

BYLAWS OF THE

SouthEast Valley Regional Association of REALTORS®, Inc.

Effective December 8, 2011

ARTICLE I - NAME

Section 1. NAME. The name of this organization shall be the SouthEast Valley Regional Association of REALTORS®, Inc., and hereinafter be referred to as either the SouthEast Valley Regional Association of REALTORS®, Inc., SEVRAR, or the Association.

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

The Objectives of the Association 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®.

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 real property ownership.
(Revised: 12-9-10)

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. (Rev.01-02)

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 the NATIONAL ASSOCIATION OF REALTORS®.

ARTICLE III - JURISDICTION

Section 1. The territorial jurisdiction of the Association as a member of the NATIONAL ASSOCIATION OF REALTORS® shall be described as:

Beginning at the Southeast junction of the Salt River and the dividing line between Maricopa and Gila Counties, thence Southeasterly along the dividing line between Gila County and Maricopa and Pinal Counties, to the township line separating Township 2 South and Township 3 South, thence West along this line to the section line separating Range 3 East and Range 4 East, thence North along this line to Pecos Road, then West on Pecos Road following the Northern boundary of the Gila River Indian Reservation on the juncture of the extension of 43rd Avenue thence North to the juncture of the Southern boundary of South Mountain Park and the Gila River Indian Reservation at approximately 43rd Avenue; thence East following the Southern boundary of South Mountain Park until it intersects with Range line separating Range 3 and 4 East (40th Street), then straight North to the South bank of the Salt River, thence easterly along the South bank of the Salt River to the point of beginning, except that it shall also include the territory within the city limits of the City of Tempe North of the South bank of the Salt River.

Section 2. Territorial Jurisdiction is defined to mean:

(A) The right and duty to control the use of the terms REALTOR®, 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 right of the NATIONAL ASSOCIATION OF REALTORS® in the terms.

ARTICLE IV - MEMBERSHIP

Section 1. REQUIREMENTS FOR MEMBERSHIP. All members of every class shall first be required to meet the qualifications for membership of that class which are prescribed in these Bylaws, or by the Directors where the Bylaws do not specifically cover the matter and shall then be elected in the manner herein described, and, upon election, shall be required to pay such fees and dues as may be established from time to time in accordance with these Bylaws.

Section 2. MEMBERSHIP PLEDGES. All REALTOR® members of the Association shall be required to take a pledge, which shall be prescribed by the Directors, "to protect the individual right of

real estate ownership and to widen the opportunity to enjoy it; to be honorable and honest in all dealings; to seek to better serve my customers and clients by building my knowledge and competence; to

act fairly towards all in the spirit of the Golden Rule; to serve well my community, and through it my country; to observe the REALTORS® Code of Ethics and conform my conduct to its lofty ideals, and such other rules and regulations as may from time to time be established by the Association." (Rev. 01-02)

Section 3. MEMBERSHIP CLASSES. There shall be six classes of members as follows: (Rev. 03/03)

A. **REALTOR® MEMBERS.** whether Primary or Secondary shall be:
(1) Individuals who as sole proprietors, partners, corporate officers or branch office managers, are engaged actively in the real estate profession, including buying, selling, exchanging, renting, 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 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 the State of Arizona or a state contiguous thereto shall qualify for REALTOR® membership only, and each is required to hold REALTOR® membership (except as provided in the following paragraph), in an Association of REALTORS® within the State of Arizona or a state contiguous thereto, unless otherwise qualified for Institute Affiliate Membership as described in Section 3(b) of Article IV. (Rev. 01/02)

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 board 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 Section 1 (b) of Article IV (Amended 1/01)

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Note: REALTOR® members may obtain membership in a "secondary" Board in another state.

(2) 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 REALTOR® member and meet the qualifications set out in Article V.

(3) FRANCHISE REALTOR® MEMBERSHIP. Corporate officers (who may be licensed or unlicensed) of a real estate brokerage franchise organization with at least one hundred fifty (150) franchisees located within the United States, its insular possessions and the commonwealth of Puerto Rico, elected to membership pursuant to the provisions in the NAR Constitution and Bylaws. Such individuals shall enjoy all 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 Association, State Association and National Association.

(4) PRIMARY AND SECONDARY REALTOR® MEMBERS. An individual is a primary member if the Association pays state and National dues based on such member. An individual is a secondary member if State and National dues are remitted through another Association. One of the principals in 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.

(5) DESIGNATED REALTOR® MEMBER. Each firm, (or office in the case of a firm with multiple office locations), shall designate in writing one REALTOR® Member who shall be responsible for all duties and obligations of Membership including the obligation to arbitrate pursuant to Article 17 of the Code of Ethics and the payment of Association dues as established in Article X of the Bylaws. The "Designated REALTOR®" must be a sole proprietor, partner, corporate officer or branch office manager acting on behalf of the firm's principal(s) and must meet all other qualifications for REALTOR® Membership established in Article V, Section 2, of the Bylaws.

B. INSTITUTE AFFILIATE MEMBERS. Institute Affiliate Members shall be individuals who hold a professional designation awarded by a qualified 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 or REALTOR® Associate membership, subject to payment of applicable dues for such membership. (Amended 1/02)

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. (Rev. 01-02)

(1) Affiliate members shall be individuals who are interested in the real estate profession as employees of lending institutions, title companies and escrow companies, public utilities, educational, governmental or other similar organizations, but are not engaged in real estate activity on their own account or in association with a licensed real estate broker, and who are in sympathy with the objectives of the Association.

(2) The Board of Directors may adopt other requirements for qualifications for Affiliate membership, in addition to those expressed in these Bylaws.

(3) Affiliate Members shall promote the interests and welfare of the Association and the real estate profession.

(4) Affiliate Membership shall also be granted to individuals licensed or certified to engage in real estate practice who, if otherwise eligible, do not elect to hold REALTOR® membership in the association, provided the applicant is engaged exclusively in a specialty of the real estate business other than brokerage of real property.

D. HONORARY MEMBERS. Honorary Members shall be individuals not engaged (does not hold active Arizona real estate license) in the real estate brokerage who have performed notable service for the real estate profession, for the Association, or for the public.

E. LIFE MEMBERS. Members who have held continuous membership in the Association for twenty-five (25) years or more and obtain sixty-two (62) years of age and be substantially inactive or retired and who have performed notable service to the real estate profession may be elected to Life Membership by the Board of

Directors. The Board of Directors has the authority to award life member status under extenuating circumstances, regardless of age and length of membership.

F. MEMBER AFFILIATE MEMBERS Member Affiliate Members shall be individuals who hold either Designated REALTOR® or REALTOR® membership in the Association and have real estate related business that is in sympathy with the objectives of the Association; such Member Affiliate membership to be held individually for that specific related business. Any REALTOR® member who markets real estate products or services in addition to their real estate business, such as; sign placement service, real estate schools, carpet cleaning, etc. are qualified for membership. Member Affiliate members shall promote the interests and welfare of the Association and the real estate profession. (Revised: 12-9-10)

ARTICLE V - MEMBERSHIP APPLICATION, QUALIFICATION AND ELECTION

Section 1. APPLICATION. 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:

A. That the applicant agrees as a condition to membership to thoroughly familiarize himself/herself with the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, the Constitutions, Bylaws, and Policies and Procedures of the Association, the State and National Associations, and if elected a member, will abide by the Constitutions and Bylaws and Policies and Procedures of the Association, State and National Associations, and if a REALTOR® member, will abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® including the obligation to arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics, and as further specified in the Code of Ethics and Arbitration Manual of the NATIONAL ASSOCIATION OF REALTORS®, as from time to time amended. Rev.01/02)

B. That applicant consents that the Association, may invite and receive information and comment about the 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 Articles of Incorporation, Bylaws, Policies and Procedures, and Code of Ethics referred to above.

Section 2. QUALIFICATION.

A. An applicant for REALTOR® membership who is a sole proprietor, partner, corporate officer, or branch office manager of a real estate firm shall supply evidence satisfactory to the Board of Directors that he is actively engaged in the real estate profession, and maintains a current, valid real estate broker's or salesperson's license or is licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, has a place of business within the state or a state contiguous thereto (unless a secondary member), has no record of official sanctions involving unprofessional conduct (No record of official sanction involving unprofessional conduct is intended to mean that the Board may only consider 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) and agrees to complete a course of instruction covering the Bylaws and Rules and Regulations of the Association, the Bylaws of the State Association, and the Constitution and Bylaws and Code of Ethics of the National Association of REALTORS®, and shall pass such reasonable and nondiscriminatory written examination thereon as may be required by the Association and shall agree in writing that, if elected to membership, will abide by such Constitution, Bylaws, Policies and Procedures and Code of Ethics.

B. Individuals who are actively engaged in the real estate profession other than as sole proprietors, partners, corporate officers, or branch office managers 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 the Association or a Designated REALTOR® Member of another Board/Association (if a secondary member) and must maintain a current, valid 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, shall complete a course of instruction covering the Bylaws and Rules and Regulations of the Association, the Bylaws of the State Association, and the Constitution and Bylaws and the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®,

and shall pass such reasonable and nondiscriminatory written examinations thereon as may be required by the Association and shall agree in writing that if elected to membership, he 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 qualifications for REALTOR® membership:

- 1) All findings of Code of Ethics violations and violations of other membership duties in any other 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. (Amended 06/2006)

"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 2) provided all other qualifications for membership have been satisfied. The Association 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 the 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 may condition membership on the applicant's certification that she/he will submit to the pending ethics and arbitration proceedings (in accordance with the established procedures of the Association to which the applicant has made application) and will abide by the decision of the hearing panel. (Amended 1/01)

D. Once a Member attains any class of membership, that member must maintain the qualifications for that membership classification or apply within thirty (30) days for the new classification for which the member qualifies.

Section 3. ELECTION. The procedure for election to membership shall be as follows:

- (a) Applicants for REALTOR® provisional membership shall be granted immediately upon submission of a completed application form and remittance of applicable Association dues and any application fee. Provisional membership shall be considered REALTORS® and shall be subject to all of the same privileges and obligations of membership. Provisional membership is granted subject to subsequent review of the application by the Board of Directors. If the Board of Directors determines that the individual does not meet all of the qualifications for membership as established in the Association's Bylaws, or, if the individual does not satisfy all of the requirements of membership (for example, completion of a mandatory orientation program) within 90 days from the Association's receipt of their application, membership may, at the discretion of the Board of Director's, be terminated.
- (b) 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.
- (c) The Board of Directors may not terminate any provisional membership without providing the provisional member with advance notice, an opportunity to appear before the Board of Directors, to call witnesses on his behalf, to be represented by counsel, and to make such statements as he deems relevant. The Board of Directors may also have counsel present. The Board of Directors shall require written minutes be made of any hearing before it or may electronically or mechanically record the proceeding.
- (d) If the Board of Directors determines that provisional membership should be terminated, it shall record its reasons with the Secretary. If the Board of Directors believes that

termination of provisional membership may become the basis of litigation and a claim of damage by a provisional member, it may specify that termination shall become effective upon entry in a suit by the Board for a declaratory judgement by a court of competent jurisdiction of a final judgement declaring that the termination violates no rights of the individual.

- (e) An applicant's election to membership shall become effective when the applicant has: (1) Paid the application fee and the pro rata share of the current annual dues pertaining to the applicant's class of membership;(2) signed the pledge required; (3) agreed to complete a course of instruction (orientation) within 90 days' of application; and (4) received favorable affirmative vote of the majority of all the Directors. If orientation is not completed within 90 days, the membership will be terminated and an additional \$55.00 will be assessed to be reinstated.
- (f) No member Board/Association shall, without the prior express approval of the Board of Directors of the National Association, (i) endorse, approve or recommend, or (ii) award, confer, bestow, or grant any professional designations other than those available through the Institutes, Societies and Councils of the National Association.

Section 4. NEW MEMBER CODE OF ETHICS ORIENTATION

Applicants for REALTOR® membership and provisional REALTOR® members (where applicable) 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 or provisional members 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 90 days of the date of application will result in denial of the membership application or termination of provisional membership.

Section 5. CONTINUING MEMBER CODE OF ETHICS TRAINING

Effective January 1, 2001, through December 31, 2004 and for successive four 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, the 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 training as a requirement of membership in another association and REALTOR® members who have completed the New Code of Ethics orientation during any four year cycle shall not be required to complete additional ethics training until a new four year cycle commences. Failure to satisfy this requirement shall be considered a violation of a membership duty for which REALTOR® membership shall be suspended until such time as the training is completed. Members suspended for failing to meet the requirement for the first four (4) - year cycle (2001 through 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. Failure to meet the requirement for the second (2005 through 2008) cycle and subsequent four (4) - 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 (4) - year cycle 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. (Adopted 1/01, revised 5/05)

Section 6. STATUS CHANGES

(a) A REALTOR® who changes the conditions under which he holds membership shall be required to provide written notification to the Association within (10) ten days. A REALTOR® (non-principal) who becomes a principal in the firm with which he has been licensed or, alternatively, becomes a principal in a new firm which will be comprised of REALTOR® principals may be required to satisfy any previously unsatisfied membership requirements applicable to REALTOR® (principal) members, but shall, during the period of transition from one status of membership to another, be subject to all 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 (10) ten days of the date they advised the Association of their change in status, their new membership application will terminate automatically unless otherwise so directed by the Board of Directors.

A REALTOR® who is transferring their license from one firm comprised of REALTOR® principals to another firm comprised of

REALTOR® principals shall be subject to all of the privileges and obligations of membership during the period of transition. If the transfer is not completed within (10) ten days of the date the Association is advised of the disaffiliation with the current firm, membership will terminate automatically unless otherwise so directed by the Board of Directors. (The Board of Directors at its discretion may waive any qualifications which the applicant has already fulfilled in accordance with the Associations Bylaws.)

(b) Any application fee related to a change in membership status shall be reduced by an amount equal to any application fee previously paid by the applicant.

(c) Dues shall be prorated from the first day of the quarter in which the application is received.

ARTICLE VI - MEMBERSHIP PRIVILEGES AND OBLIGATIONS

Section 1. Every REALTOR® shall be entitled to one vote, unless otherwise specified. The privileges and obligation of membership, in addition to those otherwise provided in these Bylaws, shall be specified in this article. (Rev. 01/02)

Section 2. SECURITY AT MEETINGS. No member or person shall bring, place or carry any firearm, weapon, or other article into any meeting or function of the Association that could in the opinion of the Board of Directors or presiding officer, be harmful or dangerous to any member or person.

Section 3. CERTIFICATION OF REALTORS®. Designated REALTOR® members of the Association shall certify to the Association during the months of April and September, on a form provided by the Association, a complete listing of all licensed individual(s) with the Designated REALTOR® firm and other pertinent data within the State of Arizona 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 the Association of any additional individual(s) licensed or certified with the firm(s) within (10) ten days of the date of affiliation or severance of the individual.

Failure to return the form to the Association by the date specified on the form shall result in an automatic fine of one-hundred dollars (\$100.00). An additional fifty dollar (\$50.00) charge will be assessed if the certification form is not received

by the Association office within two weeks of the date of the reminder letter. Appeals of the automatic fine may be made to the Directors. Designated REALTOR® members shall also notify the Association of any additional individual(s) licensed with the firm(s) within (10) ten days of the date of the affiliation or severance of the individual.

Section 4. REALTOR® WITHDRAWAL. Any REALTOR® Member of this Association who is in good standing and who shall ask for a withdrawal shall be given such withdrawal and be granted the privilege of being reinstated in this Association at any time within a period of three (3) years from the date of withdrawal, provided, however, that during the period of withdrawal, the individual shall not engage in the brokerage of real estate. When applying for reinstatement, the applicant shall pay the current reinstatement fee and, in addition, shall pay the pro rata share of the annual dues to the next following due date. A former REALTOR® member who has been granted a withdrawal shall be eligible for reinstatement to REALTOR® membership only once within a three-year period.

Section 5. 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 Policies and Procedures consistent with these Bylaws, after a hearing as provided in the Code of Ethics and Arbitration Manual of the Association. Although members other than REALTORS® are 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 by a hearing panel of the Professional Standards Committee, be subject to discipline as described above, for any conduct, which in the opinion of the Board of Directors, applied on a nondiscriminatory basis, reflects adversely on the terms REALTOR® or REALTORS® and the real estate industry, or for conduct that is inconsistent with or adverse to the objectives and purposes of the local Association, the State Association, and the National Association of REALTORS®.

Section 6. 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 applicable 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 applicable Code of Ethics and Arbitration Manual of the National Association.

Section 7. Resignations of members shall become effective when received in writing by the Board of Directors. However, 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 8. If a member resigns from the Association or otherwise causes membership to terminate with an ethics complaint or arbitration request pending, the Board of Directors may condition the right of the resigning member to reapply for membership upon the applicant's certification that he/she will submit to the pending ethics or arbitration proceeding and will abide by the decision of the hearing panel; or if the member resigns without having complied with an award for arbitration, the Board of Directors may condition any reapplication of the former member upon his promise to pay the award, plus any costs that have previously been established as due and payable by the former member, provided that the award has not, in the meanwhile, been otherwise satisfied. If a member resigns or otherwise causes membership to terminate the duty to submit to arbitration continues in effect even after membership lapses or is terminated, provided that the dispute arose while the former member was a REALTOR®.

Section 9. REALTOR® MEMBERS

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

B. If a REALTOR® Member is a principal in a firm, partnership or corporation and is suspended or expelled, the firm, partnership, or corporation shall not use the term REALTOR® 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, 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, whichever may apply.

Further, the membership of REALTORS® other than principals who are employed by 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 until the connection of the disciplined member with the firm, partnership, or corporation is severed, 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 Association, whichever may apply. If a REALTOR® member who is other than a principal in the firm, partnership, or corporation is suspended or expelled, the use of the term REALTOR® by the firm, partnership or corporation shall not be affected.

C. In any action taken against a Broker/Designated REALTOR® member for suspension or expulsion under Article VI, Section 9 (B) hereof, notice of such action shall be given to all REALTORS® employed by or affiliated as independent contractors with such Broker/Designated REALTOR® member and they shall be advised that the provisions in Article VI, Section 9(B) shall apply.

D. When a Designated REALTOR® notifies the Association office of a termination of a REALTOR® member, the termination results in an automatic resignation from the Association. REALTOR® members who have been terminated have ten (10) days in which to apply for a withdrawal or associate with another Designated REALTOR® member. REALTOR® members who have been terminated shall automatically be reinstated to REALTOR® membership within the ten (10) day period by notifying the Association of affiliation or employment with a Designated REALTOR® member of the Association, providing proper written notice is provided to the Association within the ten (10) day period.

E. A REALTOR® member in good standing who applies for Designated REALTOR® membership and qualifies under the provisions of Article V shall immediately be granted temporary DESIGNATED REALTOR® membership and shall continue to receive all services of the Association available to Designated REALTOR® members, including Multiple Listing Service, (hereinafter referred to as MLS) and the right to submit new listings. Temporary Designated REALTOR® membership shall automatically terminate in ninety (90) days from the date of application unless extended by the Board of Directors. Permanent status would be given upon completion of application requirements and approval by the Board of Directors. (Revised 12-9-10)

Section 10. INSTITUTE AFFILIATE MEMBERS.

Institute Affiliate members shall have all of the rights and privileges

and be subject to the obligations as prescribed by the Board of Directors and consistent with the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS®.

Note: Local Associations establish the rights and privileges to be conferred on Institute Affiliate members except that no Institute Affiliate members may be granted the right to use the terms REALTOR®, OR THE REALTOR® logo; to serve as President of the local Association; or to be a participant in the Local Association's Multiple Listing Service. (Amended 1-02)

Section 11. AFFILIATE MEMBERS

Affiliate members shall have all of the rights and privileges and be subject to obligations prescribed by the Board of Directors except the right to use the term REALTOR® or REALTORS®.

Section 12. HONORARY MEMBERS.

Honorary members shall have only the right to attend meetings and participate in discussions.

Section 13. LIFE MEMBERS and AFFILIATE LIFE MEMBERS.

Life Members who have retired and are no longer active in any way in the practice of real estate shall have only the right to attend meetings and participate in discussions and are still entitled to membership benefits.

ARTICLE VII - PROFESSIONAL STANDARDS AND ARBITRATION

Section 1.

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

Section 2.

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

Section 3.A

The Association and Association members are also responsible for the enforcement of the Code of Ethics, the disciplining of members, the arbitration of disputes, and the organization and procedures incident thereto, consistent with the cooperative professional standards enforcement agreement entered into by the Association, which by this reference is made a part of these Bylaws.

Section 3.B

Any change in venue for SEVRAR'S Professional Standards, Grievance or Mediation must be approved by a (2/3) two-thirds vote of the members present at a duly called membership meeting as defined in Article 12.5 and pursuant to Bylaws amendment procedures as defines in Article XVI, Section 16.1.

Section 4. DEFINITIONS - Cross Reference Section 1(b) of NAR Code of Ethics & Arbitration Manual, "Association" means the SouthEast Valley Regional Association of REALTORS®, Inc.

Section 5. POWER TO TAKE DISCIPLINARY ACTION - Cross Reference Section 13(b) of NAR Code of Ethics & Arbitration Manual, or official of the State of Arizona, of having violated a provision of the Arizona Real Estate law or a regulation of the Arizona Real Estate Commission. Cross Reference Section 14 of NAR Code of Ethics & Arbitration Manual. Discipline that may be imposed for a violation includes: letter of warning; letter of reprimand; requirement to attend the ethics portion of the Association's indoctrination course or another appropriate course or seminar specified by the Hearing panel that respondent could reasonably attend location, and duration; fine not to exceed \$5,000 (regardless of number of Articles violated); probation for one year or less; suspension for not less than 30 days, or more than one year; expulsion from membership for a period of one to three years.

Additionally, the Board of Directors has the option to allow the respondent to pay a fine (not in excess of \$5,000) in lieu of suspension. However, this option may be exercised only once during any given three-year period with respect to a particular member, and may not be offered as an option if the conduct giving rise to the suspension is failure to arbitrate.

Section 6. GRIEVANCE COMMITTEE - Cross Reference Section 15 of NAR Code of Ethics & Arbitration Manual.

There shall be a Grievance Committee of at least sixteen (16) members, split into two (2) panels with a Chairman for each. One panel to meet during the first week of the month, and the other in the third week. A quorum shall be five (5) members, including at least one DESIGNATED REALTOR®. The Chairman and co-Chairman shall be appointed annually by the President of the Association, subject to the confirmation of the Board of Directors of the Association. All committee members shall be appointed to a three (3) year term or until their appointment is vacated for any of the following reasons: (A) Election as Officer or Director of the Association, (B) Appointed to the Professional Standards Committee of the Association, (C) Termination of Membership, (D) Voluntary Resignation, (E) Dishonorable Conduct, (F) Absence from three (3) consecutive regular meetings, without an excuse deemed valid by the Chairman, shall be construed as resignation. (Rev. 6/17/91)

Section 7. - Upon receipt of an Ethics Complaint or an Arbitration Request, the Secretary will send a copy to the Respondent(s) and their Designated Broker. The respondents will be notified of the date of the next Grievance Committee meeting, given an opportunity to voluntarily provide a written response to the Grievance Committee, but advised of the Grievance Committee's function as similar to that of a Grand jury. A member of the Grievance Committee will be assigned to review each case prior to the meeting.

Section 8. PROFESSIONAL STANDARDS COMMITTEE - (a) Cross Reference Section 16 of NAR Code of Ethics & Arbitration Manual. There shall be a Professional Standards Committee of at least twenty-one (21) members. The Chairman shall be appointed annually by the President of the Association, subject to confirmation of the Board of Directors of the Association. All committee members must have served not less than one year on a Grievance Committee. All committee members shall be appointed for a three (3) year term or until their appointment is vacated for any of the following reasons: (A) Election as an Officer or Director of the Association, (B) Appointed to the Grievance Committee of the Association, (C) Termination of Membership, (D) Voluntary Resignation, (E) Dishonorable Conduct, (F) Absence from three (3) consecutive regular meetings, without an excuse deemed valid by the Chairman, shall be construed as resignation.

(b) Not more than one (1) member of a hearing panel shall be from the same firm. When a vacancy occurs, the President of the Association shall appoint a new member to fill the vacancy subject to the

confirmation of the Board of Directors.

(c) A Hearing Panel shall consist of at least five (5) appointees of the Professional Standards Committee. At least five (5) panel members must be present to render a decision of which at least one (1) must be a Designated REALTOR® member.

(d) If the Respondent is a Designated REALTOR®, the panel shall consist of at least two (2) Designated REALTORS®.

(e) Professional Standards Committee hearings shall be recorded by a court reporter at the expense of the Association. The transcription of the proceedings may be ordered by the Association or by the parties only for the purpose of an appeal or a procedural review. If the parties request the transcript, it will be at their expense.

Section 9. APPEALS TO THE BOARD OF DIRECTORS - Cross Reference NAR Code of Ethics and Arbitration Manual Section 23(m). Appeals to the Board of Directors shall be heard by a panel of Directors appointed by the President for that purpose. Five directors shall constitute such an appeal panel, which shall act on behalf of the Board of Directors. The decision of the appeal panel shall be final and binding and shall not be subject to further review by the Board of Directors.

Section 10. ACTION OF THE BOARD OF DIRECTORS - Cross Reference Section 23 of NAR Code of Ethics & Arbitration Manual. An appeal must be accompanied by a deposit in the sum of \$250. (2/97)

Section 11. DUTY TO ARBITRATE BEFORE STATE ASSOCIATION - Cross Reference Section 46 of NAR Code of Ethics & Arbitration Manual, Shall read ARIZONA ASSOCIATION OF REALTORS®.

Section 12. MANNER OF INVOKING ARBITRATION - Cross Reference Section 47 of NAR Code of Ethics & Arbitration Manual, (a) must be accompanied by the required deposit of \$250; (b) for determination by the Grievance Committee within 21 days as to whether the matter is subject to arbitration. To provide the Grievance Committee with a written response to the request for arbitration within 15 days.

Section 13. THE ARBITRATION HEARING - Cross Reference Section 54 of NAR Code of Ethics & Arbitration Manual. The deposit of the prevailing party in an arbitration hearing shall be refunded; the deposit of the non-prevailing party shall be retained to cover the costs of arbitration. Any portion not used specifically to cover the costs of the arbitration shall go into the general operating funds of the Association. In the event the award of the arbitrators is in an amount

other than that requested by any of the parties, the disposition of the deposits shall be directed by the arbitrators.

Section 14. ENFORCEMENT - Cross Reference Section 56 of NAR Code of Ethics & Arbitration Manual, Shall read Arizona

Section 15. SUBMISSION TO ARBITRATION - Cross Reference Section 48 Option #3. In the event the respondent fails or refuses to sign the Response and Agreement to Arbitrate Form (Form A-4), fails or refuses to make the required deposit, or fails or refuses to take part in the arbitration hearing, the arbitration hearing may be scheduled and conducted in the absence of the Respondent.

Section 16. Eligibility Requirement - All Professional Standards members, Directors, and Officers are required to take one(1) professional standards training class in an 12 month period. The class can be taken either at the State, National or Local Association level. Class requirement to become effective January 1, 2008.(Rev: 2-24-11)

Section 17. Mediation of Potentially Unethical Conduct - After the Grievance Committee has forwarded an Ethics Complaint to the Professional Standards Committee for a hearing to be scheduled the parties shall be advised that mediation services are available.

**ARTICLE VIII - USE OF Copyright, Registrations and Trademarks
REALTOR® AND REALTORS®**

Section 8.1A REALTOR® AND REALTORS®

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 Board shall have the authority to control, jointly and in full cooperation with the NATIONAL ASSOCIATION OF REALTORS®, use of the terms within the State of Arizona. 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. (Amended 06/2006)

Section 8.1B REALTOR® members of the Association shall have the privilege of using the terms REALTOR® and REALTORS® in connection with their places of business within the State of 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.
(rev. 1/96)

Section 8.1C A REALTOR® member who is a principal of a real estate firm, partnership or corporation, may use the terms REALTOR® only if all the principals of such firm, partnership, corporation, or trust who are actively engaged in the real estate profession within the State of Arizona, or a state contiguous thereto, are REALTOR® members of the Association or Institute Affiliate members as described in Section 1(b) of Article IV. (Rev. 1/96)

(a) In the case of a REALTOR® member who is a principal of real estate firm, partnership, or corporation whose business activity is substantially commercial, the right to use the terms REALTOR® or REALTORS® shall be limited to office locations in which a principal, partner, corporate officer, or branch 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 manager holds REALTOR® membership, the term REALTOR® or REALTORS® may not be used in any reference to those additional places of business. (Amended 1/01)

Section 8.1D Institute Affiliate Members shall not use the terms REALTOR® or REALTORS®, nor the imprint of the emblem of the NATIONAL ASSOCIATION OF REALTORS®.

SouthEast Valley Regional Association of REALTORS® and SouthEast Valley Regional Association of REALTORS® Logo

Section 8.2 The South East Valley Regional Association of REALTORS® logo is trade mark work in which the SouthEast Valley Regional Association of REALTORS® retains all rights. Any use of this logo without the express written consent of the Association is prohibited. If the use of any association logo is permitted by the association, the person using the logo must clearly indicate that logo is trademarked.

Section 8.3 Use of any materials that holds a copyright without expressed written consent of the owner of the copyright is prohibited.

ARTICLE IX - STATE AND NATIONAL MEMBERSHIPS

Section 9.1 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 member Association 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 members, decision is made to withdraw, in which case the State and National Associations shall be notified at least one (1)

month in advance of the date designated for the termination of such membership.

Section 9.2 The Association recognizes the exclusive property rights of the NATIONAL ASSOCIATION OF REALTORS® in the terms REALTOR® and REALTORS®. The Association shall discontinue use of the terms in any form in its name, upon ceasing to be a member of the NATIONAL ASSOCIATION OF REALTORS or upon a determination by the Board of Directors of the National Association that it has violated the conditions imposed upon the terms.

Section 9.3 The Association hereby adopts the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and agrees to enforce that code among its REALTOR® members. The Association and all of its members agree to abide by the Constitution, Bylaws, Rules and Regulations and Policies of the NATIONAL ASSOCIATION OF REALTORS® and the ARIZONA ASSOCIATION OF REALTORS®.

ARTICLE X - DUES AND ASSESSMENTS

Section 10.1 APPLICATION FEE. (7/88)

The Board of Directors may adopt an application fee for REALTORS® membership in reasonable amounts, not exceeding three (3) times the amount of annual dues for the Designated REALTOR® or REALTOR® membership respectively, which shall be required to accompany each application for Designated REALTOR® and REALTOR® membership, and which shall become the property of the Association upon final approval of the applicant. The Board of Directors may adopt an application fee for Affiliate, Member Affiliate member.

Section 10.2 The annual dues of the members shall be as follows:

A. The dues of each Designated REALTOR® member shall be in such amount as established annually by the Board of Directors plus an additional amount to be established annually by the Board of Directors times the number of real estate licensees or certified or licensed appraisers who (1) are employed by or affiliated as independent contractors or who are otherwise directly or indirectly licensed with such REALTOR® member, (2) are not REALTOR® members of any Board in the state or a state contiguous thereto, or Institute Affiliate members of a Board. (Rev. 1/96) In the case of a Designated REALTOR® member in a firm, partnership, or corporation whose business activity is substantially 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. (Amended 1/01)

In calculating the dues payable to the Association by a Designated REALTOR® Member, non-member licensees as defined in Section 2(a)(1) and (2) of this Article 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 the state 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.

The annual dues of REALTOR® members other than the Designated REALTOR® shall be an amount determined annually by the Board of Directors.

B. For the purpose of this section a REALTOR® member of a member Board shall be held to be any member who has a place of business within the state or a state contiguous thereto and who, as a principal, partner, or 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 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 and 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 or corporate officer 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, 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®.

Membership dues shall be prorated for any licensee included on a certification form submitted to the association who during the same calendar year applies for REALTOR® or REALTOR-ASSOCIATE® membership in

the association. However, membership dues shall not be prorated if the licensee held REALTOR® or REALTOR-ASSOCIATE® membership during the preceding calendar year.

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®.

NOTE: The Institutes, Societies and Councils of the National Association shall be responsible for collecting and remitting dues to the National Association for Institute Affiliate Members (\$75.00). The National Association shall credit \$25.00 to the account of a local association for each Institute Affiliate Member whose office address is within the assigned territorial jurisdiction of that association, provided, however, if the office location is also within the territorial jurisdiction of a Commercial Overlay Board (COB), the \$25.00 amount will be credited to the COB, unless the Institute Affiliate Member directs that the dues be distributed to the other board. The National Association shall also credit \$25.00 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.

D. The annual dues of each REALTOR® member, Member Affiliate member, Affiliate member, Honorary member, Life member shall be in such amount as established annually by the Board of Directors.

E. The dues of REALTOR® members who are REALTOR® Emeriti (as recognized by the National Association), past presidents of the National Association or recipients of the Distinguished Service Award shall be as determined by the Board of Directors.

NOTE: A member Association'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 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 Associations 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 (Rev. 7/00)

Section 10.3 DUES PAYABLE

Dues for all members shall be payable annually in advance on the first day of January. Dues shall be computed from the first day of the month in which a member is notified of election or becomes employed or affiliated to a Designated REALTOR® and shall be prorated for the remainder of the year. Local dues for Past Presidents shall be waived for as long as the Past President is a REALTOR® member in good standing.

(In the event a sales licensee or licensed or certified appraiser who holds REALTOR® membership is dropped for nonpayment of Association dues, and the individual remains with the designated REALTOR®'S firm, the dues obligation of the "designate" REALTOR® (as defined in Article X, Section 2 (a)) will be increased to reflect the addition of a non-member licensee. Dues shall be calculated from the first day of the current fiscal year and are payable within 30 days of the notice of termination.

Section 10.4 NONPAYMENT OF DUES

A. If the annual dues are not paid by January 11th of each year, the dues shall be declared delinquent. There shall be a late fee as determined by the Board of Directors for payments received after January 11th. If a member's dues are still unpaid on January 23rd, the member shall be terminated from membership in SouthEast Valley Regional Association of REALTORS® and his/her MLS membership is also terminated. A notice shall be mailed to the delinquent member's broker. The reinstatement fees shall be in such an amount as established annually by the Board of Directors and submitted with the proper dues payment. A former member who has been terminated from membership may apply in the manner prescribed for new applicants for Association membership, after making payment in full of all accounts due as of the date of termination. (REV: Dec. 8, 2011)

B. A former member who has had his membership terminated for nonpayment of 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 Association 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.

C. If a REALTOR® member is terminated under the provision of Article X, Section 2 of the Bylaws, the Designated REALTOR® shall be notified of the termination and shall become responsible for the dues as provided in Article X, Section 4 of these Bylaws and shall have until January 30th to pay the required non-member dues, or the Designated REALTOR® membership and MLS shall be terminated on February 5th, with the same conditions applying for suspension and termination as in Article X, Section 4(a) above. Above referenced dates effective Nov. 2010. (REV: 11-19-2009)

D. PRORATED DUES

Prorated dues become delinquent on the 30th of the following month in which a salesperson becomes employed or affiliated to a Designated REALTOR® member of the Association. On the 15th of the next month, the membership shall be suspended and on the 30th of the month, the membership shall be terminated with the same conditions applying for suspension and termination as in Article X, Section 4A.

Prorated dues from new member applicants shall be submitted with the application fee prior to the Board of Director's consideration of the application.

Section 10.5 DEPOSIT

All money received by the Association for any purpose shall be deposited to the credit of the Association in a financial institution or institutions selected by a resolution of the Board of Directors.

Section 10.6 REINSTATEMENT

Any member who resigns or is terminated while in "good standing" may be reinstated within twelve (12) months from December 31st in which their dues are paid by payment of dues and fees applicable at the time of reinstatement. A REALTOR® must have withdrawn from the Association within 30 days of termination from the previous employing Broker.

A REALTOR® member in "good standing" must have completed induction, orientation and have their dues paid at the time of termination to qualify for reinstatement.

ARTICLE XI - OFFICER, DIRECTORS AND STATE DIRECTORS

Section 11.1 OFFICERS

A. **ELECTIVE OFFICERS**

The elective officers of the Association 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 the President. In the absence of both the President and the President-elect, the Vice President shall perform the duties of the President. The President-Elect position is a two-year term of service and shall automatically ascend to the President. All elected officers shall serve for one year or until their successors are elected and qualified.

(Rev. 04/03)

B. **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 1-year term. The Treasurer shall be a voting member of the Board of Directors and 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. (Rev. 4/18/95)

Section 11.2 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 by them by the Board of Directors. It shall be the particular duty of the Secretary 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®. All Officers must remain in good standing with the Association including dues, fines and ethical requirements.

Section 11.3 BOARD OF DIRECTORS

The governing body of the Association shall be a Board of Directors consisting of elected officers and one (1) appointed Treasurer and one (1) elected Affiliate and eight (8) elected Directors who shall be Designated REALTORS® or REALTOR® members of the Association; four (4) of whom shall be elected during each alternate year for a term of two (2) years, or until their successors have been duly elected or duly qualified to succeed them. The immediate past president shall also be an ex-officio member of the Board of Directors. A Director shall serve no more than two (2) consecutive terms.

All Directors must remain in good standing with the Association including dues, fines and ethical requirements. Appointments for unfulfilled terms of less than one (1) year will not count toward term

limits.

Each year there will be (2) two Designated REALTORS®, Broker Managers or Owners elected and (2) two REALTORS® elected, defined as follows: (Rev. (3/97)

Designated Broker: A licensed Broker responsible for a real estate company who has Broker Associates/REALTORS® operating under his/her license. This person should have responsibility for profit and loss.

Broker Manager: A licensed Broker who is employed by a Designated Broker to operate a branch office of a brokerage company and this person should have profit and loss responsibility.

Owner: A person responsible for hiring a Designated Broker and/or Broker Manager.

Section 11.3A BOARD OF DIRECTORS

An Affiliate member who is a member of the Board of Directors is a voting member with the exception of Professional Standards or Grievance matters. The Affiliate member must be a member of, and in good standing with, the Association and will be elected to serve a two-year term.

Section 11.4 ELECTION OF OFFICERS AND DIRECTORS

- A. The Election Committee shall consist of not less than six (6) Designated REALTORS® and/or REALTOR® members.
- B. The Election Committee shall submit an Election Chronology to the Directors for approval by the April Board meeting.
- C. All rules and information regarding the election shall be made available to the membership and published by the first (1st) Friday in May.
- D. All candidates shall be members in good standing of the SouthEast Valley Regional Association of REALTORS®.
- E. The election committee shall determine if all candidates have met the qualifications and standards set forth in the policy manual.
- F. A member cannot hold two (2) elected Association positions simultaneously. If a candidate is elected they must vacate their positions on the Grievance and Professional Standards Committees.
- G. Each year, there will be one (1) President-Elect and one (1) Vice President elected to serve as Officers.
- H. Each year there will be two (2) REALTOR® salespersons and two (2) from the following categories: Brokerage Designated REALTOR®,

Brokerage Owner and/or Brokerage Manager elected to serve as Directors.

- I. There will be no more than two Officers or Directors from each office (under the same Broker or having the same principal in the firm with a 20% or greater ownership) to serve on the Board of Directors. An Officer position takes precedence over a Director position for elections only.
- J. An Affiliate member will be elected to the Board of Directors as a voting member with the exception of Professional Standards or Grievance matters.
- K. Once the Ballot is established, the Ballot will be submitted to the Board of directors for approval.
- L. The Association shall maintain the roster of those eligible to vote.
- M. There shall be only one ballot allowed per member. No proxy votes shall be cast by or for anyone.
- N. There shall be no active campaigning by candidates on Association property during the voting period. No promotional materials are allowed on Association property during the voting period.
- O. The Election Committee shall verify the validity of the ballots and the votes cast.
- P. Candidates receiving the highest number of votes, corresponding with the number of positions to be filled shall be deemed elected, subject to 11.4 (J). Results of the election shall follow the Election Chronology.
- Q. In the event of a tie between two candidates for a particular position SEVRAR shall notify candidates and its membership five (5) days following the final tabulation of votes. At the direction of the Election Committee a new e-mail Ballot will be produced for completing the run off election within 30 days from the close of the original election.
- R. If a recount is called for, the challenger shall be given a choice of having either a certified audit or having the Election Committee do the recounting. If the challenger chooses to use an outside firm, the challenger is responsible for payment of the cost regardless of the outcome.
- S. Any challenge to the election must be submitted in writing to the Chief Executive Officer or Association President specifying exactly who or what is being challenged within five (5) business days after the membership meeting where the results were announced.

Section 11.5 STATE AND NATIONAL DIRECTORS

11.5a - NAR Directors

SEVRAR's NAR Directors shall be the President, President Elect and the CEO. The remaining openings are to be selected by an NAR/AAR selection

Committee from a pool of the current and Past Presidents, current or Past Vice Presidents, current or past local Directors, current or past NAR Directors, current or past Committee chairs, past committee chairs at AAR and others who may be suggested by current Board leadership and /or staff. Of the available positions, the selection committee will put forward no fewer than the minimum number of positions available. However, every attempt should be made to put forward two (2) names for each position available. The final decision for NAR Director will be made by the Board of Directors. This Committee shall be comprised of no less than five (5) members and no more than seven (7), with two (2) alternates and shall not include any member who is under consideration for NAR Director at that time. Recommendations for members of the selection committee will be made by the Executive Committee and submitted to the Board of Directors for approval.

11.5b - AAR Directors

There will be two (2) classes of AAR Directors: Quota Directors and Ex-Officio non-Quota Directors.

The Quota Directors shall consist of the Vice President and the balance of the AAR Directors will be recommended by the NAR/AAR Selection Committee and approved by the Board of Directors as defined in Section 11.5a. (REV: 11-19-2009)

11.5c - Ex-Officio, non Quota directors shall consist of the number of REALTOR® members as prescribed in the bylaws of the ARIZONA ASSOCIATION OF REALTORS®.

11.5d - An AAR Director shall serve only one (1) Directorship during the same term. Any vacancy shall be filled in accordance with Article XI, Section 11.6 of the Bylaws.

Section 11.6 VACANCIES

A. In the event of the vacancy of the President's position, the President-Elect would assume the balance of that president's term and, continue to his own term to which he was elected. "The President-Elect position shall be filled wither at a General or Special Election by the entire membership subject to 11.4." A vacancy in the position of immediate past president should not be filled. (Rev: 2-24-11)

B. The Board of Directors shall submit names of qualified candidates to fill vacancies among officers, local directors, State and National Directors. Names will be considered from the recent election results and the fulfillment of the vacancies will be approved by a simple

majority vote by the Board of Directors. An appointment to an unfulfilled term of less than one year shall not accrue as part of the term limits.

Section 11.7 REMOVAL OF OFFICERS AND DIRECTORS

In the event that an officer or director is deemed to be incapable of and/or ineffective at 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/director and signed by not less than 5% of the voting membership as of December 31st of the previous year or a majority of all directors shall be filed with the President. If the President is the subject of petition, then such petition shall be filed with the next ranking officer. (Rev. 03/03)

The petition shall specifically set forth the reasons the individual is deemed disqualified from further service.

B. Upon receipt of the petition, and not more than thirty (30) days thereafter, a special meeting of the voting membership of the Association shall be held. 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 voting members 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 of the hearing by the members provided a quorum is present. A two-thirds vote of members present and voting shall be required for removal from office.

Section 11.8 CHIEF EXECUTIVE OFFICER

The Directors may employ a Chief Executive Officer and may delegate to him all or part of the duties of the Secretary and may otherwise prescribe his function. The Chief Executive Officer shall not hold an active Arizona real estate license.

Section 11.9 LEGAL COUNSEL

The directors shall retain legal counsel and establish terms of compensation.

ARTICLE XII - MEETINGS

Section 12.1 ANNUAL MEETINGS The annual meeting of the Association

shall be held between September and October of each year; the date, place and hour to be designated by the Board of Directors.

Section 12.2 MEETING OF DIRECTORS. The Board of Directors shall designate a regular time and place for meetings. Absence from three (3) regular meetings during any 12 month period of time shall be construed as resignation. (REV: 11-19-09)

Section 12.3 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 written request of at least five (5) percent of the members eligible to vote.

Section 12.4 NOTICE OF MEMBERSHIP MEETINGS. Notice shall be defined as a posting on the SEVRAR website thirty (30) days prior to all meetings. If a special meeting is called, it shall be accompanied by a statement of the purpose of the meeting, including date and time.

Section 12.5 QUORUM. A quorum for the transaction of business at a membership meeting shall consist of sixty (60) members or one (1) percent of the members eligible to vote; whichever is less. A quorum for the transaction of business at the Board of Director meeting shall be a majority.

ARTICLE XIII - COMMITTEES

Section 13.1 STANDING COMMITTEES. The President shall appoint from among the members, subject to the confirmation by the Board of Directors, the following standing committees and their chairmen. (REV: 2-24-11)

Finance	Grievance
Professional Standards	Election

Section 13.2 SPECIAL COMMITTEES

The President shall appoint, subject to confirmation by the Board of Directors, such special committees and their chairman as deemed necessary. (REV: 2-24-11)

Government Affairs	Housing Opportunity
Affiliate	MLS/Technology Committee
Builder Liaison	Marketing/Home Tours
Education	Military Affairs
By-Laws	Leadership
Property Management	Commercial MLS

Section 13.3 ORGANIZATION

All committees shall be of such size and shall have duties, functions and powers as may be assigned to them by the President or the Board of Directors. All committees serve in an advisory capacity to the Board of Directors.

Section 13.4 ABSENCES

Any committee member who is absent from three (3) regularly scheduled meetings of a committee shall automatically forfeit his appointment, provided that upon written request, he may be reinstated by action of the Directors in the exercise of their discretion. Appointments to committees are on a calendar year basis with the exception of Grievance and Professional Standards which are 3-year terms.(REV:12-9-10)

Section 13.5 REMOVAL

The President, with the approval of the Directors, shall have the power and authority to remove any member from any committee at any time for any cause or reason which the Directors shall deem to be adequate, and it shall not be necessary to identify such cause or reason in the records of the Association.

Section 13.6 QUORUM

At all committee meetings, a quorum shall consist of three (3) or more Members except where it conflicts with these Bylaws.

Section 13.7 PRESIDENT

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

Section 13.8 Executive Committee

A. The Officers and Past President (considered ex officio of this Committee) of the Board of Directors shall constitute the Executive Committee.

B. The Executive Committee shall fix the hour and place of meetings, make recommendations to the Board of Directors and shall perform such other duties as determined by the Board of Directors. The Executive Committee shall be subject to the orders of the Board of Directors, and none of its acts shall conflict with the action taken by the Board of Directors.

C. Special meetings of the Executive Committee may be called by the President or shall be called upon the written request of two (2) members of the Executive Committee.

ARTICLE XIV - FISCAL AND ELECTIVE YEAR

The fiscal and elective year of the Association shall be the same as the calendar year. The elective year shall begin on January 1st to become effective 1/1/97. (Rev. 1/96)

ARTICLE XV - RULES OF ORDER

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

ARTICLE XVI - AMENDMENTS

Section 16.1 Notwithstanding Article XII, Section 5, these Bylaws may be amended by:

- A. A two-thirds vote of the Officers and Directors qualified to vote at any meeting when at least 75% of the Board of Directors are present. The Board of Directors must be given a (30) thirty day notice that there will be a change in the Bylaws.
- B. A vote of the members at a duly called membership meeting in accordance with Article 12, Section 5.
- C. As required by NAR mandates and shall be ratified at the next Board of Directors meeting.

Section 16.2 Notice to every member eligible to vote at all meetings, when amendments are to be considered, shall be given at least thirty (30) days prior to the time of the meeting. The notice shall be defined as the posting of the proposed amendments on the SEVRAR website. The substance of such proposed amendments shall be stated in the call of the meeting.

Section 16.3 Amendments to these Bylaws affecting the admission or qualification of Designated REALTOR®, REALTOR®, Affiliate and Institute Affiliate members, the use of the term REALTOR® and REALTORS®, shall become effective upon their approval by the Board of Directors of the NATIONAL ASSOCIATION OF REALTORS®.

Section 16.4 RULES AND REGULATIONS The Board of Directors may periodically adopt such policies they deem necessary in the best interests of the Association. Such policies shall not be in conflict with the Association's Articles of Incorporation or Bylaws. Policies

may be adopted during any Directors' meeting without advance notice, and they may be amended during any Directors' meeting without advance notice. Such policies shall be classified under "Rules and Regulations."

Section 16.5 EFFECTIVE DATE OF POLICY CHANGES

All policy changes shall become effective as designated by and upon approval of the Board of Directors except those changes regarding Million Dollar Producer awards. Any changes in the Million Dollar Producer criteria shall become effective January 1st of the following year after approval of the Board of Directors. Any changes in Leadership Search criteria shall be approved by the Board of Directors and shall become effective if published prior to the search beginning for the next year's officers and directors. (The first effective date will be 1/1/92) (Rev. 5/9/91)

Section 16.6 Sexual Harassment and/or Harassment and Discrimination

SEVRAR fully supports the right of all its member and employees to work in an environment free from harassment. Harassment means any verbal or physical conduct including threatening or obscene language, unwelcome sexual advances, stalking, action including strikes, shoves, kicks or similar physical contacts or threats to do the same, or any other with the purpose or effect of unreasonably interfering with an individual's work performance by creating a hostile, intimidating, or offensive work environment. (Revised: 2-24-11)

A. Definition of Sexual Harassment. Sexual harassment includes:

- 1) Unwelcome sexual advances;
- 2) Unwelcome requests for sexual acts or favors;
- 3) Other verbal or physical conduct that has the purpose or effect of unreasonably interfering with an individual's work performance by creating an intimidating, hostile or offensive work environment.

B. Complaint Procedure. Any employee who believes he/she has suffered sexual harassment by any other employee, including supervisors and co-workers, or by any member of the Association or by any guest or visitor of the Association must bring the problem to the attention of any of the following individuals: his/her supervisor, the Office Manager, the Chief Executive Officer; or an elected Officer (President, Vice-President or Treasurer). The complaint must be in writing. It is helpful if details of dates, times, places and witnesses, if any, to the harassment can be provided. If the CEO or Association President is involved as the complainant or accused, then the findings and recommendations should be made to the Association Executive Committee. (Revised 12-9-10)

C. Complaint Investigation and Confidentiality. All complaints will be investigated promptly by a team comprised of those cited in the Section above, plus legal counsel, if necessary. The identity of the employee making the complaint as well as the identity of the individual accused of sexual harassment will be kept strictly confidential. Information regarding the charge of sexual harassment will not be made known to anyone who is not directly involved either as a party, a witness, a member of the investigatory team, or the Chief Executive Officer. Witnesses interviewed will be provided only such information as is necessary to elicit from them their observations and other relevant information. During the investigation, both the complainant and the accused will be provided a full opportunity to tell their side of the story. Witnesses identified by the complainant or the accused will be provided a full opportunity to tell their side of the story. Witnesses identified by the complainant or the accused will also be interviewed. Upon completion of the investigation, the investigatory team will prepare a written report of its findings and recommendation for the Chief Executive Officer. Authority for the final resolution of all charges and the determination of appropriate sanctions rests with the Chief Executive Officer, who shall report their recommendations to the Board of Directors.

D. Discipline. Sexual harassment is a serious offense and any employee found to have engaged in such conduct is subject to severe discipline, including termination. It is contrary to the Association policy for a supervisor to retaliate against any employee who files a charge of sexual harassment. All possible steps will be taken to eliminate the possibility of retaliation resulting from the filing of a complaint. In the event a complaint of sexual harassment is found to be totally and completely without basis, appropriate disciplinary measures may be taken against the employee who brought the complaint. While this is in no way intended to discourage any employee who believes they have been the victim of sexual harassment from bringing a complaint, the Association recognizes that a charge of sexual harassment can cause serious damage to the accused's personal reputation and professional career.

E. Follow up. In instances in which sexual harassment is found to have occurred, a member of the investigatory team will remain in communication with the victim to find out whether the harassment has ceased or if any retaliation has occurred.

F. Voluntary Office Romances. It is not contrary to the policy of the Association for employees to date except in circumstances

where one of the employees reports, either directly or indirectly, to the other employee. No dating is permitted in such circumstances. The Association will, however, consider requests from affected employees to transfer them to other open positions within the Association for which they are qualified so that the employees are not in the same reporting lines.

Section 16.7 Whistle Blower

SEVRAR is committed to lawful and ethical behavior in all of its activities and requires its staff to conduct themselves in a manner that complies with all applicable laws and regulations. If at any time a concern exists regarding the propriety or legality of action contemplated to be taken or that has been taken by an SEVRAR officer, director, staff, association member, committee member or any contract or vendor as the action relates to SEVRAR activities, or if an action needs to be taken in order for SEVRAR to be in compliance with law or appropriate ethical standards, you can address the issue directly by going to the CEO, President or President-Elect as needed until matters are satisfactorily resolved.

Alternatively, if you are not comfortable speaking to the CEO about the matter or do not feel your issue has been properly addressed; you may contact SEVRARs' President or President-Elect about the matter. If you do not believe that direct channels of communication can/should be used to express your concerns, you can send an anonymous letter or mail utilizing the U.S. Mail or any internet hosted email service (using an anonymous name) to the CEO, SEVRAR President or President-Elect. (Revised; 12-9-10)

ARTICLE XVII - DISSOLUTION

Section 17.1 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 SERVICE

Section 18.1 AUTHORITY The Board of REALTORS® shall cooperate in maintaining for the use of its Members the Arizona Regional Multiple Listing Service, Inc.; hereinafter referred to as ARMLS, which is a lawful corporation in the State of Arizona, and in which the SouthEast Valley Regional Association of REALTORS®, Inc., owns one-fourth of the issued and outstanding shares.

Section 18.2 PURPOSE. A Multiple Listing Service is a means by which authorized participants make blanket unilateral offers of compensation to other participants (acting as subagents, buyer agents, or in other agency or non-agency capacities 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 customer; 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 procuring cause of the sale (or lease). (Rev. 2/97)

Section 18.3 GOVERNING DOCUMENTS The Board of Directors shall cooperate with the other shareholders in causing the Arizona Regional Multiple Listing Service, Inc., to conform its Corporate Charter, Constitution, Bylaws, Rules, Regulations and Policies, Practices, and Procedures at all times to the Constitution, Bylaws, Rules, Regulations, and Policies of the NATIONAL ASSOCIATION OF REALTORS®.

A. A non-member applicant for MLS Participation who is a principal, partner, corporate officer or branch office manager acting on behalf of a principal, shall supply evidence satisfactory to the Board of Directors that he has a place of business within the jurisdiction of the SouthEast Valley Regional Association of REALTORS®, or an Association of REALTORS® contiguous thereto; has no record of recent or pending bankruptcy; has no record of official sanctions involving unprofessional conduct; agrees to complete a course of instruction (if any) covering the MLS Rules and Regulations, and shall pass such reasonable and non-discriminatory written examination thereon as may be required by the MLS; and shall agree that if elected as a participant, he will abide by such Rules and Regulations and pay the MLS fees and dues, including the non-member differential (if any), as from time to time established. Under no circumstances is any individual or firm entitled to MLS Participation or membership unless they hold a current, valid real estate brokers license and are capable of offering and accepting cooperation and 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 an Association 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 an Association Multiple Listing Service where access to

such information is prohibited by law. (Rev. 3/28/95)

Section 18.4 PARTICIPATION. Any REALTOR® member of this or any other Board who is a principal, partner, corporate officer, branch office manager, or designated staff member(s) acting on behalf of a principle, without further qualification, except as otherwise stipulated in these Bylaws, 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 Arizona Real Estate Brokers 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 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 or published by a board multiple listing service where access to such information is prohibited by law. (Rev. 11/08)

Mere possession of a broker's license is not sufficient to qualify for MLS participation. Rather, the requirement than 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 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 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 and 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 MLD 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 non discriminatory manner to all participants and potential participants. (Adopted 11/08).

Section 18.5 ACCESS TO COMPARABLE AND STATISTICAL INFORMATION.

Association members who are actively engaged in real estate brokerage, management, appraising, land development, or building, but who do not participate in the MLS, are nonetheless entitled to receive, by purchase or lease, all information other than current listing information that is generated wholly or in part by ARMLS including "comparable" information, "sold" information and statistical reports. This information is provided for the exclusive use of Association members and individuals affiliated with Association members who are also engaged in the real estate business and may not be transmitted, retransmitted or provided in any manner to any unauthorized individual, office or firm except as otherwise provided in these Rules and Regulations. Association members who receive such information, either as a Board service or through the Board's MLS, are subject to the applicable provisions of the MLS rules and regulations whether they participate in the MLS or not.

Section 18.6 SUBSCRIBERS. Subscribers (or users) of the MLS include non-principal brokers, sales associates, and licensed and certified appraisers affiliated with participants. Subscribers also include affiliated unlicensed administrative and clerical staff, personal assistants, and individuals seeking licensure or certification as real estate appraisers who are under the direct supervision of an MLS participant or the participant's licensed designee.

ARTICLE XIX - FINANCES

Section 19.1 PROPERTY OF THE ASSOCIATION. Any and all payments and contributions made to the Association by members or by applicants for such membership and any other receipts or income shall be the sole property of the Association and no member shall have any interest therein.

Section 19.2 ADMINISTRATION OF FUNDS. The Directors shall administer

the finances of the Association, shall determine how the records and books of account shall be established, or modified and maintained, and shall have sole authority to appropriate the funds of the Association, and to invest such funds at their discretion.

Section 19.3 COMPENSATION OF OFFICERS WHO ARE FULL-TIME EMPLOYEES.

The Directors shall fix the compensation of the Chief Executive Officer and any other Officer of the Association who is also a full-time employee and not a member of the Directors, for his personal services as an officer or employee.

Section 19.4 REIMBURSEMENT OF EXPENSES. All Officers, Directors and members of committees may be reimbursed for actual out-of-pocket expenses which have been incurred in connection with their duties and functions as an Officer, Director or member of a committee in such manner and on such basis as may be fixed and determined by resolution of the Directors.

ARTICLE XX - INDEMNIFICATION

Section 20.1 OCCASION FOR INDEMNIFICATION. The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative or investigation, by reason of the fact that the individual is or was an Officer, Director, committee chairman or committee member. Any person who is threatened or is named as a defendant in a lawsuit because of his or her capacity as a SEVRAR Officer, Director, Committee Chairperson or committee member or employee is to tender immediate notice of service of process to the SEVRAR Board. Until such time as the notice is given and the Board of Directors approves the Counsel retained, there will be no retroactive reimbursement of expenses."

Section 20.2 DERIVATIVE ACTIVITIES. The indemnification specified in Section 20.1 above, in the case of an action or suit by or in the right of the Corporation, shall extend to expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense and/or settlement of such action or suit if such person acted in good faith and in a manner the individual reasonably believed to be in or not opposed to the best interests of the Corporation, provided, however, that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the Corporation unless and only to the extent that the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability

but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court shall deem proper.

Section 20.3 OTHER ACTIONS. The indemnification specified in Section 20.1 above, in the case of any and all actions, suits and proceedings other than those specified in Section 2 above, shall extend to expenses (including attorney's fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by him/her in connection with such action, suit or proceeding if the individual acted in good faith and in a manner he/she reasonably believed to be in or not opposed to the best interests of the Corporation, and with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believes to be in or not opposed to the best interests of the Corporation and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

ARTICLE XXI - CONFLICT OF INTEREST

Section 21.1 Members of SEVRAR's decision making bodies, including, but not limited to, the Executive Committee, Board of directors, workgroups and other committees (hereinafter "Committee/Director Members") should not use their position with the Association to further their private interests. Committee/Director Members should avoid placing themselves in situations where their personal interests may conflict with the interests of the Association and should at all times avoid the appearance of conflict of interest. Association duties should be performed in good faith and for the benefit of the Association.

Section 21.2 Committee/Director Members will be considered to have a conflict of interest on an issue when:

- (1) the issue involves a business providing products or services to SEVRAR in which the Committee/Director Member or a member of the Committee/Director Member's immediate family is a principal, partner or corporate officer.
- (2) The issue is one in which the Committee/Director Member or a member of the Committee/Director Member's immediate family has a financial interest involving money, employment,

investments, credit or contractual rights.

Committee/Director Members with a conflict of interest must immediately disclose their interest at the outset of any discussions by a decision making body pertaining to the issue. Such Committee/Director Members may not participate in the discussion relating to that issue other than to respond to questioning asked of them by other Committee/Director Members of the body. Committee/Director Members with a conflict of interest may not vote on any issue in which they have a conflict of interest, and should not be present when the vote on the issue is taken.

If a Committee/Director Member is believed to have an undisclosed conflict of interest, a five (5) person panel from the Professional Standards Committee shall be convened under the policies of the Ethics hearing and a decision shall be rendered to the Board of Directors absent the accused. The panel is allowed to impose all of the penalties within the jurisdiction of the Professional Standards Committees' procedures as well as to recommend removal from trusteeship of the person found to have violated the Conflict of Interest policy. The Directors shall be required to ratify the penalty by a majority vote. If the Directors are unable to ratify the actions by majority vote, all charges against the individual shall be dismissed.

ARTICLE XXII

If any of the dates referred to fall on a Saturday, Sunday or U.S. Postal holiday then the date shall be extended to the next calendar day. (REV: 11-19-2009)