

Arizona Association of REALTORS®

Board of Directors Responsibilities and Authority

ARTICLE VI

Section 4 - The Board of Directors shall elect and remove AAR officers and National Director Nominees, approve the annual budget and dues, approve withdrawals from the Operating or Capital Reserves, other than as noted in Article IV, Sections 1 & 2, and amend AAR's Bylaws and Policies except Professional Standards policies, which may be approved by AAR's Executive Committee. AAR's accounts shall be audited annually by a certified public accountant.

Section 5 - AAR shall conduct Directors' Meetings no less than two (2) times annually. Special meetings of the Board of Directors may be called by the President or by any fifteen (15) Directors. Written notice of a special meeting shall be sent by mail to all Directors at least ten (10) days before the date of the meeting or by electronic mail at least five (5) days before the date of the meeting. Directors may not participate in Directors' meetings by agent, representative or proxy, except alternates for quota Directors may be designated in the absence of a quota Director without notice at Board of Directors' meetings, however, said alternate shall register at Directors' attendance desk and provide verification by an officer of said Member Board prior to voting.

Section 7 - A quorum of the Board of Directors shall consist of Directors constituting at least one-third (1/3) of the total number of AAR Directors of which there must be representatives from at least one-third (1/3) of the total number of Member Boards present.

Section 8 - The latest available financial statements reflecting AAR's financial status of shall be mailed or otherwise distributed to each voting Director at least fifteen (15) days prior to the scheduled date of each regular meeting of the Board of Directors. A copy of the proposed annual budget shall be mailed or otherwise distributed to each voting Director at least fifteen (15) days prior to the scheduled date of the Directors Meeting at which the annual budget shall be submitted for adoption.

Section 9 - A Director or an Officer other than the Chief Executive Officer may be removed from office in the following manner:

a. A petition requiring the removal of an Officer or Director and signed by not less than thirty-three and one-third percent (33 1/3%) of the voting Directors shall be filed with the President, or if the President is the subject of the petition, with the next-ranking Officer, and shall specifically set forth the reasons the subject thereof is to be removed from further service.

b. Not less than twenty (20) days nor more than thirty (30) days after the petition is filed, a special meeting of the voting members of the Board of Directors shall be held, and the sole business of the meeting shall be to consider the charges against the Officer or Director who is the subject of the petition and to render a decision on such petition.

c. Previous notice by mail of the special meeting shall be given to all voting members of the Board of Directors at least ten (10) days prior to the meeting and shall be conducted by the President unless the President's continued service in office is being considered at the meeting. In such case, the next-ranking Officer will conduct the meeting. Provided a quorum is present, a two-thirds (2/3rds) vote of the Directors present and voting by written ballot shall be required for removal from the office.

d. The Region from which the Region Vice President was nominated and a manner agreed upon within that Region shall handle removal of a Region Vice President.

Board Of Directors Responsibilities/Authority

Specific AAR Policy Citations for Board of Directors

POLICY BD.1 – SOLICITATIONS AND DONATIONS

All solicitations for donations and funding of non-AAR projects must be approved by the Executive Committee or Board of Directors. Any requested funds must be accompanied by budget when submitted.

POLICY BD.3 – STANDARD FORMS

The Executive Committee or Board of Directors shall approve all form content and format, new or revised, prior to distribution for member use. Prior to substantive revision of any existing form being released, the revised form shall be circulated for comment from experts in the field, all Member Boards, and any appropriate Institutes, Societies or Councils. New or revised forms shall be released on or about February 1, June 1 and October 1 unless law or regulation mandates earlier release.

POLICY BD.4 – VOTING

Vote counts for officer and National Director elections shall not be given verbally; however, exact counts will be retained by AAR for thirty (30) days following the date of the election for review upon request by any AAR member.

POLICY M.5 – ALCOHOLIC BEVERAGES/WEAPONS

AAR will not provide alcoholic beverages in the AAR suite or room at state meetings and national meetings. Alcohol will be served only at supervised cash bar or limited “host” drink functions. Further, no person shall bring any firearm or other weapon, or any other article or instrument that could reasonably be deemed dangerous or harmful, into any AAR meeting.

POLICY M.12 – CONFLICT OF INTEREST POLICY

Members of AAR’s decision making bodies, including, but not limited to, the Executive Committee, Board of Directors, Primary Committees, workgroups and other committees (hereinafter “Committee/Director Members”) should not use their position with AAR to further their private interests. Committee/Director Members should avoid placing themselves in situations where their personal interests may conflict with the interests of AAR and should at all times avoid the appearance of conflict of interest. AAR duties should be performed in good faith and for the benefit of AAR.

Committee/Director Members will be considered to have a conflict of interest if the interest would constitute a conflicting interest pursuant to the Arizona Non-profit Corporation Act when:

- (1) the issue involves a business providing products or services to AAR in which the Committee/Director Member or a related person is a principal, partner or corporate officer, director, agent or employee.
- (2) the issue is one in which that Committee/Director Member or a related person has a beneficial interest involving money, employment, investments, credit or contractual rights or is so closely linked to a transaction of such financial significance to the Committee/Director or a related person that the interest would reasonably be expected to exert an influence on the Committee/Director’s judgment if called on to vote on the transaction. ”Related person” shall have the same meaning as defined in the Arizona Non-profit Corporation Act.

Committee/Director Members with a conflict of interest must immediately disclose the existence and the nature of the conflict at the outset of any discussions by a decision making body pertaining to the issue as well as all facts reasonably material to a judgment about an issue. Such Committee/Director Members may not participate in the discussion relating to that issue other than to respond to questions 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.

POLICY M.13 – HARASSMENT

AAR fully supports the rights of all its members 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, actions including strikes, shoves, kicks or other 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. Any member or employee who believes that he or she has been the subject of harassment should follow the complaint procedures set forth in AAR's Employee Policy and Procedure Manual. Pending the investigation of any complaint, the individual names in the complaint may be asked not to participate in AAR functions until the matter is resolved.