by the Board of Directors and amended from time to time.

SECTION 9. Public Service Members. Public Service Members shall have rights and privileges and be subject to obligations prescribed by the Board of Directors and amended from time to time.

SECTION 10. Honorary Members. Honorary Membership shall confer only the right to attend meetings and participate in discussions.

SECTION 11. Student Members. Student Members shall have rights and privileges and be subject to obligations prescribed by the Board of Directors and amended from time to time.

SECTION 12. Certification by REALTOR®. Upon request "Designated" REALTOR® Members of PAR shall certify to PAR during October or November each year on a form provided by PAR, a complete listing of all individuals licensed or certified with the REALTOR®'s firm within the state, and shall designate a primary Association for each individual. These declarations shall be used for purposes of calculating dues under Article X, Section 2(a) of the Bylaws. "Designated" REALTOR® Members shall also notify PAR of any additional individual(s) licensed or certified with the firm within thirty (30) days of the date of affiliation or severance of the individual. PAR may assign this certification to either the Arizona Association of REALTORS®, a contiguous state association or the NATIONAL ASSOCIATION OF REALTORS® and the Designated REALTOR® shall be obligated to respond as if the request were made by PAR.

SECTION 13. Harassment

Any member 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, 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 shall be made by the investigatory team comprised of the president, and president-elect and/or vice president and one member of the board of directors selected by the highest ranking officer not named in the complaint, upon consultation with legal counsel for the association. Disciplinary action may include any sanction authorized in the association's Code of Ethics and Arbitration Manual. If the complaint names the president, president-elect or vice president, 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.

NOTE: Suggested procedures for processing complaints of harassment are available on line at <http://www.REALTOR.org>, or from the Member Policy Department.

ARTICLE VII - PROFESSIONAL STANDARDS AND ARBITRATION

SECTION 1. The responsibility of PAR and of PAR Members relating to the enforcement of the Code of Ethics, the disciplining of Members, and the mediation and 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. It shall also be consistent with the Arizona Association of REALTORS® Statewide Professional Standards Enforcement Agreement entered into by this Association, which by reference is made a part of these bylaws.

SECTION 2. It shall be the duty and responsibility of every REALTOR® Member of this Association to abide by the Constitution and Bylaws and the Rules and Regulations of PAR, the Constitution and Bylaws of the Arizona Association of REALTORS®, or a contiguous state association, if appropriate, 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 ~~in~~ 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.

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

SECTION 1. Use of the terms REALTOR® and REALTORS® by Members shall, at all times, be subject to the provisions of the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS® and to the Rules and Regulations prescribed by its Board of Directors. The Association shall have the authority to control, jointly and in full cooperation with the NATIONAL ASSOCIATION OF REALTORS®, use of the terms within its jurisdiction. Any misuse of 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 association's Code of Ethics and Arbitration Manual.

SECTION 2. REALTOR® Members of the Board shall have the privilege of using the terms REALTOR® and REALTORS® in connection with their places of business within Arizona or a 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 Arizona or a state contiguous thereto are REALTOR® Members of PAR, or another local association affiliated with the NATIONAL ASSOCIATION OF REALTORS® 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 shall be limited to office locations in which a principal, partner, or 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® 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 the Arizona Association of REALTORS®. By reason of the Association's Membership, each REALTOR® Member of the PAR shall be entitled to membership in the NATIONAL ASSOCIATION OF REALTORS® and the Arizona Association of REALTORS® without further payment of dues. The Association shall continue as a Member of the State and National Associations, unless by a majority vote of all of its REALTOR® Members, 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. PAR recognizes the exclusive property rights of the NATIONAL ASSOCIATION OF REALTORS® in the terms REALTOR® and REALTORS®. PAR shall discontinue 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. PAR adopts the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and agrees to enforce the Code of Ethics 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 OF REALTORS® and the Arizona Association of REALTORS®, or contiguous state thereto as appropriate.

ARTICLE X - DUES AND ASSESSMENTS

SECTION 1. Application Fee. The Board of Directors may adopt an application fee for REALTOR® Membership in a reasonable amount, not exceeding three times the amount of the annual dues for REALTOR® Membership, which shall be required to accompany each application for REALTOR® Membership and which shall become the property of the Association upon final approval of the application. All application fees are subject to change by the PAR Board of Directors at any time.

SECTION 2. Dues. The annual dues of Members shall be as follows:

(a) **REALTOR® Members.** The annual dues of each Designated REALTOR® Member shall be established annually by the PAR Board of Directors plus an amount equal to that fee times 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 in the state or a state contiguous thereto or Institute Affiliate Members of the Association. In calculating the dues payable to the Association by a Designated REALTOR® member, non-member licensees shall not be included in the computation of dues if the Designated REALTOR® has paid dues based on said non-member licensees in another Association in Arizona or a state contiguous thereto, provided the Designated REALTOR® notifies the Association in writing of the identity of the Association 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 shall 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 this Association.

(1) For the purpose of this Section, a REALTOR® Member of a Member Association shall be held to be any Member who has a place or places of business within the state or a state contiguous thereto 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 I, of the Constitution of the NATIONAL ASSOCIATION OF REALTORS®. An individual shall be deemed to be licensed with a REALTOR® if the license of the individual is held by the REALTOR®, or by any broker who is licensed with the REALTOR®, or by any entity in which the REALTOR® has a direct or indirect ownership interest which is engaged in other aspects of the real estate business (except as provided for in Section 2 (a) (1) hereof) provided that such licensee is not otherwise included in the computation of dues payable by the principal, partner, corporate officer, or branch office manager of the entity.

A REALTOR® with a direct or indirect ownership interest in an entity engaged exclusively in soliciting and/or referring clients and customers to the REALTOR® for consideration on a substantially exclusive basis shall annually file with the Association on a form approved by the Association a list of the licensees affiliated with that entity and shall 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, renting, managing, counseling or appraising real property. The individuals disclosed on such form shall not be deemed to be licensed with the REALTOR® filing the form for purposes of this section and shall not be included in calculating the annual dues of the Designated REALTOR®. Designated REALTORS® shall notify the association within three (3) days of any change of status of licensees in a referral firm.

The exemption for any licensee included on the certification form shall automatically be revoked upon the individual being engaged in real estate licensed activities (listing, selling, leasing, renting, managing, counseling or appraising real property) other than referrals, and 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®

membership in the Association. However, membership dues shall not be prorated of the licensee held REALTOR® membership during the preceding calendar year.

(b) The dues of REALTOR® Members other than Designated REALTORS® shall be an amount determined annually by the PAR Board of Directors.

(c) Institute Affiliate Members. The annual dues of each Institute Affiliate Member shall be as established in Article II of the Bylaws of the NATIONAL ASSOCIATION OF REALTORS®.

(d) Affiliate Members. The dues of each Affiliate Member shall be determined annually by the PAR Board of Directors.

(e) Public Service Members. The dues of each Public Service Member shall be determined annually by the PAR Board of Directors.

(f) Honorary Members. Dues payable, if any, shall be at the discretion of the PAR Board of Directors.

(g) Student Members. Dues payable, if any, shall be at the discretion of the Board of Directors.

SECTION 3. Dues Payable. Dues for all Members shall be payable annually in advance on the first day of January. Dues for new members shall be computed from the from the date of application and granting of provisional membership.

(a) In the event a sales licensee who holds REALTOR® membership is dropped for non-payment of Association dues, and the licensee 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 (thirty) days of the notice of termination. Designated REALTORS® that do not want to pay or are unable to pay for non-member licensees are offered MLS Only access.

SECTION 4. Non-payment of Financial Obligations. If dues or other financial obligations are not paid to the Association, or the Association's Multiple Listing Service, are not paid within the time frame prescribed in the Association's written policy manual, services and/or membership may be terminated as outlined in the Policy Manual and amended from time to time. A former Member who has had 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 Rules and Regulations of the Board or any of its services, departments, divisions or subsidiaries may apply for reinstatement in a manner prescribed for new applicants for membership, after making payment in full of all accounts due as of the date of termination. (Note: Designated REALTORS® are offered MLS Only access prior to their office services being terminated for non-payment.)

SECTION 5. Deposits and Expenditures. Deposits and expenditures of funds shall be in accordance with policies established by the Board of Directors.

SECTION 6. Notice of Dues, Fees, Fines, Assessments and Other Financial Obligations of Members. All dues, fees, fines, assessments, or other financial obligations to PAR or the Association's Multiple Listing Service shall be noticed to the delinquent Member in writing setting forth the amount owed and due date.

SECTION 7. Dues of REALTOR® Members who are REALTOR® Emeriti (as recognized by the National Association). Past Presidents and past treasurers of the National Association or recipients of the Distinguished Service Award shall be as determined by the NAR Board of Directors.

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

ARTICLE XI - OFFICERS AND DIRECTORS

SECTION 1. Elected Officers. The elected officers of PAR shall be: a President, a President Elect and a Vice President. In the absence of the President, the President Elect shall perform the duties of President. All elected Officers shall serve for one year or until their successors are elected and qualified.

Section 2. Appointed Officers. The Chief Executive Officer shall serve as Secretary of the Corporation with no voting privileges. With the approval of the Board of Directors, the President shall appoint a Treasurer for a 2-year term. The Treasurer shall also serve as the Chairman of the Finance Committee. The Treasurer shall be appointed by the President and ratified by the Board of Directors with a majority vote.

SECTION 3. Duties of Officers. The duties of the officers shall be such as their titles, by general usage, would indicate and such as may be assigned to them by the Board of Directors. It shall be the particular duty of the Chief Executive Officer to keep the records of the Association and to carry on all necessary correspondence with the NATIONAL ASSOCIATION OF REALTORS® and the Arizona Association of REALTORS®.

SECTION 4. Board of Directors. The governing body of PAR shall be a Board of Directors consisting of the three elected officers and nine Directors elected to alternating two year terms, the immediate past president who shall serve a one year term as Director immediately following their Presidency plus two REALTOR® Members of any Division. Directors from any Division shall be appointed to the PAR Board of Directors by that Division's Board of Directors to serve as a Director for one year on the PAR Board of Directors.

- (a) If a vacancy occurs during the term of office of any of the offices, with the exception of the President Elect, the President with the approval of the Board of Directors shall appoint the next highest vote getter in the last election as a replacement to serve for the duration of the unexpired term. Should the office of President Elect become vacant, the President, with

the approval of the Board of Directors shall appoint the next highest vote getter in the last membership election to serve the balance of the year as a Director and the Board of Directors shall elect a new President-Elect from those Directors that have served a minimum of one full year on the Board of Directors prior to such election.

(b) If a vacancy occurs in the office of the President, the President Elect shall assume the duties of the President for the remainder of the unexpired term and serve as President for a full term the next year. The new President, with the approval of the Board of Directors shall appoint the next highest vote getter in the last membership election to serve the balance of the year as a Director and the office of President Elect shall remain vacant until the next elective year. The President shall not be eligible to serve a second successive complete term.

(c) Should a vacancy occur in the offices of President and President Elect during the same elective year, the Vice President shall assume the duties of the President for the remainder of the Presidential year. If the Vice President ascends to the Presidency, the new President, with the approval of the Board of Directors shall appoint the next highest vote getter in the last membership election to serve the balance of the year as a Director and at the next elective cycle both a President and President Elect will be elected. Any Vice President that becomes President automatically ascends to a Past President Director position for one year following their term as President.

SECTION 5. Election of Officers and Directors.

(a) At least two (2) months before the annual election, a Nominating Committee shall be formed composed of at least seven (7) REALTOR® members. Members shall be appointed by the President with the approval of the Board of Directors. (Note: Past Presidents serving on this committee shall be active members of the Association and may or may not be the most immediate Past president.)

(b) Officers positions are filled by an election at the first Board of Directors meeting annually from those sitting Directors that qualify, excluding the most immediate past President. The presiding officer at that meeting is the most immediate past President or in his/her absence the incoming President. Nominations for the position of President-Elect and Vice President shall be made at that meeting. To qualify to run for an officer position a Director must have previously served one complete year as a Director on PAR's Board of Directors within the last five years.

(i) The term for Vice President shall be one year. At the completion of that year, the Vice President returns to the Board of Directors as a Director if they have any unexpired time on their membership elected term. If they are in their last year of a two year term when they are elected to the position of Vice President, at the completion of their term they must run for re-election if they would like to continue on the Board of Directors.

(ii) Once a Director is elected to the President-Elect position, that person automatically ascends to Presidency and the year immediately following their term as President he/she ascends to a one year term as Director and is not eligible to run for an officer position unless re-elected by the membership as a whole to serve another term as Director.

(c) The office of President is filled by an election of a President Elect by the Board of Directors a year in advance. The incumbent President Elect shall not be a candidate for

President in the annual election, but will automatically be installed as President at the end of the then incumbent President's term of office.

(d) Only REALTORS® may be nominated for Officers or Directors of the Association. All Officer positions are elected by the Board of Directors as described in section (b) above. No member shall be nominated for Officer or Director nor serve as Officer or Director while serving simultaneously as an Officer or member of a Board of Directors of another local REALTOR® Association.

(e) All candidates for Director positions must (1) be a REALTOR® member in good standing for the last three consecutive years the last two of which must be at the Phoenix Association and (2) have an active email address. Additional qualification for Officer positions is will be to have completed one complete year of service, within the last five years, on the PAR Board of Directors. All Officer positions are elected by the Board of Directors at their first meeting each year, see Section 4(b) above.

(f) The maximum number of Officers and Directors associated with any firm shall be three (3), including any division officers and directors who serve on the Phoenix Association of REALTORS® Board of Directors. If an Officer/Director transfers his/her license from one firm to another, during his/her term in office, with the result that three associated with a firm is exceeded, none of the Officers and Directors associated with the firm shall be compelled to resign from their elective office until the expiration of their current elective term unless the total number of Officers and Directors from a single firm exceeds four total members, at which time those Directors and Officers that have transferred in excess of four shall have their eligibility to serve severed at the end of the current elective year and replacement Directors elected during the regular election process. Officers shall be elected from those that qualify by the new Board of Directors. Date of transfer shall be the date the members licensed was changed at the Arizona Department of Real Estate.

[Note: End of current elective year shall be defined as when a new election for Directors would normally occur for Directors or Vice President. Since the President-Elect automatically ascends to the Presidency, and then to a one year Director slot following their Presidency, if the fourth person was the President Elect their current elective year would not end until they have completed the term for which they were elected which is the defined as the year they serve as a Director as immediate past President.]

(g) The Nominating Committee shall cause to be nominated or nominate at least one (1) qualified member for every open position.

(h) The function of the Nominating Committee shall promote service to the organization, validate eligibility of nominations received and nominate candidates to run for office as outlined in (e, f and g) above. The report of the Nominating Committee shall be delivered to each Member eligible to vote at least three (3) weeks preceding the election. Additional candidates for all positions may be placed in nomination by petition signed by at least one percent (1%) of the Phoenix Association REALTOR® members eligible to vote. The petition shall be filed with the Chief Executive Officer at least two (2) weeks before the election. The Chief Executive Officer shall send notice of such additional nominations to all members eligible to vote before the election. Any candidate nominated by petition must meet the criteria to run for office as outlined above and may not be with a firm that already has three members on the Board of Directors. If the total number of candidates elected from a firm exceed three, then the highest vote getters (in each membership election) shall be installed

until the total number serving per firm equals three. (For example, if 2 people from a firm are already on the Board of Directors then there is only one open slot. If there is only one person on the Board of Directors, then there are two open slots.)

(i) Election. The annual election for Directors shall be held on the fourth Tuesday in September of each year. Election of Directors may occur electronically in accordance with procedures established by the Board of Directors. The annual election of Officers shall occur at the first Board of Directors meeting of the newly elected Board of Directors. This meeting may occur anytime after the annual election and shall be chaired by the most immediate past President.

(j) Qualified Voters. All REALTOR® (both primary and secondary memberships) members of the Association who have all dues, fines and other indebtedness to the Association, paid in full, as of September 1.

SECTION 6. Installation of Officers and Directors. Duly elected Officers and Directors shall be installed after the Association's annual election at a membership function of the new president's choosing, subject to budgetary constraints; unless a newly elected member changes firms prior to installation, resulting in more than three total members per firm that newly elected Director will be disqualified from taking office and the then next highest vote getter eligible to serve shall be installed. Irrespective of the date of ceremonial installation of Officers and Directors, the elective year of the Officers and Directors shall be from the day after the last day of the NATIONAL ASSOCIATION OF REALTORS® Convention through the last day of the NATIONAL ASSOCIATION OF REALTORS® Convention the following year.

SECTION 7. Removal of Officers and Directors. In the event that an Officer or Director is deemed 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:

(a) A petition requiring the removal of an Officer or Director and signed by not less than one-third of the voting membership or a majority of all Directors shall be filed with the President, or if the President is the subject of the petition, the next ranking Officer, and shall specifically set forth the reasons the individual is deemed disqualified from further service.

(b) Upon receipt of the petition, and not less than twenty (20) days nor more than forty-five (45) days thereafter, a special meeting of qualified voters shall be held, and the sole business of the meeting shall be to consider the charge against the Officer or Director and to render a decision on such petition.

(c) The special meeting shall be noticed to all qualified voters at least ten (10) days prior to the meeting, and shall be conducted by the President of the Association unless the president's continued service in office is being considered at the meeting. In such case, the next ranking Officer will conduct the meeting. Provided a quorum is present, three-fourths of qualified voters present and voting shall be required for removal from office.

SECTION 8. Chief Executive Officer. The Executive Committee may employ a Chief Executive Officer, subject to the approval of the Board of Directors, who shall be chief administrative officer and Secretary of the Association and who shall have the authority to hire, supervise, evaluate and terminate other staff, if any, and perform such other duties as may be delegated to him by the President, the Executive Committee or the Board of Directors.

ARTICLE XII - MEETINGS

SECTION 1. Annual Meetings. The annual meeting of PAR shall be held in the fourth quarter of each year, the date, place, and hour to be designated by the President and duly noticed to the membership.

SECTION 2. Meetings of Directors. The Board of Directors shall designate a regular time and place of meetings.

(a) Quorum. Eight (8) voting members shall constitute a quorum for the transaction of business at any regular or special meeting.

(b) Telephone/Fax Polls. Action may be taken on any ordinary course of business which involves no objection or dispute, by telephone/fax approval to the Chief Executive Officer by two-thirds (2/3) of the members of the Board of Directors; subject to formal approval thereof at the next succeeding regular meeting of the Board of Directors.

(c) If appropriate equipment is made available by the Association, members of the Board of Directors may participate in any meeting through the use of a conference telephone or any other electronic equipment provided all persons in the meeting can hear each other. Such participation in a meeting shall constitute presence in person at the meeting.

SECTION 3. Other Meetings. Meetings of the Members may be held at other times as the President or the Board of Directors may determine, or upon the written request of at least 40% of the Members eligible to vote.

SECTION 4. Notice of Meetings. Written notice shall be given to every Member entitled to participate in the meeting at least one (1) week preceding all meetings. If a special meeting is called, it shall be accompanied by a statement of the purpose of the meeting.

SECTION 5. Quorum A quorum for the transaction of business shall consist of 51% of the members eligible to vote.

SECTION 6. Electronic Transaction of Business. To the fullest extent permitted by law, the Board of Directors or membership may conduct business by electronic means.

SECTION 7. Action without Meeting. Unless specifically prohibited by the Article 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 a consent in writing, setting forth action so taken, shall be signed by all of the Directors. The consent shall be evidenced by one or more written approvals, each of which sets forth the action taken and bears the signature of one or more Directors. All the approvals evidencing the consent shall be delivered to the Chief Executive Officer to be filed in the corporate records. The action taken shall be effective as outlined in the action with approval of 2/3 of those eligible to vote.

ARTICLE XIII - COMMITTEES

SECTION 1. Standing Committees. The President shall appoint from among the Membership, subject to confirmation by the Board of Directors, the following standing committees:

Nominating Committee
Finance Committee

(Note: PAR joined with the Arizona Association of REALTORS® in a statewide Professional Standards process in 2002, thereby combining the Grievance and Professional Standards process with the state association, and eliminating local committees.)

SECTION 2. Special Committees. The President shall appoint, subject to confirmation by the Board of Directors, special committees, work groups and task forces as deemed necessary.

SECTION 3. Organization. All committees shall be of such size and shall have duties, functions, and powers as assigned by the President or the Board of Directors except as otherwise provided in these Bylaws.

SECTION 4. President. The President shall be an ex-officio member of all standing committees and special committees.

SECTION 5. Quorum. At Committee meetings three (3) members of a committee shall constitute a quorum.

SECTION 6. Executive Committee. The Officers and Immediate Past President of the Board of Directors shall constitute the Executive Committee. The Executive Committee shall provide accountability to the Strategic Plan, transact business of an emergency or delegated nature and administer PAR's finances and business between meetings of the Board of Directors and shall report the substance of such actions to the Board of Directors at its next meeting. At the discretion of the President, the Executive Committee may conduct official PAR business by video or telephone conference call. The Executive Committee may retain legal and other professional advisors and fix the terms of compensation thereof. A majority of the Executive Committee shall constitute a quorum.

ARTICLE XIV - FISCAL AND ELECTIVE YEAR

SECTION 1. The fiscal year of PAR shall be January 1 through December 31 of each year.

SECTION 2. The elective year of the Officers and Directors shall be the calendar year beginning January 1st and ending December 31st.

ARTICLE XV - RULES OF ORDER

SECTION 1. Robert's Rules of Order, latest edition, shall be recognized as the authority governing the meetings of PAR, its Board of Directors, and committees, in all instances wherein its provisions do not conflict with these Bylaws.

ARTICLE XVI - AMENDMENTS

SECTION 1. These Bylaws may be amended by a majority vote of the PAR Board of Directors present and qualified to vote at any meeting at which a quorum is present, provided the substance of such proposed amendment or amendments shall be plainly stated in the call for the meeting.

SECTION 2. Notice of all meetings at which amendments are to be considered shall be mailed to every member eligible to vote at least one (1) week prior to the meeting.

SECTION 3. Amendments to these Bylaws affecting the admission or qualification of REALTOR® Members, the use of the terms REALTOR® and REALTORS®, or any alteration in the territorial jurisdiction of the Phoenix Association of REALTORS® shall become effective upon their approval as authorized by the Board of Directors of the NATIONAL ASSOCIATION OF REALTORS®.

ARTICLE XVII - DISSOLUTION

SECTION 1. Upon the dissolution or winding up of affairs of this Association, the Board of Directors, after providing for the payment of all obligations, shall distribute any remaining assets to the Arizona Association of REALTORS® or, within its discretion, to any other non-profit tax exempt organization.

ARTICLE XVIII - MULTIPLE LISTING

SECTION 1. Authority. The Phoenix Association of REALTORS® shall participate in the Arizona Regional Multiple Listing Service (ARMLS) for the use of its Members which shall be subject to the Bylaws of PAR and such Rules and Regulations as may be hereinafter adopted by the Board of Directors of this Association and/or the Arizona Regional Multiple Listing Service (ARMLS) and revised from time to time to comply with changes in policies and procedures adopted by the NATIONAL ASSOCIATION OF REALTORS®.

SECTION 2. Purpose. A Multiple Listing Service is a means by which authorized Participants make blanket offers of compensation to other Participants; (acting as subagents, buyer agents or in other agency or non-agency capacities as defined by law), by which cooperation among participants is enhanced; by which information is accumulated and disseminated to enable authorized Participants to prepare appraisals, analyses and other valuations of real property for bona fide clients and customers; by which Participants engaging in real estate appraisal contribute to common data bases; and is a facility for the orderly correlation and dissemination of listing information so participants may better serve their clients, and the public. Entitlement to compensation is determined by the cooperating broker's performance as a procuring cause of the sale (or lease). The point at which compensation is earned through offerings in the MLS system are defined in detail in the Arizona Regional M.L.S. Rules and Regulations and by the policy of the NATIONAL ASSOCIATION OF REALTORS®, which may be revised from time to time.

SECTION 3. Participation. Any REALTOR® Member of this or any other Member Board who is a principal, partner, or corporate officer, or branch manager acting on behalf of the principal or any principal, partner or corporate officer of licensed real estate office (i.e. non-REALTOR® access to MLS), without further qualification, shall be eligible to participate in Multiple Listing 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 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 the Arizona Regional Multiple Listing Service (ARMLS) is strictly limited to the activities authorized under a Participant's license(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 or published by ARMLS where access to such information is prohibited by law.

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.

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.

SECTION 4. Fees. All fees for MLS service dictated by the Phoenix Association shall be prescribed by the Board of Directors and may change from time to time.

SECTION 4. Supervision. The activity shall be operated under the supervision of the Arizona Regional Multiple Listing System in accordance with the Rules and Regulations, subject to approval of the Board of Directors.

SECTION 5. Appointment of Committee. The President shall appoint, subject to the confirmation of the Board of Directors, REALTORS® affiliated with the Phoenix Association of REALTORS® to serve on regional committees, as may be requested from time to time, subject to confirmation by the Phoenix Association's Board of Directors.

SECTION 6. Regional Authority. To provide the above services PAR does hereby join, and will participate in the Arizona Regional Multiple Listing Service (ARMLS) so long as ARMLS complies with the standards and rules established by the NATIONAL ASSOCIATION OF REALTORS® as from time to time amended.

SECTION 7. Statistical Information to Non-MLS Association Members. Only MLS Participants are entitled to receive statistical reports, sold information, and other informational reports derived from the MLS.