

Restated Bylaws Spokane REALTORS®



SPOKANE  REALTORS®

August 2024

ARTICLE I
NAME

Section 1.1 Name..... 1
Section 1.2 REALTORS®..... 1

ARTICLE II
PURPOSES AND OBJECTIVES 1

ARTICLE III
JURISDICTION

Section 3.1 Territorial Jurisdiction..... 1
Section 3.2 Definition..... 1

ARTICLE IV
MEMBERSHIP

Section 4.1 Classes of Membership..... 1
Section 4.1.1 REALTOR® Members 1
Section 4.1.2 Institute Affiliate Members..... 2
Section 4.1.3 Affiliate Members 2
Section 4.1.4 Public Service Members..... 2
Section 4.1.5 Honorary Members..... 2
Section 4.2 Membership Meetings 2
Section 4.3 Voting 2
Section 4.4 Quorum 3
Section 4.5 Notice 3

ARTICLE V
QUALIFICATION AND ELECTION FOR MEMBERSHIP

Section 5.1 Application 3
Section 5.2 Qualification..... 3
Section 5.3 Election of Members 4
Section 5.4 New Member Code of Ethics Orientation..... 5
Section 5.5 Continuing REALTOR® Code of Ethics
Training..... 5
Section 5.6 Status Changes 5

ARTICLE VI
PRIVILEGES OF MEMBERS

Section 6.1 General..... 5
Section 6.2 Privileges of REALTOR® Members 5

Section 6.3 Institute Affiliate Members 5
Section 6.4 Affiliate Members 6
Section 6.5 Public Service Members 6
Section 6.6 Honorary Members..... 6
Section 6.7 Discipline of REALTOR® Members..... 6

ARTICLE VII
PROFESSIONAL STANDARDS AND ARBITRATION

Section 7.1 Enforcement of the Code 6
Section 7.2 Obligation of REALTOR® Members 6

ARTICLE VIII
REALTOR® AND REALTORS®

Section 8.1 Use Subject to NAR 6
Section 8.2 REALTOR® Members 6
Section 8.3 Principals of Firm..... 6
Section 8.4 Institute Affiliate Members 6
Section 8.5 Affiliate Members 6

ARTICLE IX
STATE AND NATIONAL MEMBERSHIPS

Section 9.1 NAR and WAR Membership... 7
Section 9.2 Trademarks..... 7
Section 9.3 NAR Policies..... 7

ARTICLE X
DUES AND FINANCIAL OBLIGATIONS

Section 10.1 Application Fee 7
Section 10.2 Dues 7
Section 10.3 Capital Expenditures 8

ARTICLE XI
DIRECTORS

Section 11.1 Number of Directors 8
Section 11.2 Classification and Term of Directors 8
Section 11.3 Powers of Directors 8
Section 11.4 Quorum 8
Section 11.5 Meeting of Directors..... 8
Section 11.6 Notice 8
Section 11.7 Removal and Resignation... 9

| | | |
|--------------|---------------------------|---|
| Section 11.8 | Vacancies | 9 |
| Section 11.9 | Executive Committee... .. | 9 |

ARTICLE XII
OFFICERS

| | | |
|--------------|------------------------------|---|
| Section 12.1 | Designation..... | 9 |
| Section 12.2 | President..... | 9 |
| Section 12.3 | President-Elect... .. | 9 |
| Section 12.4 | First Vice President | 9 |
| Section 12.5 | Treasurer | 9 |
| Section 12.6 | Removal and Resignation..... | 9 |
| Section 12.7 | Vacancies | 9 |

ARTICLE XIII
ELECTION PROCEDURES

| | | |
|--------------|---------------------------|----|
| Section 13.1 | Qualifications..... | 10 |
| Section 13.2 | Nominating Committee..... | 10 |
| Section 13.3 | Elections | 10 |

ARTICLE XIV
MULTIPLE LISTING SERVICE

| | | |
|--------------|---------------------------------|----|
| Section 14.1 | Authority..... | 11 |
| Section 14.2 | Purpose..... | 11 |
| Section 14.3 | Participation | 11 |
| Section 14.4 | Supervision..... | 12 |
| Section 14.5 | MLS Participants Committee..... | 12 |
| Section 14.6 | MLS Steering Committee..... | 12 |

ARTICLE XV
COMMITTEES

| | | |
|--------------|--|----|
| Section 15.1 | Budget and Finance Committee..... | 12 |
| Section 15.2 | Professional Standards Committee | 12 |
| Section 15.3 | Standing Committees | 12 |
| Section 15.4 | Special Committees | 12 |
| Section 15.5 | Organization | 12 |

ARTICLE XVI
CHIEF EXECUTIVE OFFICER

| | | |
|--------------|---------------------------|----|
| Section 16.1 | Appointments | 12 |
| Section 16.2 | Authority and Duties..... | 12 |

ARTICLE XVII
FISCAL AND ELECTIVE YEAR 13

ARTICLE XVIII
TRANSACTIONS WITH MEMBERS 13

ARTICLE XIX
INDEMNIFICATION

| | | |
|--------------|---|----|
| Section 19.1 | Indemnification of Directors and Officers | 13 |
| Section 19.2 | Indemnification Rights Non-Exclusive | 13 |
| Section 19.3 | Insurance and Contracts..... | 14 |
| Section 19.4 | Indemnification of Employees and Agents..... | 14 |

ARTICLE XX
AMENDMENTS

| | | |
|--------------|---------------------|----|
| Section 20.1 | Vote Required | 14 |
| Section 20.2 | Notice | 14 |
| Section 20.3 | NAR Approval | 14 |

ARTICLE XXI
DISSOLUTION..... 14

ARTICLE XXII
DEFINITIONS

| | | |
|--------------|-----------------------------|----|
| Section 22.1 | Association..... | 14 |
| Section 22.2 | Licensee..... | 14 |
| Section 22.3 | Mailing..... | 14 |
| Section 22.4 | Official Publication..... | 15 |
| Section 22.5 | Principal..... | 15 |
| Section 22.6 | Real Estate Firm..... | 15 |
| Section 22.7 | Real Estate Profession..... | 15 |

RESTATED BYLAWS OF THE SPOKANE ASSOCIATION OF REALTORS®

KNOW ALL PERSONS BY THESE PRESENTS, that the undersigned, being the President and First Vice President of the SPOKANE ASSOCIATION OF REALTORS®, a Washington nonprofit corporation, d/b/a SPOKANE REALTORS® (hereinafter referred to as "Association"), for the purpose of amending and restating the Bylaws of the Association, do hereby certify that these Restated Bylaws were duly adopted in accordance with the Washington Nonprofit Corporation Act (Chapter 24.03A of the Revised Code of Washington) and supersede the original Bylaws of the Association and all amendments to them; and the undersigned therefore certify and adopt the following Restated Bylaws:

ARTICLE I

Name

Section 1.1 Name. The name of this organization shall be the SPOKANE ASSOCIATION OF REALTORS® d/b/a SPOKANE REALTORS®, hereinafter referred to as the "Association".

Section 1.2 REALTOR® Trademark. 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

Purposes and Objectives

The Purpose and Objectives of the Association are:

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;
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®;
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;
4. To further the interests of home and other real property ownership;
5. To unite those engaged in the real estate profession in this community with the Washington 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; and
6. To designate, for the benefit of the public, those individuals authorized to use the terms REALTOR® and REALTORS® as licenses, prescribed, and controlled by the National Association of REALTORS®.

ARTICLE III

Jurisdiction

Section 3.1 Territorial Jurisdiction. The territorial jurisdiction of the Association as a member of the National Association of REALTORS® is Spokane County, Washington.

Section 3.2 Definition. Territorial jurisdiction is defined to mean:

- (a) The right and duty to control the use of the terms REALTOR® and REALTORS® subject to the conditions set forth in these Bylaws and those of the National Association of REALTORS®, in return for which the Association agrees to protect and safeguard the property rights of the National Association in the terms.

ARTICLE IV

Membership

Section 4.1 Classes of Membership. There shall be five classes of members as follows:

Section 4.1.1 REALTOR® Members. REALTOR® members, whether primary or secondary, shall be:

- (a) 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 or leasing, managing, appraising for others for compensation, counseling, building, developing or subdividing real estate, and who maintain or are associated with an established real estate office in the State of Washington 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 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 or a state contiguous thereto unless otherwise qualified for Institute Affiliate Membership.

In the case of a real estate firm, partnership, or corporation, whose business activity is substantially all commercial, only those principals actively engaged in the real estate business in connection with the same office, or any other offices within the jurisdiction of the Association in which one of the firm's principals holds REALTOR® membership, shall be required to hold REALTOR® membership unless otherwise qualified for Institute Affiliate Membership.

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

- (b) Individuals who are engaged in the real estate profession other than as sole proprietors, partners, corporate officers or branch officer managers, and are associated with a REALTOR® member and meet the qualifications.
- (c) 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.
- (d) Designated REALTOR® Members. Each firm (or office in the case of firms with multiple office locations) shall designate in writing one REALTOR® member who shall be responsible for all duties and obligations of Membership including the obligation to arbitrate (or to mediate if required by the association) pursuant to Article 17 of the Code of Ethics and the payment of Association dues. The "designated REALTOR®" must be a sole proprietor, partner, corporate officer or branch manager acting on behalf of the firm's principal(s) and must meet all other qualifications for REALTOR® Membership.
- (e) Franchise REALTOR® Membership. Corporate officers (who may be licensed or unlicensed) of a real estate brokerage franchise organization with at least one hundred fifty (150) franchisees located within the United States, its insular possessions and the Commonwealth of Puerto Rico, elected to membership pursuant to the provisions in the NAR *Constitution and Bylaws*. Such individuals shall enjoy all of the rights, privileges and obligations of REALTOR® membership (including compliance with the Code of Ethics) EXCEPT: obligations related to Association mandated education, meeting attendance, or indoctrination classes or other similar requirements; the right to use the term REALTOR® in connection with their franchise organization's name; the right to hold elective office in the local Association, State Association and National Association.

Section 4.1.2 Institute Affiliate Members. Institute Affiliate Members shall be individuals who hold a professional designation awarded by an Institute, Society, or Council affiliated with the National Association of REALTORS® that addresses a specialty area other than residential brokerage or individuals who otherwise hold a class of membership in such Institute, Society, or Council that confers the right to hold office. Any such individual, if otherwise eligible, may elect to hold REALTOR® membership, subject to payment of applicable dues of such membership.

Section 4.1.3 Affiliate Members. Affiliate members shall be real estate owners and other individuals or firms who, while not engaged in the real estate profession as herein defined,

nevertheless have interests requiring information concerning real estate, and are in sympathy with the objectives of the Association.

Section 4.1.4 Public Service Members. Public service members shall be individuals who are interested in the real estate profession as employees of or affiliated with educational, public utility, governmental or other similar organizations, but are not engaged in the real estate profession on their own account or in association with an established real estate firm.

Section 4.1.5 Honorary Members. Honorary members shall be individuals not engaged in the real estate profession who have performed notable service for the real estate profession, for the Association, or for the public.

Section 4.2 Membership Meetings. Meetings of the members shall be held at such times and places as the President or the Board of Directors may from time to time designate. The annual meeting of the membership shall be held on such date each year as the Board of Directors shall designate. Special meetings of the membership may be called by the President, the Board of Directors, or if at least ten percent (10%) of the REALTOR® members of the Association shall make written application therefore to the First Vice President of the Association stating the purpose of the meeting called. In addition to the business meetings of the membership, educational, informational or meetings of the membership may be held at such times and place as the President or the Board of Directors may from time to time designate. The Board of Directors may host meetings by one or more means of remote communication through which members not physically present may simultaneously participate in the meeting, vote on matters submitted to the members, pose questions, and make comments. For any meeting at which one or more members may participate by means of remote communication, the Board of Directors shall provide complete instructions for participating in the meeting by remote communication.

Section 4.3 Voting. Each REALTOR® member shall be entitled to cast one vote on each matter submitted to a vote of the membership. No other class of member shall be entitled to vote. In the election of directors each REALTOR® member shall be entitled to as many votes as there are then directorships to be filled, but no member may give more than one vote to any single nominee, the right to cumulative voting being expressly denied with respect to all elective positions. Votes may be cast via electronic transmission if the Association complies with the requirements of RCW 24.03A.435 through 24.03A.480 or successor statute(s). REALTOR® members voting by electronic transmission are present for all purposes of quorum, count of votes and percentages of total voting power present. Procedures for voting for officers and directors of the Association and procedures for voting in respect of any proposed amendment or amendments of these Bylaws shall be as hereinafter set forth in these Bylaws.

- (a) The vote allocated to a member may be cast by a ballot if the Board of Directors delivers a ballot to every member entitled to vote on the matter and the number of ballots returned equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting. All requests for votes by ballot must (i) indicate the number of responses needed to meet the quorum requirements, (ii) state the percentage of approvals necessary to approve each matter, and (iii) specify the time by which a ballot must be received by the Board of Directors to be counted, which shall not be less than ten (10) days after the ballot is delivered to the member. Each ballot must (A) be in the form of a written or electronically transmitted record, (B) set forth each proposed action, and (C) provide an opportunity to vote for or against each other proposed action. Once a member submits a ballot to the Association, such ballot may not be revoked.

Section 4.4 Quorum. The REALTOR® members at any meeting of the membership shall constitute a quorum. The affirmative vote of a majority of the REALTOR® members present at a meeting of the membership shall be the act of the membership, unless the vote of a greater number is required by statute of these Bylaws. If any meeting cannot be organized because a quorum has not attended, the members may adjourn the meeting to a time not less than twenty-four (24) hours from the time the original meeting was called. When a meeting that has been adjourned for lack of a quorum is reconvened, those members present, although less than a quorum, nonetheless constitute a quorum.

Section 4.5 Notice. Notice of business meetings of the membership may be given (i) by written notice placed in the United States mail, postage prepaid, addressed to each REALTOR® member at the address of each such member appearing in the records of the Association; (ii) by publication in any official publication of the Association or (iii) electronic transmission if the Corporation complies with the requirements of RCW 24.03A.410 or successor statute. If notice is electronically transmitted, it will be deemed to have been received when it is sent to the email address given by such person to the First Vice President even if no individual is aware of its receipt. Such notice shall be given not less than ten (10), nor more than sixty (60) days before the date of the meeting. Notice of a special meeting shall include the date, time, and place of the special meeting and a description of the purpose for which the meeting is called. Whenever notice would otherwise be required to be given to a member, the notice need not be given if notice of two (2) consecutive annual meetings, and all notices of meetings during the period between those two (2) consecutive annual meetings, have been returned undeliverable or could not be delivered. If a member delivers to the First Vice President a notice setting forth the member's then current address, then the requirement that notice be given to that member is reinstated.

ARTICLE V

Qualification and Election for Membership

Section 5.1 Application. Application for membership shall be made in such manner and form as may be prescribed by the Board of Directors and made available to anyone requesting it. The application form shall contain among the statements to be signed by the applicant that the applicant has or has had access to, has carefully reviewed, and if elected a member, will abide by the Constitution, Bylaws, Policies, and Rules and Regulations of the Association, the Constitution and Bylaws of the Washington Association of REALTORS®, the Constitution and Bylaws of the National Association of REALTORS®, 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 in the Code of Ethics and Arbitration Manual of the Association, as from time to time amended; and that the applicant consents that the Association may invite and receive information and comment about the applicant from any member or other persons, and that the applicant agrees that any information and comment furnished to the Association by any person in response to the invitation shall be conclusively deemed to be privileged and not form the basis of any action for slander, libel, or defamation of character. The applicant shall, with the form of application, have access to a copy of the Bylaws, Policies, Constitution, Rules and Regulations, and Code of Ethics referred to above.

Section 5.2 Qualification. Requirements for qualification for membership shall be as follows:

- (a) REALTOR® Members. An applicant for REALTOR® membership shall supply evidence satisfactory to the Board of Directors that the applicant is actively engaged in the real estate profession has a place of business within the state or a state contiguous thereto (unless a secondary member), agrees to complete a course of instruction covering the Bylaws, Policies, 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®, has a current and valid license as a real estate managing broker, or real estate broker issued pursuant to Chapter 18.85 of the Revised Code of Washington prominently displayed in such place of business or has been certified as a real estate appraiser pursuant to Chapter 18.140 of the Revised Code of Washington, and such applicant shall provide the information set forth in Section 5.2(e) and agree in writing that if elected to membership, such applicant will abide by the Code of Ethics of the National Association of REALTORS®, and by the Constitution, Bylaws, Policies, and Rules and Regulations of the Association, State Association, and the National Association. If the real estate license or licensed or certified real estate appraiser status of a REALTOR® member is suspended, the membership of such member may be suspended by the Board of Directors

during the period of such license suspension. If the real estate license or licensed or certified real estate appraiser status of a REALTOR® member is revoked, the membership of such member may be revoked by the Board of Directors. 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 managing broker's or broker's license or be licensed or certified as a real estate appraiser.

- (b) Affiliate Members. An applicant for affiliate membership shall supply evidence satisfactory to the Board of Directors that the applicant is not associated with a firm engaged in brokerage of real property; and shall agree, if elected to membership, to abide by the Constitution, Bylaws, Policies, and Rules and Regulations of the local Association, State Association, and the National Association, and further is encouraged to abide by the principles established in the Code of Ethics of the National Association of REALTORS®, but is not subject to disciplinary authority of the Association with regard to conduct inconsistent with the Code of Ethics.
- (c) Public Service Members. An applicant for public service membership shall supply evidence satisfactory to the Board of Directors that the applicant is interested in the real estate profession as an employee of or affiliated with an educational, public utility, governmental or other similar organization, but is not engaged in the real estate profession on the applicant's own account or in association with an established real estate firm.
- (d) Honorary Members. An applicant for honorary membership shall supply evidence satisfactory to the Board of Directors that the applicant is not associated with a firm engaged in brokerage of real property, and that the applicant has performed notable service for the real estate profession, for the Association, or for the public.
- (e) Membership: Violation of the Code of Ethics. The Association will not grant membership to an applicant that has a pending sanction imposed by any another association of REALTORS® for a violation of the Code of Ethics. The Association may reconsider the application for membership of such applicant upon the earliest to occur of (i) the issuance of the final finding of the Code of Ethics violation and the full compliance by the applicant with any disciplinary obligations imposed in connection therewith, and (ii) six (6) months from the date that provisional membership was approved if the Code of Ethics violation has not been resolved. Provisional members shall be considered REALTORS® and shall be subject to all of the same privileges and obligations of REALTOR® membership. Within any application for membership the applicant shall disclose any and all information related to:

- All final findings of Code of Ethics violations and violations of other membership duties in any other association within the past three (3) years;
- Pending ethics complaints or hearings;
- Unfulfilled or pending disciplinary obligations of the applicant;
- Pending arbitration requests or hearings;
- Unpaid arbitration awards or any other unpaid financial obligations owed by the applicant to any other association of REALTORS® or MLS association for a violation of the Code of Ethics; and
- Misuse of the term REALTOR® or REALTORS® by the applicant or by the applicant's firm.

Section 5.3 Election of Members. The procedure for election to membership shall be as follows:

- (a) The Chief Executive Officer (or duly authorized designee) shall determine whether the applicant is applying for the appropriate class of membership.
- (b) 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 ninety (90) days from the association's receipt of their application, membership may, at the discretion of the Board of Directors, be terminated. In such instances, local 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. The Board of Directors shall vote on the applicant's eligibility for membership. If the applicant receives a majority vote of the Board of Directors, he/she shall be declared elected to membership and shall be advised by written notice.
- (c) The Board of Directors may not reject an application without providing the applicant with advance notice of the findings, an opportunity to appear before the Board of Directors, to call witnesses on his/her behalf, to be represented by counsel, and to make such statements as he/she deems relevant. The Board of Directors may also have counsel present. The Board of Directors shall require that written minutes be made of any hearing before it or may electronically or mechanically record the proceedings.
- (d) If the Board of Directors determines that the application should be rejected, it shall record its reasons with the Chief Executive Officer (or duly authorized designee). If the Board of Directors believes that denial of membership to the applicant may become the basis of litigation and a claim of damage by the applicant, it may specify that denial shall become effective upon entry in a suit by the association for a declaratory judgment by a court of competent jurisdiction of a final judgment declaring that the rejection violate no rights of the applicant.

Section 5.4 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 (30) 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 (1) year or less.

Failure to satisfy this requirement within one hundred eighty (180) days of the date of application (or, alternatively, the date that provisional membership was granted), will result in denial of the membership application or termination of provisional membership.

Section 5.5 Continuing REALTOR® Code of Ethics Training. Effective January 1, 2019, through December 31, 2021, and for successive three (3) year periods thereafter, each REALTOR® member of the Association (with the exception of REALTOR® members granted REALTOR® Emeritus status by the National Association) shall be required to complete ethics training of not less than two (2) hours and thirty (30) 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 REALTOR® Association, the State Association of REALTORS®, or the National Association of REALTORS®, 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 Member Code of Ethics Orientation during any three-year cycle shall not be required to complete additional ethics training until a new three (3) year cycle commences.

Failure to satisfy the required periodic ethics training shall be considered a violation of a membership duty. Failure to meet the requirement in any three (3) year cycle will result in suspension of membership for the first two months (January and February) of the year following the end of any three (3) year cycle or until the requirement is met, whichever occurs sooner. On March 1 of that year, the membership of a member who is still suspended as of that date will be automatically terminated.

Section 5.6 Status Changes.

- (a) A REALTOR® who changes the conditions under which he/she holds membership shall be required to provide written notification to the Association within thirty (30) 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 of the privileges and obligations of a REALTOR® (principal). If the REALTOR® (non-principal) does not satisfy the requirements established in these Bylaws for the category of membership to which they have transferred within thirty (30) 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® (or REALTOR-ASSOCIATE®, where applicable) 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 ten (10) days of the date the board 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 qualification which the applicant has already fulfilled in accordance with the Association's 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 member is notified of election by the Board of Directors and shall be based on the new membership status for the remainder of the year.

ARTICLE VI

Privileges of Members

Section 6.1 General. The privileges of members, in addition to those otherwise provided in these Bylaws and Policies of the Association, shall be as specified in this Article. Every person who hereafter applies for membership and is accepted as a member and each member of the Association on the date this Bylaw is adopted who continues as a member after such date shall, by such act alone, consent to be bound and abide by all of the terms and provisions of these Bylaws and Policies of the Association and all duties of membership.

Section 6.2 Privileges of REALTOR® Members. REALTOR® members, whether primary or secondary, in good standing are entitled to vote and to hold elective office in the Association and may use the term REALTOR®. For purposes of this section, the term "good standing" means the member satisfies the "Obligations of REALTOR® Members", is current with all financial and disciplinary obligations to the association and MLS, has completed any new member requirements, and complies with NAR's trademark rules.

Section 6.3 Institute Affiliate Members. Institute Affiliate Members shall have rights and privileges and be subject to obligations as may, from time to time, be prescribed by the

Board of Directors 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 Member may be granted the right to use the term 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.

Section 6.4 Affiliate Members. Affiliate members shall have such rights and privileges and be subject to such obligations as may, from time to time, be prescribed by the Board of Directors.

Section 6.5 Public Service Members. Public service members shall have such rights and privileges and be subjected to such obligations as may, from time to time, be prescribed by the Board of Directors.

Section 6.6 Honorary Members. Honorary membership shall confer only the right to attend meetings and participate in discussions.

Section 6.7 Discipline of REALTOR® Members. Any REALTOR® member of the Association may be disciplined by the Board of Directors for violations of the Code of Ethics or other duties of membership, after a hearing as described in the *Code of Ethics and Arbitration Manual* of the Association, provided that the discipline imposed is consistent with the discipline authorized by the Professional Standards Committee of the National Association of REALTORS® as set forth in the *Code of Ethics and Arbitration Manual* of the National Association.

ARTICLE VII Professional Standards and Arbitration

Section 7.1 Enforcement of the Code. The responsibility of the Association and of Association members relating to the enforcement of the Code of Ethics, the disciplining of members, and the arbitration of disputes, and the organization and procedures incident thereto shall be governed by the Code of Ethics and Arbitration Manual of the National Association of REALTORS®, as amended from time to time, which is by this reference incorporated into these Bylaws, provided, however, that any provision deemed inconsistent with state law shall be deleted or amended to comply with state law.

Section 7.2 Obligation of REALTOR® Members. It shall be the duty and responsibility of every REALTOR® member of this Association to safeguard and promote the standards, interests, and welfare of the association and the real estate profession and to protect against conduct that may cause a lack of public confidence in the real estate profession or in REALTORS®. REALTOR® members also must abide by the governing documents and policies of the Association, the State Association, and the *National Association of REALTORS®*, as well as 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 in accordance with the procedures set forth in the Code of Ethics and Arbitration Manual. Every REALTOR® member shall maintain a high level of integrity and adhere to the association's membership criteria. Any violent act or threat of violence to person or property, hateful conduct, or acts of moral turpitude impacting the public shall not be tolerated and may be cause for disciplinary action, up to and including termination of membership.

ARTICLE VIII REALTOR® and REALTORS®

Section 8.1 Use Subject to NAR. Use of the terms REALTOR® and REALTORS® by members shall, at all times, be subject to the provisions of the Constitution and Bylaws of the National Association of REALTORS®, and to the Rules and Regulations prescribed by its Board of Directors. The Association shall have authority to control, jointly and in full cooperation with the National Association of REALTORS®, use of the terms within its jurisdiction. Any misuse of the terms by members is a violation of a membership duty and may subject members to disciplinary action by the Board of Directors after a hearing as provided for in the Association's Code of Ethics and Arbitration Manual.

Section 8.2 REALTOR® Members. REALTOR® members of the Association shall have the privilege of using the terms REALTOR® and REALTORS® in connection with their places of business within the state or a state contiguous thereto, so long as they remain REALTOR® members in good standing. No other class of members shall have this privilege.

Section 8.3 Principals of Firm. A REALTOR® principal member may use the terms REALTOR® and REALTORS®, only if all the principals of such firm, partnership, or corporation who are actively engaged in the real estate profession within the state or a state contiguous thereto are REALTOR® members or Institute Affiliate Members.

In the case of a REALTOR® member whose business activity is substantially all commercial, the right to use the term REALTOR® or REALTORS® shall be limited to office locations in which a principal, holds REALTOR® membership. If a firm, partnership, or corporation operates additional places of business in which no principal, holds REALTOR® membership, the term REALTOR® or REALTORS® may not be used in any reference to those additional places of business.

Section 8.4 Institute Affiliate Members. Institute Affiliate Members shall not use the terms REALTOR® or REALTORS®, nor the imprint of the emblem seal of the National Association of REALTORS®.

Section 8.5 Affiliate Members. Affiliate members shall not use the terms REALTOR® or REALTORS®, nor the imprint of the emblem seal of the National Association of REALTORS®.

ARTICLE IX

State and National Memberships

Section 9.1 NAR and WAR Membership. The Association shall be a member of the National Association of REALTORS® and the Washington Association of REALTORS®. By reason of the Association's status as a "Member Board" (as defined in Article III, Section 1(B) of the Constitution of the National Association of REALTORS®), each REALTOR® member of the Association (as a Member Board) shall be entitled to membership in the National Association of REALTORS® and the Washington Association of REALTORS® without further payment of dues. The Association shall continue as a member of the State and National Associations, unless by a majority vote of all of its REALTOR® members, decision is made to withdraw, in which case the State and National Associations shall be notified at least one month in advance of the date designated for the termination of such membership.

Section 9.2 Trademarks. 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, 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 NAR Policies. The Association adopts the Code of Ethics of the National Association of REALTORS® and agrees to enforce the 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.

ARTICLE X

Dues and Financial Obligations

Section 10.1 Application Fee. The Board of Directors may adopt an application fee for REALTOR® membership in reasonable amount, not exceeding three (3) times the amount of the annual dues for REALTOR® membership which shall be required to accompany each application for REALTOR® membership and which shall become the property of the Association upon final approval of the application.

Section 10.2 Dues.

(a) Designated REALTOR® Member Dues. The annual 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 salespersons, brokers and licensed or certified appraisers who (1) are employed by or affiliated as independent contractors, or who are otherwise directly or indirectly licensed with such REALTOR® member, and (2) are not

REALTOR® members of any association in the state or a state contiguous thereto, or Institute Affiliate Members of the Association. In calculating the dues payable to the Association by a designated REALTOR® member, non-member licensees as defined in (1) and (2) of this paragraph 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. In the case of a designated REALTOR® Member in a firm, partnership, or corporation whose business activity is substantially all commercial, any assessments for non-member licensees shall be limited to licensees affiliated with the designated REALTOR® (as defined in (1) and (2) of this paragraph) in the office where the designated REALTOR® holds membership, and any other offices of the firm located within the jurisdiction of this Association.

A REALTOR® member of the Association (as a Member Board) shall be held to be any member who has a place or places of business within the state or a state contiguous thereto and who, as a principal 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 provided that such licensee is not otherwise included in the computation of dues payable by the principal of the entity.

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

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

Membership dues shall be prorated for any licensee included on a certification form submitted to the Association who during the same calendar year applies for REALTOR® membership in the Association. However, membership dues shall not be prorated if the licensee held REALTOR® membership during the preceding calendar year.

- (b) REALTOR® Member Dues. The annual dues of REALTOR® members other than the designated REALTOR® shall be as established annually by the Board of Directors.
- (c) Institute Affiliate Member Dues. The dues of each Institute Affiliate member shall be as established in Article II of the Bylaws of the National Association of REALTORS®.

Section 10.3 Capital Expenditures. The Board of Directors shall administer the day-to-day finances of the Association. A capital expenditure in excess of Two Hundred Thousand and No/100 dollars (\$200,000.00) must be authorized by a majority of the quorum of members at a meeting of the members for which such proposed capital expenditures is submitted for approval.

ARTICLE XI

Directors

Section 11.1 Number of Directors. As of the date of adoption of these Restated Bylaws, the Board of Directors is comprised of fifteen (15) directors.

Section 11.2 Classification and Term of Directors. The President, immediate Past-President, President-Elect, First Vice President and Treasurer of the Association shall all be members of the Board of Directors. The term of the directorship of the President, President-Elect, First Vice President and Treasurer shall coincide with the term for which they hold those Association offices. The term of the directorship of the immediate Past-President shall be the elective year following the elective year in which such individual held the office of President. The remaining ten (10) directors shall be divided into two term classes, with five (5) directors in each term class serving staggered directorship terms of two (2) years (with directorships associated with one term class filled in even years and the directorships associated with the other term class filled in odd years). No director other than a director who is the President, immediate Past-President, President-Elect, First Vice President or Treasurer may hold a directorship position for more than two (2) consecutive terms. One (1) full term must pass between the expiration of such individual's second consecutive term and re-appointment to the Board of Directors. All directors shall hold office as directors for the term for which they are elected and until their successors shall have been elected and qualified, unless sooner removed in accordance with these Bylaws and the Policies of the Association. All directors must be REALTOR® members of the Association.

Section 11.3 Powers of Directors. The business and affairs of the Association shall be managed by the Board of Directors.

The Board of Directors is hereby vested with all the powers possessed by the Association itself in the management and control of the property, business, and affairs of the Association, so far as this delegation of authority is not inconsistent with the laws of the State of Washington, the Articles of Incorporation of the Association, Policies of the Association, or these Bylaws. The Board of Directors may establish reasonable rules and regulations governing duties of membership, the operations of the Association and the professional conduct of the REALTOR® members and nonresident members of the Association, which shall be set forth in the Code of Ethics and Arbitration Manual of the Association. The Board of Directors may establish a form of written Membership Agreement for each class of membership and require execution thereof by all members and may establish a form of written Multiple Listing Participants Agreement and require execution thereof by all Multiple Listing Participants and may establish reasonable terms and provisions of such agreements.

Section 11.4 Quorum. A majority of the directors of the Board who are then in office shall constitute a quorum at a meeting of the Board of Directors. If a quorum is present, the affirmative vote of the majority of the directors present at the meeting shall be the act of the Board of Directors. If a majority of the Board of Directors is not present, the minority may adjourn the meeting from day to day, but until a quorum is secured, may transact no business.

Section 11.5 Meeting of Directors. The regular and special meetings of the Board of Directors shall be held at such time and place as the President may from time to time designate. Meetings of the Board of Directors shall be held upon the call of the President or upon the call of any five (5) of the directors. All directors may participate in a regular or special meeting, or conduct the meeting through the use of, one or more means of remote communication through which all of the directors may simultaneously participate with each other during the meeting. A director participating in a meeting by this means is considered present in person at the meeting. For any meeting at which one (1) or more directors may participate by means of remote communication, notice of the meeting must provide complete instructions for participating in the meeting by remote communication.

Section 11.6 Notice. Regular meetings of the Board of Directors may not be held without notice. Notice of any special meeting of the Board of Directors shall be given by written notice (i) placed in the United States mail, postage prepaid, addressed to each director at the address appearing in the records of the Association; (ii) sent to each director by facsimile transmission at the number appearing in the records of the Association; (iii) by publication in any official publication of the Association, mailed or published not less than three (3) days before such meeting or (iv) by electronic transmission if the Association complies with the requirements of RCW 24.03A.555 or successor statute. If notice is electronically transmitted, it will be deemed to have been received when it is sent to the email address given by such person to the First Vice President even if

no individual is aware of its receipt. Notice of a special meeting shall be given not less than forty-eight (48) hours before the date of the meeting and shall include the date, time, and place of the special meeting and a description of the purpose for which the meeting is called. In the case of an emergency, the President may prescribe a shorter notice to be given telephonically or in person. Notice of any meeting of the Board of Directors may be waived in writing at any time.

Section 11.7 Removal and Resignation. A director may be removed from office at a meeting of the membership called expressly for that purpose, with or without cause, by a vote of a majority of the members present at the meeting. The absence of a director from three consecutive meetings of the Board of Directors shall constitute a resignation of the directorship of such director and a resignation of any Association office which such director then holds. A director may resign at any time by filing a written resignation with the First Vice President of the Association.

Section 11.8 Vacancies. Any vacancy occurring in the directorships held by the President, President-Elect, First Vice President or Treasurer shall be filled by the successor to such Association office elected in the manner hereinafter provided. Any other vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining directors, though less than a quorum of the Board of Directors, and each person so elected shall be elected for the unexpired term of the predecessor in office of such person.

Section 11.9 Executive Committee. The President, President-Elect, First Vice President, Treasurer and immediate Past-President shall constitute the Executive Committee of the Board of Directors. Subject to the restrictions and limitations imposed by law and such additional restrictions and limitations as may be imposed by the Board of Directors, the Executive Committee shall have and may exercise all of the authority of the Board of Directors. The President shall act as presiding officer of the Executive Committee. Minutes of all meetings of the Executive Committee must be taken and read at the next meeting of the Board of Directors. A quorum of the Executive Committee shall consist of not less than three members thereof. If a quorum is present, the affirmative vote of a majority of the committee members present at the meeting shall be act of the Executive Committee.

ARTICLE XII

Officers

Section 12.1 Designation. The officers of the Association shall consist of the President, President-Elect, First Vice President and Treasurer. The President, President-Elect and First Vice President shall each hold office for a term of one year. The Treasurer shall hold office for a term of two (2) years. All of the officers of the Association shall hold office for the term for which they are elected and until their successors are elected and qualified, unless sooner removed in accordance with these

Bylaws. The duties of the officers shall be such as their titles by general usage would indicate, and those enumerated herein and as further designated by the Board of Directors. No two offices may be held by the same person; provided that if the office of President becomes vacant and the then President-Elect is elected by the Board of Directors to succeed to said office, the same person shall hold both offices for the remainder of the elective year in which such event occurs. The President-Elect shall automatically succeed to the office of the President upon expiration of the elective year in which such individual holds the office of President-Elect. If, however, the office of President-Elect is vacant at the time of the annual elections, both a President and a President-Elect shall then be elected by the membership.

Section 12.2 President. The President shall preside at all meetings of the members and of the Board of Directors. The President shall have general supervision over the business and affairs of the Association. The President shall perform all of the duties and have all of the powers commonly incident to the office of the President and shall perform such other duties and have such other powers as the Board of Directors shall properly designate.

Section 12.3 President-Elect. The President-Elect shall perform the duties and have the powers of the President during the absence or disability of the President. The President-Elect shall perform such other duties and have such other powers as the President or the Board of Directors shall properly designate.

Section 12.4 First Vice President. The First Vice President shall perform all the duties and have all the responsibilities commonly incident to the office of the "secretary", as such term is used in RCW 24.03A.585, and shall perform such other duties and have such other powers as the President of the Board of Directors shall properly designate.

Section 12.5 Treasurer. The Treasurer shall be responsible for the funds and securities of the Association and shall keep, or cause to have kept, correct and complete books and records of account thereof. The Treasurer shall perform all duties and have all the powers commonly incident to the office of the Treasurer and shall perform such other duties and have such other powers as the President or the Board of Directors shall properly designate.

Section 12.6 Removal and Resignation. Any officer may be removed from office at a meeting of the membership expressly called for that purpose, with or without cause, by a vote of a majority of the members present at the meeting. An officer may resign at any time by filing a written resignation with the First Vice President of the Association.

Section 12.7 Vacancies. Any vacancy occurring in any Association office other than that of President-Elect may be filled by the affirmative vote of a majority of the Board of Directors, and each person so elected shall be elected for the unexpired term of the predecessor in office of such person. Any vacancy occurring in the office of President-Elect may be filled

only by a vote of the membership and, if not so filled, said office shall remain vacant until the next annual meeting of the membership.

ARTICLE XIII

Election Procedures

Section 13.1 Qualifications. No nominee for election for an office of the Association or for the Board of Directors shall be qualified or balloted except as provided in this Article. The President-Elect shall serve as President for the next succeeding elective year unless the office of President-Elect is then vacant, in which case nominations shall be made for both the office of President and the office of President-Elect. To be eligible for election as the President or President-Elect, nominees must have previously been elected by vote of the membership as a member of the Board of Directors and have served in that position not less than one (1) of the five (5) years prior to the time of the election or are currently serving, or have served not less than one (1) year prior to the time of the election, as a Director of Washington REALTORS® or the National Association of REALTORS®. Nominees for First Vice President shall have served not less than one (1) year on the Board of Directors within the five (5) years prior to the time of the election. Nominees for Treasurer shall have served not less than one (1) year on the Budget and Finance Committee or the Board of Directors within the five (5) years prior to the time of the election. Nominees for directorships must be REALTOR® members of the Association who have: (i) served on a minimum of two (2) standing committees within the seven (7) years prior to the time of taking office; (ii) served on one (1) standing committee within the three (3) years prior to the time of taking office; or (iii) who are currently serving, or within the one (1) year prior to the time of taking office have served, as President of the Young Professionals Network or President of the Women's Council of REALTORS®. If a candidate has served on only one (1) standing committee within the three (3) years prior to the time of taking office, that candidate must also attend two (2) Board of Directors meetings within the twelve months prior to the time of the election.

Section 13.2 Nominating Committee. The Nominating Committee shall be comprised of seven (7) REALTOR® members. The then President of the Association shall be a member of the Committee and shall serve as its Chairperson. The remaining six (6) members of the Nominating Committee shall be the immediate Past-President, the President-Elect, one (1) current member of the Board of Directors whose term is not expiring at the forthcoming annual meeting of the membership, and three (3) REALTOR® members who are not members of the Board of Directors. If any of such members of the Nominating Committee are unable or unwilling to serve as such, the vacancy shall be filled by appointment by the Chairperson of the Nominating Committee. The Board of Directors member shall be elected by the Board of Directors not less than six (6) months prior to the annual meeting of the membership. The

three (3) REALTOR® members shall be nominated and elected by the membership at the first member meeting of the year. Not less than three (3) months prior to the annual meeting of the membership, the Nominating Committee shall submit a slate of candidates for the Association offices and directorships, to be filled at the forthcoming meeting of the membership, in writing, to all of the REALTOR® members of the Association. Such submission shall be deemed a nomination of each person named for the office or position for which each is named. Not less than twenty (20) nor more than forty (40) days prior to the date of the annual meeting of the membership, additional candidates may be nominated by the REALTOR® members of the Association for such positions; provided, however, that no such nominee shall be qualified or balloted unless such nominee shall have been endorsed, in writing, for such position by a minimum of fifteen (15) other REALTOR® members. Such written endorsement, together with a statement by the nominee that such nominee is willing to serve, must be delivered to the Secretary of the Association not less than nineteen (19) days prior to the date of the annual meeting of the membership. No nominee shall be qualified or balloted unless nominated by the Nominating Committee or by the REALTOR® members in the manner herein provided.

Section 13.3 Elections. All elections shall be conducted in the manner herein provided. All qualified nominees for all elective positions to be filled shall be balloted simultaneously. Each REALTOR® member shall have the right to vote for as many persons as there are elective positions to be filled. Elections shall be by written or electronically transmitted ballot, not by voice vote. Elections shall be conducted as follows:

- (a) Ballots. A ballot containing the names of all qualified nominees announced for the elective positions to be filled at the annual meeting of the membership shall be mailed or delivered to each of the REALTOR® members of the Association not less than fifteen (15) days prior to the annual meeting of the membership. Ballots shall be submitted by the REALTOR® members of the Association by mail or delivery thereof to the Chief Executive Officer of the Association and to be effective must be received by the Chief Executive Officer not later than the close of business on the day before the date of the annual meeting of the membership. Any ballot received by the Chief Executive Officer after the close of business on the day before the annual member meeting of the year shall be of no force or effect. Once a member submits a ballot to the Association, such ballot may not be revoked. Delivery of ballots may be accomplished via electronic transmission, if the Corporation complies with the requirements of RCW 24.03A.455 and RCW 24.03A.480 or successor statutes.
- (b) Voting for Directors. At all elections of directors, each REALTOR® member shall be entitled to as many votes as shall equal the number of directors to be elected, but no member may give more than one vote to any single nominee, the right to cumulative voting being expressly

denied with respect to all elective positions. Any tie vote shall be resolved the flip of a coin by the Chair of the Nominating Committee.

- (c) Dates. If any date specified in this Section or the preceding Section hereof falls on a Saturday, Sunday, holiday observed by the Association, or other day on which the Association is not open for business to the general public, the date on which such action must be taken shall instead be the next business day on which the Association is open to the public.

ARTICLE XIV

Multiple Listing Service

Section 14.1 Authority. The Association shall maintain a Multiple Listing Service ("MLS") for the use of its members, which shall be subject to the provisions of the Policies of the Association, these Bylaws and the MLS Rules and Regulations.

Section 14.2 Purpose. The MLS is a means by which cooperation among MLS Participants is enhanced; by which information is accumulated and disseminated to enable authorized MLS Participants to prepare appraisals, analyses, and other valuations of real property for bona fide clients and customers; by which such MLS Participants engaging in real estate appraisal contribute to common databases, and is a facility for the orderly correlation and dissemination of listing information so MLS Participants may better serve their clients and the public.

Section 14.3 Participation. Any REALTOR® member of the Spokane Association of REALTORS®, or any other Association/Board who is a principal of a real estate firm or a managing broker or branch manager acting on behalf of such a principal, and who is licensed as a real estate managing broker without further qualification, shall be eligible to participate in the MLS upon agreeing in writing to conform to the MLS Rules and Regulations, and to pay the costs incidental thereto. Each qualified REALTOR® member who shall have so agreed in writing shall be deemed an "MLS Participant". Under no circumstances is any individual or firm, regardless of membership status, entitled to multiple listing service membership or participation unless they hold a current, valid real estate managing broker's license and cooperate or are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property. Cooperation is the obligation to share information on listed property and to make property available to other brokers for showing to prospective purchasers and tenants when it is in the best interests of their clients. Licensees who are not MLS Participants but are employed by or affiliated as independent contractors with an MLS Participant may have access to and use of the MLS through the MLS Participant with whom they are affiliated; provided that no such licensee shall be given possession or use of a Lock Box key unless such licensee and such MLS Participant shall have first executed a Lock Box Agreement. The

terms and provisions of such Lock Box Agreement shall be established by the MLS Rules and Regulations. Licensed or certified real estate appraisers who are REALTOR® members of the Spokane Association of REALTORS® shall have access to and use of information from the MLS under such terms and conditions as are from time to time established in the MLS Rules and Regulations. Use of information developed by or published by the MLS is strictly limited to the activities authorized by a MLS Participant's licensure(s) and unauthorized use thereof by any person is prohibited. Further, none of the foregoing is intended to convey "MLS Participation" or any right of access to information developed or published by the MLS where such access is prohibited by law.

Note: Mere possession of a managing broker's license is not sufficient to qualify for MLS participation. Rather, the requirement that an individual or firm cooperates 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, shares information on listed property, and makes property available to other brokers for showing to prospective purchasers and tenants when it is in the best interests of their client. "Actively" means on a continual and on-going basis during the operation of the Participant's real estate business. The "actively" requirement is not intended to preclude MLS participation by a Participant or potential Participant that operates a real estate business on a part time, seasonal, or similarly time-limited basis or that has its business interrupted by periods of relative inactivity occasioned by market conditions. Similarly, the requirement is not intended to deny MLS participation to a Participant or potential Participant who has not achieved a minimum number of transactions despite good faith efforts. Nor is it intended to permit an MLS to deny participation based on the level of service provided by the Participant or potential Participant as long as the level of service satisfies state law.

The key is that the Participant or potential Participant cooperate with respect to properties of the type that are listed on the MLS in which participation is sought. Cooperation is the obligation to share information on listed property and to make property available to other brokers for showing to prospective purchasers and tenants when it is in the best interests of their client(s). This requirement does not permit an MLS to deny participation to a Participant or potential Participant that operates a Virtual Office Website ("VOW") (including a VOW that the Participant uses to refer customers to other Participants) if the Participant or potential Participant actively endeavors to cooperate. An MLS may evaluate whether a Participant or potential Participant "actively endeavors during the operation of its real estate business" to "offer or accept cooperation and compensation" only if the MLS has a reasonable basis to believe that the Participant or potential Participant is in fact not doing so.

The membership requirement shall be applied on a nondiscriminatory manner to all Participants and potential Participants.

A Participant in the MLS may terminate their participation in the MLS at any time by filing a written notice of such termination with the First Vice President of the Association.

Section 14.4 Supervision. The Multiple Listing Service shall be operated under the supervision of the MLS Steering Committee, in accordance with the MLS Rules and Regulations. Changes to the MLS Rules and Regulations may be proposed by either the MLS Steering Committee or by the Board of Directors of the Spokane Association of REALTORS®. Any change in the MLS Rules and Regulations shall become effective upon approval by the Board of Directors. Any violation of the MLS Rules and Regulations shall constitute a violation of a duty of membership.

Section 14.5 MLS Participants Committee. The membership of the MLS Participants Committee shall be comprised of all of the MLS Participants and the President of the Association. The committee shall meet at least once per calendar year and more often at the discretion of the Committee Chairperson or upon the written request of ten (10) Committee members. Each year the members of the MLS Participants Committee shall elect a Chairperson-Elect to serve as Chairperson of the MLS Participants Committee for the following year. If, however, the position of Chairperson- Elect is vacant at the time of the annual election, the members of the MLS Participants Committee shall elect both a Chairperson and a Chairperson-Elect. Each member of the MLS Participants Committee shall have one vote for each election of a Chairperson-Elect, and if the office of Chairperson is vacant, one vote for each election of a Chairperson. Each member of the MLS Participants Committee will be assigned to one (1) of three (3) divisions within the MLS Participants Committee, with each division comprised of approximately thirty-three percent (33%) of members of the MLS Participants Committee. The MLS Steering Committee shall assign any new Committee member to a division and on an annual basis, may reassign Committee members to divisions, based on the number of licensees receiving service from the MLS on September 1 of such calendar year. The Board of Directors must approve of the number of Committee members assigned to each division.

Section 14.6 MLS Steering Committee. The MLS Steering Committee shall be comprised of the Chairperson, the Immediate Past Chairperson, the Chairperson-Elect of the MLS Participants Committee, the President of the Association and eight (8) additional Committee members who are MLS Participants. Each division of the MLS Participants Committee, voting separately, shall elect two (2) of the additional Committee members (i.e., six (6) additional Committee members will be elected in this manner, each of which is referred to below as a “division” member of the MLS Steering Committee) and all three (3) divisions of the MLS Participants Committee, voting collectively, shall elect the remaining two (2) additional Committee members (each of which is referred to below as an “at large” member of the MLS Steering Committee). Each member of the MLS Participants Committee will have one vote for each division member of the MLS

Steering Committee to be elected by such member’s division, and one vote for each at large member of the MLS Steering Committee, but no person may vote more than once for any one nominee, cumulative voting being expressly denied. Members of the MLS Steering Committee shall serve staggered terms of two (2) years; with one of each division member and one at large member elected in even years and one of each division member and one at large member elected in odd years. The forgoing notwithstanding, for the first election following the adoption of these Bylaws, all eight (8) additional MLS Steering Committee members shall be elected and the Board of Directors shall determine which individuals shall serve one-year terms and which individuals shall serve two-year terms. The Chairperson of the MLS Participants Committee shall serve as Chairperson of the MLS Steering Committee. The MLS Steering Committee shall meet at least once per calendar quarter and more often at the discretion of the Chairperson or upon written request of the President or Board of Directors of the Association. Each member of the MLS Steering Committee shall have one vote at the Committee meetings.

ARTICLE XV Committees

Section 15.1 Budget and Finance Committee. The Association shall maintain a Budget and Finance Committee.

Section 15.2 Professional Standards Committee. The Association may maintain a Professional Standards Committee.

Section 15.3 Standing Committees. The President may appoint, subject to confirmation by the Board of Directors, such standing committees as the President may deem appropriate.

Section 15.4 Special Committees. The President may appoint, subject to confirmation by the Board of Directors, such special committees as the President may deem appropriate.

Section 15.5 Organization. All committees shall be either board committees or advisory committees in accordance with RCW 24.03A.575 and shall be subject to the duties and limitations assigned by the President or the Board of Directors. The appointment and operation of all committees shall be consistent with the Policies.

ARTICLE XVI Chief Executive Officer

Section 16.1 Appointments. The Board of Directors shall select, appoint and determine the terms of employment of the Chief Executive Officer of the Association.

Section 16.2 Authority and Duties. Subject to the control of the officers and the Board of Directors of the Association, the Chief Executive Officer is granted the power to supervise and control

the ordinary business affairs of the Association. The Chief Executive Officer shall have the authority to appoint or discharge such employees and agents of the Association as the Chief Executive Officer may deem necessary and advisable and prescribe their powers, duties and compensation, and to delegate authority to them. The Chief Executive Officer shall be responsible for implementation of all policies adopted by the Board of Directors. In all cases of dispute of authority or uncertainty of the proper interpretation of the Bylaws, Policies of the Association, or Rules and Regulations of the Association, the decision of the Chief Executive Officer shall be governing until a ruling may be rendered by the Board of Directors or appropriate Committee of the Association. In addition to the foregoing, the Chief Executive Officer shall be responsible to maintain the physical assets of the Association, work with the Budget and Finance Committee to prepare the annual budget and make recommendations for amendments to the governing documents to the Board of Directors.

ARTICLE XVII

Fiscal and Elective Year

The fiscal and elective year of the Association shall begin on the first day of January of each calendar year and shall end on the last day of December of each calendar year. All officers, directors, and elected committee members shall hold office for a term coinciding with the elective year or elective years for which they have been elected. All appointed committee members shall hold office for the elective year for which they are appointed. All terms of office shall commence on the first day of such elective year without regard to formal installation.

ARTICLE XVIII

Transactions with Members

The Association may enter into contracts and otherwise transact business with its officers, directors, committee members, and members and with corporations, associations, firms, and entities in which they are or may become interested, as freely as though such adverse interests did not exist, even though the vote, action, or presence of such officer, director, committee member, or member may be necessary to obligate the Association upon such contracts or transactions. In the absence of fraud, no such contract or transaction shall be voided and no such officer, director, committee member, or member shall be held liable to account to the Association by reason of such adverse interests or by reason of any fiduciary relationship to the Association; provided that the nature of such interest be disclosed or known to the Board of Directors of the Association at any meeting thereof at which such contract or transaction is authorized or confirmed. A general notice that an officer, director, committee member, or member of the Association is interested in any corporation, association, firm, or entity shall be sufficient disclosure with respect to all

contracts and transactions with that corporation, association, firm, or entity.

ARTICLE XIX

Indemnification

Section 19.1 Indemnification of Directors and Officers. Each person who was or is made a party or is threatened to be made a party to or is involved (including, without limitation, as a witness) in any actual or threatened action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such person is or was a director or officer of the Association or, being or having been such a director or officer, is or was serving at the request of the Association as director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, trade association or other enterprise (including service with respect to any employee benefit plan) shall be indemnified and held harmless by the Association to the maximum extent and under all circumstances permitted by applicable law as then in effect, against all expense, liability and loss (including, without limitation, attorney fees, judgments, fines, ERISA excise taxes or penalties and amounts to be paid in settlement) actually and reasonably incurred or suffered by such person in connection therewith. Each such person shall be so indemnified regardless of whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee or agent or in any other capacity while serving as a director or officer. Such indemnification shall continue as to a person who has ceased to be a director or officer and shall inure to the benefit of such person's heirs, executors and administrators. No indemnification shall be provided under this Article, however, to any such person if the Association is prohibited by applicable law as then in effect from paying such indemnification. The right of indemnification conferred in this Section shall be a contract right and shall include the right to be paid by the Association for reasonable expenses incurred in defending any such proceeding in advance of its final disposition; provided, however, that the payment of such expense in advance of the final disposition of a proceeding shall be made to or on behalf of a director or officer only upon delivery to the Association of an undertaking, by or on behalf of such director or officer, to repay all amounts so advanced if it is ultimately determined that such director or officer is not entitled to be indemnified under this Article or otherwise, which undertaking may be unsecured and may be accepted without reference to financial ability to make repayment.

Section 19.2 Indemnification Rights Non-Exclusive. The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Article shall not be exclusive of any other right which any person may have or hereafter acquire under any stature, provision of the Association's Articles of Incorporation, Bylaws, Policies of the Association, agreement, vote of members, vote of disinterested directors or otherwise. The

limitations on personal liability of directors shall be as set forth in the Articles of Incorporation of the Association.

Section 19.3 Insurance and Contracts. The Association may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Association or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Association would have the power to indemnify such person against such expense, liability or loss under the Washington Nonprofit Corporation Act. The Association may enter into contracts with any director or officer of the Association in furtherance of the provisions of this Article and may create a trust fund, grant a security interest or use other means (including, without limitation, a letter or credit) to ensure the payment of such amounts as may be necessary to effect indemnification as provided in this Article.

Section 19.4 Indemnification of Employees and Agents. The Association may, by action of its Board of Directors from time to time, provide indemnification and pay expenses in advance of the final disposition of a proceeding to employees and agents of the Association with the same scope and effect as the provisions of this Article with respect to the indemnification and advancement of expenses of directors and officers of the Association or pursuant to rights granted under or provided by the Washington Nonprofit Corporation Act or otherwise. As a further condition of such indemnification the Association must be granted the right of prior approval of any settlement or compromise of any disputed claim.

ARTICLE XX

Amendments

Section 20.1 Vote Required. These Bylaws may be amended by two-thirds of the quorum of members at a meeting for which such proposed amendment is submitted for approval, provided the substance of such proposed amendment or amendments shall have been plainly stated in the call for the meeting, except that the Board of Directors may, at any regular or special meeting of the Board of Directors at which a quorum is present, approve amendments to the Bylaws which are mandated by NAR policy.

Section 20.2 Notice. Notice of all meetings at which amendments are to be considered shall be given to each REALTOR® member in the manner herein provided at least ten (10) days prior to the meeting.

Section 20.3 NAR Approval. Amendments to these Bylaws affecting the admission or qualification of REALTOR® members, the use of the terms REALTOR® and REALTORS®, or any alteration in the territorial jurisdiction of the Association shall become effective upon their approval as authorized by the Board of Directors of the National Association of REALTORS®.

ARTICLE XXI

Dissolution

Upon the dissolution or winding-up of the affairs of the Association, the Board of Directors, after providing for the payment of all obligations, shall distribute any remaining assets in accordance with the Articles of Incorporation of the Association. To voluntarily dissolve the Association, the Board of Directors must adopt a resolution recommending that the Association be dissolved and submit the dissolution to a member vote. The Association must give notice to all members, whether or not they are entitled to vote on dissolution, of the member meeting to consider dissolution. The members entitled to vote on dissolution must approve the dissolution by a majority of the members at a meeting where a quorum is present.

ARTICLE XXII

Definitions

The following terms, when used in these Bylaws, shall have the following meanings. The singular shall include the plural and the masculine shall include the feminine and neuter, and vice versa, as the context requires.

Section 22.1 Association. The term "Association" shall mean the Spokane Association of REALTORS®, a Washington nonprofit corporation.

Section 22.2 Licensee. The term "licensee" shall mean any person licensed as a real estate managing broker or real estate broker and shall also include any person who is a licensed or certified real estate appraiser. The terms "real estate managing broker" and "managing broker" shall mean any person licensed as a real estate managing broker pursuant to Chapter 18.85 of the Revised Code of Washington and shall also include any person who is actively engaged in the real estate profession outside of the State of Washington and is licensed or certified by an appropriate state regulatory agency to act in a comparable capacity. The terms "real estate broker" and "broker" shall mean any person licensed as a real estate broker pursuant to Chapter 18.85 of the Revised Code of Washington and shall also include any person who is actively engaged in the real estate profession outside of the State of Washington and is licensed or certified by an appropriate state regulatory agency to act in a comparable capacity. The terms "certified real estate appraiser" and "licensed real estate appraiser" shall mean any person who is a state-certified/licensed real estate appraiser pursuant to Chapter 18.140 of the Revised Code of Washington and shall also include any person who is actively engaged in the real estate profession outside of the State of Washington and is licensed or certified by an appropriate state regulatory agency to act in a comparable capacity.

Section 22.3 Mailing. The term "mailing" shall mean the depositing of a notice in the United States mail, postage prepaid, addressed to a member at the address of such

member appearing in the records of the Association. Any such notice shall be deemed to have been given and served as of the date of mailing thereof or, in the event such notice is personally served, as of the date of the personal delivery thereof.

Section 22.4 Official Publication. The term "official publication" shall mean any publication of the Association which has been designated by the Board of Directors as an official publication and which is delivered or mailed to the members of the Association. Any notice published therein shall be deemed to have been given and served as of the date of the delivery to the real estate firms which employ or affiliate with the members or the date of mailing of such publication.

Section 22.5 Principal. The term "principal" means any person who is actively engaged in the real estate profession and directly or indirectly owns an interest in a real estate firm. Said term shall include the owner of a sole proprietorship which is a real estate firm, all partners who are actively engaged in the real estate profession in a partnership which is a real estate firm, and all officers and shareholders who are actively engaged in the real estate profession in a corporation which is a real estate firm. Said term shall also include any person who is actively engaged in the real estate profession and has any direct or indirect ownership interest in any trust or any other entity or form of doing business which is a real estate firm.

Section 22.6 Real Estate Firm. The term "real estate firm" shall mean any person actively engaged in the real estate profession as a sole proprietorship, and any partnership, corporation, trust or any other entity or form of doing business which is actively engaged in the real estate profession.

Section 22.7 Real Estate Profession. The term "actively engaged in the real estate profession" shall mean that a principal, partner, corporate officer, agent, or employee of a real estate firm or an independent contractor affiliated with such a firm is actively engaged in conduct requiring a license or certificate as a real estate managing broker, real estate broker or real estate appraiser or is actively seeking to engage in the business of buying, selling, exchanging, renting or leasing, managing, appraising for others for compensation, or building, developing or subdividing real estate.

KNOW ALL PERSONS BY THESE PRESENTS: The undersigned, being the President and the First Vice President of the SPOKANE ASSOCIATION OF REALTORS®, do hereby certify that the above and foregoing Restated Bylaws were duly adopted on the date set forth below, and do now constitute the Bylaws of the Association.

IN WITNESS WHEREOF, the undersigned have hereunder set their hands and seals as of _____, 20_____.

SPOKANE ASSOCIATION OF REALTORS®, a Washington nonprofit corporation

By: _____
President

ATTEST: _____
First Vice President