




# THE LAW OF REAL ESTATE AGENCY

This pamphlet describes your legal rights in dealing with a real estate firm or broker. Please read it carefully before signing any documents.



The following is only a brief summary of the attached law.

- SEC. 1. Definitions.** Defines the specific terms used in the law.
- SEC. 2. Relationships between Brokers and the Public.** Prescribes that a broker who works with a buyer or tenant represents that buyer or tenant — unless the broker is the listing agent, a seller's subagent, a dual agent, the seller personally or the parties agree otherwise. Also prescribes that in a transaction involving two different brokers licensed to the same real estate firm, the firm's designated broker and any managing broker responsible for the supervision of both brokers, are dual agents and each broker solely represents his or her client — unless the parties agree in writing that both brokers are dual agents.
- SEC. 3. Duties of a Broker Generally.** Prescribes the duties that are owed by all brokers, regardless of who the broker represents. Requires disclosure of the broker's agency relationship in a specific transaction.
- SEC. 4. Duties of a Seller's Agent.** Prescribes the additional duties of a broker representing the seller or landlord only.
- SEC. 5. Duties of a Buyer's Agent.** Prescribes the additional duties of a broker representing the buyer or tenant only.
- SEC. 6. Duties of a Dual Agent.** Prescribes the additional duties of a broker representing both parties in the same transaction, and requires the written consent of both parties to the broker acting as a dual agent.
- SEC. 7. Duration of Agency Relationship.** Describes when an agency relationship begins and ends. Provides that the duties of accounting and confidentiality continue after the termination of an agency relationship.
- SEC. 8. Compensation.** Allows real estate firms to share compensation with cooperating real estate firms. States that payment of compensation does not necessarily establish an agency relationship. Allows brokers to receive compensation from more than one party in a transaction with the parties' consent.
- SEC. 9. Vicarious Liability.** Eliminates the liability of a party for the conduct of the party's agent or subagent, unless the principal participated in or benefited from the conduct or the agent or subagent is insolvent. Also limits the liability of a broker for the conduct of a subagent.
- SEC. 10. Imputed Knowledge and Notice.** Eliminates the common law rule that notice to or knowledge of an agent constitutes notice to or knowledge of the principal.
- SEC. 11. Interpretation.** This law establishes statutory duties which replace common law fiduciary duties owed by an agent to a principal.
- SEC. 12. Short Sale.** Prescribes an additional duty of a firm representing the seller of owner-occupied real property in a short sale.

## SECTION 1: DEFINITIONS.

Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Agency relationship" means the agency relationship created under this chapter or by written agreement between a real estate firm and a buyer and/or seller relating to the performance of real estate brokerage services.

(2) "Agent" means a broker who has entered into an agency relationship with a buyer or seller.

(3) "Broker" means broker, managing broker, and designated broker, collectively, as defined in chapter 18.85 RCW, unless the context requires the terms to be considered separately.

(4) "Business opportunity" means and includes a business, business opportunity, and goodwill of an existing business, or any one or combination thereof when the transaction or business includes an interest in real property.

(5) "Buyer" means an actual or prospective purchaser in a real estate transaction, or an actual or prospective tenant in a real estate rental or lease transaction, as applicable.

(6) "Buyer's agent" means a broker who has entered into an agency relationship with only the buyer in a real estate transaction, and includes sub-agents engaged by a buyer's agent.

(7) "Confidential information" means information from or concerning a principal of a broker that:

(a) Was acquired by the broker during the course of an agency relationship with the principal;

(b) The principal reasonably expects to be kept confidential;

(c) The principal has not disclosed or authorized to be disclosed to third parties;

(d) Would, if disclosed, operate to the detriment of the principal; and

(e) The principal personally would not be obligated to disclose to the other party.

(8) "Dual agent" means a broker who has entered into an agency relationship with both the buyer and seller in the same transaction.

(9) "Material fact" means information that substantially adversely affects the value of the property or a party's ability to perform its obligations in a real estate transaction, or operates to materially impair or defeat the purpose of the transaction. The fact or suspicion that the property, or any neighboring property, is or was the site of a murder, suicide or other death, rape or other sex crime, assault or other violent crime, robbery or burglary, illegal drug activity, gang-related activity, political or religious activity, or other act, occurrence, or use not adversely affecting the physical condition of or title to the property is not a material fact.

(10) "Owner-occupied real property" means real property consisting solely of a single-family residence, a residential condominium unit, or a residential cooperative unit that is the principal residence of the borrower.

(11) "Principal" means a buyer or a seller who has entered into an agency relationship with a broker.

(12) "Real estate brokerage services" means the rendering of services for which a real estate license is required under chapter 18.85 RCW.

(13) "Real estate firm" or "firm" have the same meaning as defined in chapter 18.85 RCW.

(14) "Real estate transaction" or "transaction" means an actual or prospective transaction involving a purchase, sale, option, or exchange of any interest in real property or a business opportunity, or a lease or rental of real property. For purposes of this chapter, a prospective transaction does not exist until a written offer has been signed by at least one of the parties.

(15) "Seller" means an actual or prospective seller in a real estate transaction, or an actual or prospective landlord in a real estate rental or lease transaction, as applicable.

(16) "Seller's agent" means a broker who has entered

into an agency relationship with only the seller in a real estate transaction, and includes subagents engaged by a seller's agent.

(17) "Subagent" means a broker who is engaged to act on behalf of a principal by the principal's agent where the principal has authorized the broker in writing to appoint subagents.

## **SECTION 2: RELATIONSHIPS BETWEEN BROKERS AND THE PUBLIC.**

(1) A broker who performs real estate brokerage services for a buyer is a buyer's agent unless the:

(a) Broker's firm has appointed the broker to represent the seller pursuant to a written agency agreement between the firm and the seller, in which case the broker is a seller's agent;

(b) Broker has entered into a subagency agreement with the seller's agent's firm, in which case the broker is a seller's agent;

(c) Broker's firm has appointed the broker to represent the seller pursuant to a written agency agreement between the firm and the seller, and the broker's firm has appointed the broker to represent the buyer pursuant to a written agency agreement between the firm and the buyer, in which case the broker is a dual agent;

(d) Broker is the seller or one of the sellers; or

(e) Parties agree otherwise in writing after the broker has complied with RCW 18.86.030(1)(f).

(2) In a transaction in which different brokers affiliated with the same firm represent different parties, the firm's designated broker and any managing broker responsible for the supervision of both brokers, is a dual agent, and must obtain the written consent of both parties as required under RCW 18.86.060. In such case, each of the brokers

shall solely represent the party with whom the broker has an agency relationship, unless all parties agree in writing that the broker is a dual agent.

(3) A broker may work with a party in separate transactions pursuant to different relationships, including, but not limited to, representing a party in one transaction and at the same time not representing that party in a different transaction involving that party, if the broker complies with this chapter in establishing the relationships for each transaction.

## **SECTION 3: DUTIES OF A BROKER GENERALLY.**

(1) Regardless of whether a broker is an agent, the broker owes to all parties to whom the broker renders real estate brokerage services the following duties, which may not be waived:

(a) To exercise reasonable skill and care;

(b) To deal honestly and in good faith;

(c) To present all written offers, written notices and other written communications to and from either party in a timely manner, regardless of whether the property is subject to an existing contract for sale or the buyer is already a party to an existing contract to purchase;

(d) To disclose all existing material facts known by the broker and not apparent or readily ascertainable to a party; provided that this subsection shall not be construed to imply any duty to investigate matters that the broker has not agreed to investigate;

(e) To account in a timely manner for all money and property received from or on behalf of either party;

(f) To provide a pamphlet on the law of real estate agency in the form prescribed in

RCW 18.86.120 to all parties to whom the broker renders real estate brokerage services, before the party signs an agency agreement with the broker, signs an offer in a real estate transaction handled by the broker, consents to dual agency, or waives any rights, under RCW 18.86.020(1)(e), 18.86.040(1)(e), 18.86.050(1)(e), or 18.86.060(2)(e) or (f), whichever occurs earliest; and

(g) To disclose in writing to all parties to whom the broker renders real estate brokerage services, before the party signs an offer in a real estate transaction handled by the broker, whether the broker represents the buyer, the seller, both parties, or neither party. The disclosure shall be set forth in a separate paragraph entitled "Agency Disclosure" in the agreement between the buyer and seller or in a separate writing entitled "Agency Disclosure."

(2) Unless otherwise agreed, a broker owes no duty to conduct an independent inspection of the property or to conduct an independent investigation of either party's financial condition, and owes no duty to independently verify the accuracy or completeness of any statement made by either party or by any source reasonably believed by the broker to be reliable.

## SECTION 4:

### DUTIES OF A SELLER'S AGENT.

(1) Unless additional duties are agreed to in writing signed by a seller's agent, the duties of a seller's agent are limited to those set forth in RCW 18.86.030 and the following, which may not be waived except as expressly set forth in (e) of this subsection:

(a) To be loyal to the seller by taking no action that is adverse or detrimental to the seller's interest in a transaction;

(b) To timely disclose to the seller any conflicts of interest;

(c) To advise the seller to seek expert advice on matters relating to the transaction that are beyond the agent's expertise;

(d) Not to disclose any confidential information from or about the seller, except under subpoena or court order, even after termination of the agency relationship; and

(e) Unless otherwise agreed to in writing after the seller's agent has complied with RCW 18.86.030(1)(f), to make a good faith and continuous effort to find a buyer for the property; except that a seller's agent is not obligated to seek additional offers to purchase the property while the property is subject to an existing contract for sale.

(2) (a) The showing of properties not owned by the seller to prospective buyers or the listing of competing properties for sale by a seller's agent does not in and of itself breach the duty of loyalty to the seller or create a conflict of interest.

(b) The representation of more than one seller by different brokers affiliated with the same firm in competing transactions involving the same firm does not in and of itself breach the duty of loyalty to the sellers or create a conflict of interest.

## SECTION 5:

### DUTIES OF A BUYER'S AGENT.

(1) Unless additional duties are agreed to in writing signed by a buyer's agent, the duties of a buyer's agent are limited to those set forth in RCW 18.86.030 and the following, which may not be waived except as expressly set forth in (e) of this subsection:

(a) To be loyal to the buyer by taking no action that is adverse or detrimental to the buyer's interest in a transaction;

(b) To timely disclose to the buyer any conflicts of interest;

(c) To advise the buyer to seek expert advice on matters relating to the transaction that are beyond the agent's expertise;

(d) Not to disclose any confidential information from or about the buyer, except under subpoena or court order, even after termination of the agency relationship; and

(e) Unless otherwise agreed to in writing after the buyer's agent has complied with RCW 18.86.030(1)(f), to make a good faith and continuous effort to find a property for the buyer; except that a buyer's agent is not obligated to:

(i) seek additional properties to purchase while the buyer is a party to an existing contract to purchase; or

(ii) show properties as to which there is no written agreement to pay compensation to the buyer's agent.

(2) (a) The showing of property in which a buyer is interested to other prospective buyers by a buyer's agent does not in and of itself breach the duty of loyalty to the buyer or create a conflict of interest.

(b) The representation of more than one buyer by different brokers affiliated with the same firm in competing transactions involving the same property does not in and of itself breach the duty of loyalty to the buyer or create a conflict of interest.

## SECTION 6: DUTIES OF A DUAL AGENT.

(1) Notwithstanding any other provision of this chapter, a broker may act as a dual agent only with the written consent of both parties to the transaction after the dual agent has complied with

RCW 18.86.030(1)(f), which consent must include a statement of the terms of compensation.

(2) Unless additional duties are agreed to in writing signed by a dual agent, the duties of a dual agent are limited to those set forth in RCW 18.86.030 and the following, which may not be waived except as expressly set forth in (e) and (f) of this subsection:

(a) To take no action that is adverse or detrimental to either party's interest in a transaction;

(b) To timely disclose to both parties any conflicts of interest;

(c) To advise both parties to seek expert advice on matters relating to the transaction that are beyond the dual agent's expertise;

(d) Not to disclose any confidential information from or about either party, except under subpoena or court order, even after termination of the agency relationship;

(e) Unless otherwise agreed to in writing after the dual agent has complied with RCW 18.86.030(1)(f), to make a good faith and continuous effort to find a buyer for the property; except that a dual agent is not obligated to seek additional offers to purchase the property while the property is subject to an existing contract for sale; and

(f) Unless otherwise agreed to in writing after the dual agent has complied with RCW 18.86.030(1)(f), to make a good faith and continuous effort to find a property for the buyer; except that a dual agent is not obligated to:

(i) seek additional properties to purchase while the buyer is a party to an existing contract to purchase; or

(ii) show properties as to which there is no written agreement to pay compensation to the dual agent.

(3) (a) The showing of properties not owned by the seller to prospective buyers or the listing of competing properties for sale by a dual agent does not in and of itself constitute action that is

adverse or detrimental to the seller or create a conflict of interest.

(b) The representation of more than one seller by different brokers licensed to the same firm in competing transactions involving the same buyer does not in and of itself constitute action that is adverse or detrimental to the sellers or create a conflict of interest.

(4) (a) The showing of property in which a buyer is interested to other prospective buyers or the presentation of additional offers to purchase property while the property is subject to a transaction by a dual agent does not in and of itself constitute action that is adverse or detrimental to the buyer or create a conflict of interest.

(b) The representation of more than one buyer by different brokers licensed to the same firm in competing transactions involving the same property does not in and of itself constitute action that is adverse or detrimental to the buyer or create a conflict of interest.

## **SECTION 7:**

### **DURATION OF AGENCY RELATIONSHIP.**

(1) The agency relationships set forth in this chapter commence at the time that the broker undertakes to provide real estate brokerage services to a principal and continue until the earliest of the following:

- (a) Completion of performance by the broker;
- (b) Expiration of the term agreed upon by the parties;
- (c) Termination of the relationship by mutual agreement of the parties; or
- (d) Termination of the relationship by notice from either party to the other. However, such

a termination does not affect the contractual rights of either party.

(2) Except as otherwise agreed to in writing, a broker owes no further duty after termination of the agency relationship, other than the duties of:

- (a) Accounting for all moneys and property received during the relationship; and
- (b) Not disclosing confidential information.

## **SECTION 8:**

### **COMPENSATION.**

(1) In any real estate transaction, a firm's compensation may be paid by the seller, the buyer, a third party, or by sharing the compensation between firms.

(2) An agreement to pay or payment of compensation does not establish an agency relationship between the party who paid the compensation and the broker.

(3) A seller may agree that a seller's agent's firm may share with another firm the compensation paid by the seller.

(4) A buyer may agree that a buyer's agent's firm may share with another firm the compensation paid by the buyer.

(5) A firm may be compensated by more than one party for real estate brokerage services in a real estate transaction, if those parties consent in writing at or before the time of signing an offer in the transaction.

(6) A firm may receive compensation based on the purchase price without breaching any duty to the buyer or seller.

(7) Nothing contained in this chapter negates the requirement that an agreement authorizing or employing a broker to sell or purchase real estate for compensation or a commission be in writing and signed by the seller or buyer.

## **SECTION 9: VICARIOUS LIABILITY.**

(1) A principal is not liable for an act, error, or omission by an agent or subagent of the principal arising out of an agency relationship:

- (a) Unless the principal participated in or authorized the act, error, or omission; or
- (b) Except to the extent that:
  - (i) the principal benefited from the act, error, or omission; and
  - (ii) the court determines that it is highly probable that the claimant would be unable to enforce a judgment against the agent or subagent.

(2) A broker is not liable for an act, error, or omission of a subagent under this chapter, unless that broker participated in or authorized the act, error or omission. This subsection does not limit the liability of a firm for an act, error, or omission by a broker licensed to the firm.

## **SECTION 10: IMPUTED KNOWLEDGE AND NOTICE.**

(1) Unless otherwise agreed to in writing, a principal does not have knowledge or notice of any facts known by an agent or subagent of the principal that are not actually known by the principal.

(2) Unless otherwise agreed to in writing, a broker does not have knowledge or notice of any facts known by a subagent that are not actually known by the broker. This subsection does not limit the knowledge imputed to the designated broker or any managing broker responsible for the supervision of the broker of any facts known by the broker.

## **SECTION 11: INTERPRETATION.**

The duties under this chapter are statutory duties and not fiduciary duties. This chapter supersedes the fiduciary duties of an agent to a principal under the common law. The common law continues to apply to the parties in all other respects. This chapter does not affect the duties of a broker while engaging in the authorized or unauthorized practice of law as determined by the courts of this state. This chapter shall be construed broadly.

## **SECTION 12: SHORT SALE.**

When the seller of owner-occupied residential real property enters into a listing agreement with a real estate firm where the proceeds from the sale may be insufficient to cover the costs at closing, it is the responsibility of the real estate firm to disclose to the seller in writing that the decision by any beneficiary or mortgagee, or its assignees, to release its interest in the real property, for less than the amount the borrower owes, does not automatically relieve the seller of the obligation to pay any debt or costs remaining at closing, including fees such as the real estate firm's commission.

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# Restated Bylaws of Spokane Association of REALTORS®



*Revised March 2022*





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**RESTATED BYLAWS OF THE SPOKANE ASSOCIATION  
OF REALTORS®**

Association of REALTORS®.

KNOW ALL PERSONS BY THESE PRESENTS, that the undersigned, being the President and Secretary of the SPOKANE ASSOCIATION OF REALTORS®, a Washington nonprofit corporation (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 24.03 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®, 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

**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 Board/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. 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 Secretary 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.

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. No person shall vote as proxy unless such person is a REALTOR® member of this Association or its Executive Vice President and such person presents to and files with the Secretary of this Corporation written authority to vote as proxy, signed by the REALTOR® member whom such person represents. No proxy shall be valid after eleven (11) months from the date of its execution unless otherwise expressly provided in the proxy. Votes may be cast via electronic transmission if the Association complies with the requirements of RCW 24.03.085 or successor statute. 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.

Section 4.4 Quorum. The REALTOR® members present in person 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.

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 24.03.009 or successor statute. Such notice shall be given not less than ten, nor more than fifty (50) days before the date of the meeting.

## 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 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.

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

- (a) The Executive Vice President (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 one hundred eighty (180) days from the association's receipt of their application, membership may, at the discretion of the Board of Directors, be terminated. In such instances, dues shall be returned to the individual less a prorated amount to cover the number of days that the individual received association services and any application fee. 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 Executive Vice President (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 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 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 will result in denial of the membership application.

Section 5.5 Continuing Member 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 anythree

(2) 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 thirty (30) 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 Code of Ethics. 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 businesses 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® 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 membership, each REALTOR® member of the Member 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 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 a Member Association shall be held to be any member who has a place or places of business within the state or a state contiguous thereto and who, as a principal 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) may not be made unless authorized by a majority of the REALTOR® members present in person or by proxy at a meeting of the membership at 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, Secretary and Treasurer of the Association shall all be members of the Board of Directors. The term of the directorship

of the President, President-Elect, Secretary 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, Secretary 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 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.

Section 11.6 Notice. Regular meetings of the Board of Directors may 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 days before such meeting or (iv) by electronic transmission if the Corporation complies with the requirements of RCW 24.03.009 or successor statute. 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 unexcused absence of a director from three or more 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 Secretary of the Association.

Section 11.8 Vacancies. Any vacancy occurring in the directorships held by the President, President-Elect, Secretary 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, Secretary, 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. The Executive Committee can only be called into session if a quorum of the Board of Directors cannot be obtained or upon the request of the Board of Directors. The other procedural rules with respect to the affairs of the Executive Committee and the conduct thereof shall be as may be determined from time to time by the Executive Committee.

## **ARTICLE XII**

### **Officers**

Section 12.1 Designation. The officers of the Association shall consist of the President, President-Elect, Secretary and Treasurer. The President, President-Elect and Secretary 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 Secretary. The Secretary shall perform all the duties and have all the powers commonly incident to the office of the Secretary 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 Secretary 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 Secretary 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 the election; (ii) served on one (1) standing committee within the three (3) years prior to the time of the election; or (iii) who are currently serving, or within the one (1) year prior to the time of the election 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 the election, that candidate must also attend two (2) Board of Directors meetings within the twelve months prior to running for Director.

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 ballot, not by voice vote. Elections shall be conducted as follows:

(a) Ballots. A ballot containing the names of all qualified nominees 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 Executive Vice President of the Association and to be effective must be received by the Executive Vice President 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 Executive Vice President after the close of business on the day before the annual member meeting of the year shall be of no force or effect.

Delivery of ballots may be accomplished via electronic transmission, if the Corporation complies with the requirements of RCW 24.03.009 and RCW 24.03.085 or successor statutes.

(b) Inspectors of Election. The members of the Nominating Committee together with the Secretary of the Association shall act as inspectors or tellers at the annual meeting of the membership to determine the number of REALTOR® members in attendance at the meeting, the existence of a quorum and the authenticity and validity of all ballots. They shall receive, canvass and report the votes of the REALTOR® members for all of the elective positions to be

filled at the meeting and shall perform such other services as may be proper to insure fairness to all REALTOR® members in such elections. The decision, act or certificate or a majority of the inspectors of election shall be effective in all respects as the decision, act or certificate of all.

- (c) 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 by lots or in such other manner as the Inspectors of Election determine to be fair and equitable in the circumstances.
- (d) 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 authorized MLS Participants make blanket unilateral offers of compensation to other MLS Participants (acting either as subagents, buyer agents, or in other agency or nonagency capacities defined by law); 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. Entitlement to compensation is determined by the cooperating broker's performance as a procuring cause of the sale (or lease).

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 offer or accept compensation to and from other participants or are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property; however, 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 'offers or accepts cooperation and compensation' means that the Participant actively endeavors during the operation of its real estate business to list real property of the type listed on the MLS and/or to accept offers of cooperation and compensation made by listing managing brokers or brokers in the MLS. "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 actively endeavors to make or accept offers of cooperation and compensation with respect to properties of the type that are listed on the MLS in which participation is sought. This requirement does not permit an MLS to deny participation to a Participant or potential Participant that operates a Virtual Office Website ("VOW") (including a VOW that the Participant uses to refer customers to other Participants) if the Participant or potential Participant actively endeavors to make or accept offers of cooperation and compensation. An MLS may evaluate whether a Participant or potential Participant "actively endeavors during the operation of its real estate business" to

“offer or accept cooperation and compensation” only if the MLS has a reasonable basis to believe that the Participant or potential Participant is in fact not doing so.

The membership requirement shall be applied on a nondiscriminatory manner to all Participants and potential Participants. (Adopted 11/08)

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 Secretary 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. A Chairperson-Elect shall be elected by the MLS Participants Committee for each year, who shall serve as Chairperson for the following year. If, however, the position of Chairperson-Elect is vacant at the time of the annual election by the MLS Participants Committee, both a Chairperson and a Chairperson-Elect shall then be elected by the MLS Participants Committee. Each committee member shall have one vote at the Committee meetings for the election of its Chairperson-Elect and, if the office of Chairperson is then vacant, one vote for the election of its Chairperson. The members of the MLS Participants Committee shall be categorized in four (4) divisions on the basis of the number of licensees receiving service from the MLS on September 1 of each calendar year. The division sizes shall be in such amount as is established, from time to time, by the MLS Steering Committee and approved by the Board of Directors of the Spokane Association of REALTORS®, keeping each division close to twenty-five percent (25%) of the membership.

Section 14.6 MLS Steering Committee. The MLS Steering Committee shall be comprised of the Chairperson, the Immediate Past Chairperson and the Chairperson-Elect of the MLS Participants Committee, the President of the Association, and eight (8) additional committee members who are MLS Participants. Two (2) such additional committee members shall be elected by each of the four (4) divisions of the MLS Participants Committee. Each committee member of each such division of the MLS Participants Committee shall have as many votes in the election of the members of the MLS Steering Committee to be elected by such division as there are members of the MLS Steering Committee then to be elected by such

divisions, but no member may vote more than once for any one nominee, cumulative voting being expressly denied. The members of the MLS Steering Committee elected by each of said divisions shall serve a term of two (2) years, with one member of the MLS Steering Committee to be elected each year by each division of the MLS Participants Committee with exception of Division Four. The first year of inception of these revised Bylaws, Division Four shall have two (2) members elected with one (1) member serving a one year term and one (1) member serving a two (2) year term. 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** Appointed Committees

Section 15.1 Standing Committees. The President shall annually appoint the members and designate the Chairperson of the Standing Committees. The President-Elect shall designate the Vice Chairperson of each Standing Committee. All such appointments shall be subject to confirmation by the Board of Directors. The Standing Committees shall be:

- (a) Professional Development Committee
- (b) Governmental Affairs Committee
- (c) Grievance Committee
- (d) Special Events Committee
- (e) Professional Standards Committee
- (f) Communications Committee
- (g) Membership Committee
- (h) Technology Committee
- (i) Forms Committee
- (j) Serving Our Spokane (SOS)

Section 15.2 Budget and Finance Committee. The Association shall maintain a Budget and Finance Committee.

Section 15.3 Professional Standards Committee. The Association may maintain a Professional Standards Committee.

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 Appointed Committees shall be of such size and shall have such duties, functions, and powers as assigned by the President or the Board of Directors.

## **ARTICLE XVI** Executive Vice President

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

Executive Vice President of the Association.

## Indemnification

Section 16.2 Authority and Duties. The Executive Vice President shall be the Chief Executive of the Association. Subject to the control of the officers and the Board of Directors of the Association, the Executive Vice President is granted the power to supervise and control the ordinary business affairs of the Association. The Executive Vice President shall have the authority to appoint or discharge such employees and agents of the Association as the Executive Vice President may deem necessary and advisable and prescribe their powers, duties and compensation, and to delegate authority to them. The Executive Vice President 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 Executive Vice President shall be governing until a ruling may be rendered by the Board of Directors or appropriate Committee of the Association.

### **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**

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 a two thirds vote of all REALTOR® members who are present in person or by proxy at any meeting of the membership, 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 thirty 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.

## **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 Secretary 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: \_\_\_\_\_  
Secretary



# Policies of Spokane Association of REALTORS®



*Drafted January, 2020*



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**POLICIES OF THE  
SPOKANE ASSOCIATION OF REALTORS®**

KNOW ALL PERSONS BY THESE PRESENTS, that the undersigned, being the President and Secretary of the SPOKANE ASSOCIATION OF REALTORS®, a Washington nonprofit corporation (hereinafter referred to as "Association"), do hereby certify that the Following Policies have been duly adopted by the Association's Board of Directors. Capitalized terms that are used, but not define, in this document will have the meanings ascribed to them in the Association's Bylaws, as adopted from time to time.

**Section 1**  
Use of REALTOR® Term

If a REALTOR® member is a principal in a real estate firm and is suspended or expelled, or if such a principal resigns from the Association, or if the membership of such a principal in the Association is otherwise terminated, the real estate firm and the REALTOR® members employed by or affiliated with such firm shall not use the terms REALTOR® or REALTORS® in connection with its business during the period of suspension, or until readmission to REALTOR® membership, or unless connection with the real estate firm is severed, whichever may apply. The membership of all other principals of such real estate firm, and of all REALTOR® members employed by or affiliated with such real estate firm shall be suspended or terminated during the period of suspension of the disciplined member, or until readmission of the disciplined member, or unless connection of the disciplined member with the real estate firm is severed, whichever may apply. Further, the membership of REALTORS® other than principals who are employed by or affiliated as independent contractors with the disciplined Member shall suspend or terminate during the period of suspension of the discipline Member or until readmission of the discipline Member or until connection of the discipline Member with the firm, partnership, or corporation is severed, or unless the REALTOR® Member (non-principal) elects to sever his connection with the REALTORS® and affiliate with another REALTOR® Member in good standing in the Association, whichever may apply. If a REALTOR® member who is other than a principal in a real estate firm is suspended or expelled, the use of the terms REALTOR® or REALTORS® by the real estate firm shall not be affected. In any action taken against a REALTOR® member for suspension or expulsion under this Section, notice of such action shall be given to all REALTORS® employed by or affiliated as independent contractors with such REALTOR® member and they shall be advised that the provisions of this Section shall apply.

**Section 2**  
Sanctions for Violations

Any member of the Association may be reprimanded, fined, placed on probation, suspended or expelled by the Board of Directors for a violation of the Bylaws, Association Rules and Regulations which are not inconsistent with the Bylaws, or these Policies; in each case, after a hearing as provided in the Code of Ethics and Arbitration Manual of the Association. Although members other than REALTOR® members are not subject to the Code of Ethics or its enforcement by the Association, such members are encouraged to abide by the principles established in the Code of Ethics of the National Association of REALTORS® and conduct their business and professional practices accordingly. Further, members other than REALTOR® members may, upon recommendation by a hearing panel of the Professional Standards Committee, be subject to discipline as described above, for any conduct which in the opinion of the Board of Directors, applied on a nondiscriminatory basis, reflects adversely on the terms REALTOR® or REALTORS®, and the real estate industry, or for conduct that is inconsistent with or adverse to the objectives and purposes of the Association, the State Association, or the National Association of REALTORS®.

**Section 3**  
Resignation

Resignations of members shall become effective when received in writing by the Board of Directors, provided, however, that if the member submitting the resignation is indebted to the Association for dues, fees, fines, or other assessments of the Association or for any of its services, departments, divisions, or subsidiaries, the right of the resigning member to reapply for membership shall be conditioned upon payment in full of all such monies owed. If a member resigns from the Association or otherwise causes membership to terminate with an ethics complaint pending, the Association may condition the right of the resigning member to reapply for membership upon the applicant's certification that the member will submit to the pending ethics proceeding and will abide by the decision of the hearing panel. If a member resigns or otherwise causes membership to terminate, the duty

to submit to arbitration continues in effect even after membership lapses or is terminated, provided that the dispute arose while the former member was a REALTOR®.

#### **Section 4**

##### **Designation of Designated REALTOR®**

If only one REALTOR® member is principal of a real estate firm, such REALTOR® member shall certify such fact to the Association during the month of January of each year on a form provided by the Association and shall certify the Designated REALTOR® for such real estate firm to the Association therein. If two (2) or more REALTOR® members are principals of the same real estate firm, such REALTOR® members shall jointly certify the Designated REALTOR® for such real estate firm to the Association during the month of January of each year on a form provided by the Association. Such form may require the acceptance in writing of such designation and the responsibilities incident thereto by the Designated REALTOR®. Such designation shall remain in full force and effect until revoked in writing by the individual designated as the designated REALTOR® or superseded by a subsequent designation of a Designated REALTOR® by such real estate firm. If a Designated REALTOR® revokes their designation as the Designated REALTOR® for a real estate firm, becomes disqualified to act as Designated REALTOR® for such firm; or if the status of such individual as Designated REALTOR® for such firm otherwise terminates, the principal or principals of such firm shall immediately designate a new Designated REALTOR® for such firm. The Designated REALTOR® must be a REALTOR® member and must hold a current and valid license as a real estate managing broker pursuant to Chapter 18.85 of the Revised Code of Washington or a current and valid license or certification as a licensed or certified real estate appraiser pursuant to Chapter 18.140 of the Revised Code of Washington.

#### **Section 5**

##### **Certification by Designated REALTOR®**

Designated REALTOR® members of the Association shall certify to the Association during the month of January of each year on a form provided by the Association, a complete listing of all individuals licensed or certified in the REALTOR®'s office(s) and shall designate a primary Association for each individual who holds membership. Designated REALTOR®s shall also identify any non-member licensees in the REALTOR®'s office(s) and if Designated REALTOR® dues have been paid to another Association based on said non-member licensees, the Designated REALTOR® shall identify the Association to which dues have been remitted. These declarations shall be used for purposes of calculating dues payable to the Association. Designated REALTOR® members shall also notify the Association of any addition or deletion of any individual subsequently employed by or affiliated as an independent contractor with such real estate firm or otherwise subsequently licensed to such Designated REALTOR® within thirty (30) days of the date of employment, affiliation or licensing of the individual.

#### **Section 6**

##### **Harassment**

Any member of the Association may be reprimanded, placed on probation, suspended or expelled for harassment of an Association or MLS employee or Association Officer or Director after an investigation by the investigatory team described below. As used in this Section, harassment means any verbal or physical conduct including threatening or obscene language, unwelcome sexual advances, stalking, actions including strikes, shoves, kicks, or other similar physical contact, or threats to do the same, or any other conduct with the purpose or effect of unreasonably interfering with an individual's work performance by creating a hostile, intimidating or offensive work environment. The decision of the appropriate disciplinary action to be taken shall be made by the investigatory team comprised of the President, and President-Elect and/or Vice President and one member of the Board of Directors selected by the highest-ranking officer not named in the complaint, upon consultation with legal counsel for the Association. Disciplinary action may include any sanction authorized in the Association's Code of Ethics and Arbitration Manual. If the complaint names the President, President-Elect or Vice President, they may not participate in the proceedings and shall be replaced by the Immediate Past President or, alternatively, by another member of the Board of Directors selected by the highest-ranking officer not named in the complaint.

#### **Section 7**

##### **State Association Directorships**

The members of the Board of Directors shall serve as a nominating committee to fill the positions assigned to the Association on the board of directors of the State Association. The Board of Directors shall timely submit a nominee for each available position.

**Section 8**  
Dues and Financial Obligations

The Institutes, Societies and Councils of the National Association shall be responsible for collecting and remitting dues to the National Association for Institute Affiliate Members (\$105.00). The National Association shall credit \$35.00 to the account of a local Association for each Institute Affiliate Member whose office address is within the assigned territorial jurisdiction of that Association, provided, however, if the office location is also within the territorial jurisdiction of a Commercial Overlay Board (COB), the \$35.00 amount will be credited to the COB, unless the Institute Affiliate Member directs that the dues be distributed to the other board. The National Association shall also credit \$35.00 to the account of state associations for each Institute Affiliate Member whose office address is located within the territorial jurisdiction of the state association. Local and state associations may not establish any additional entrance, initiation fees or dues for Institute Affiliate Members, but may provide service packages to which Institute Affiliate Members may voluntarily subscribe.

**Section 9**  
Dues for Life Members

REALTOR® members who have been REALTOR® members for not less than twenty-five (25) consecutive years, have attained the age of sixty-five (65) years and have been so elected by the Board of Directors shall have life membership status with respect to dues. The dues of each life member shall be in such amount as is established by the Board of Directors; provided, however, that a life member of the Association who also has REALTOR® Emeritus status in the National Association of REALTORS® shall pay no dues.

**Section 10**  
Payment of Dues

Dues for all members shall be payable annually in advance on the 1st day of January of each calendar year. The Board of Directors may, in its discretion, establish discounts for prepayment of dues, and establish fees for payment of dues by credit card. In January of each calendar year each Designated REALTOR® shall file with the Board of Directors a list of all licensees employed by or affiliated as independent contractors with such Designated REALTOR® and indicate thereon those of such licensees, if any, who are not themselves members. Such list shall be submitted to the Association with the dues payment of each Designated REALTOR®. If a Designated REALTOR® shall thereafter employ or affiliate with a licensee who is not a member, the Designated REALTOR® shall notify the Association thereof and such notice shall include the name of such licensee and the date of such employment or affiliation. Such notice shall be given within thirty (30) days following such employment or affiliation. If a Designated REALTOR® shall employ or affiliate with any licensee who is not a member or with any licensee whose membership is terminated for any reason, including nonpayment of dues, the dues of the Designated REALTOR® for the calendar year in which such event occurs shall be increased on a pro rata basis for the remainder of such calendar year in order to reflect the additional dues payable by the Designated REALTOR® as a result thereof. Such additional dues shall be payable within thirty (30) days following the vent resulting in such an increase in the dues payable by the Designated REALTOR®. Notwithstanding the foregoing provisions, there shall be no increase in the dues payable by a Designated REALTOR® as the result of employment or affiliation with a licensee who is not a member if such licensee shall apply for membership and pay the dues required in connection therewith within five (5) days following such employment or affiliation or, in the case of termination of membership of such licensee, if the Designated REALTOR® shall terminate such employment or affiliate within five (5) days following such termination of membership. All dues shall be non-refundable.

**Section 11**  
Nonpayment of Dues

If dues are not paid within thirty (30) days after the due date, the nonpaying member is subject to suspension at the discretion of the Board of Directors. If dues are not paid within sixty (60) days after the due date, the membership of the nonpaying member may be terminated at the discretion of the Board of Directors. If dues are not paid within ninety (90) days of the due date, the membership of the nonpaying member shall automatically terminate. If dues are not paid within thirty (30) days of the dues date, a late charge shall become due and payable and such late charge must be paid as a condition of continued membership. The amount of such late charge shall be ten percent (10%) of the total dues payable by such member for each calendar month or portion thereof between the date of expiration of such thirty (30) day period and the date that such dues are actually paid.

**Section 12**  
Nonpayment of Financial Obligations

Each Designated REALTOR® and all principals of their real estate firm shall be jointly and severally liable for payment to the Association of all of such firm's financial obligations to the Association and for payment to the Association of all financial obligations (other than dues and fines) of all members employed by or affiliated with such firm. In addition, each Participant in the Multiple Listing Service shall be liable for payment of all Multiple Listing fees for service to such Participant and service to all licensees having access to and use of the Multiple Listing Service through such Participant. No member shall be responsible for payment of the dues of another member and no member shall be responsible for payment of a fine imposed against another; provided this shall not preclude the levy of a fine jointly and severally against two (2) or more members under appropriate circumstances. If any financial obligation of a member to the Association other than dues is not paid within thirty (30) days after billing, all services of the Association to such member may be suspended until such obligation has been paid in full. If any such obligation is not paid within ninety (90) days of billing, the membership of the nonpaying member shall automatically terminate. If any such obligation is not paid within thirty (30) days of billing, a late charge shall become due and payable. The amount of such late charge shall be ten percent (10%) of the amount of such financial obligation for each calendar month or portion thereof between the date of expiration of such thirty (30) day period and the date that such financial obligation is actually paid in full.

**Section 13**  
Reinstatement

A former member whose membership has terminated for nonpayment of dues or other financial obligations may apply for reinstatement in the manner prescribed for a new applicant for membership, after making payment in full of all dues and other financial obligations due to the Association as of the date of termination.

**Section 14**  
Budget and Finance Committee

The Budget and Finance Committee shall advise the Board of Directors with respect to the financial matters of the Association and shall prepare an annual budget for the Association.

The Budget and Finance Committee shall be comprised of six (6) members. The Treasurer of the Association and the Chairperson-Elect of the Multiple Listing Steering Committee shall both be members of this Committee. The remaining members of the Committee shall be appointed by the President subject to confirmation by the Board of Directors.

These remaining members shall be divided into two (2) term classes of two (2) per class. The term of membership of each class shall be for two (2) years with the term of one of the classes expiring each year.

The Treasurer shall serve as Chairperson of the Budget and Finance Committee. The regular and special meetings of the Budget and Finance Committee shall be held at such time and place as the Committee Chairperson or the Board of Directors may from time to time designate. The Committee shall fix its own procedural rules governing its affairs and the conduct thereof. The President, President-Elect, immediate past Treasurer and the Executive Vice President of the Association shall be ex-officio members of the Budget and Finance Committee.

A member of the Budget and Finance Committee 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. The unexcused absence of a committee member from three or more consecutive meetings of the Budget and Finance Committee shall constitute a resignation of the committee membership of such committee member.

A member of the Budget and Finance Committee may resign at any time by filing a written resignation with the Secretary of the Association.

Any vacancy occurring in the committee membership 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.

**Section 15**  
Professional Standards Committee

The Professional Standards Committee shall have the authority to hear matters concerning any alleged violation of the Code of Ethics of the National Association of REALTORS® the Constitution and Bylaws of the Board; the duties of membership in the Board; the Constitution and Bylaws of the Washington Association of REALTORS®, or the Constitution; Bylaws of the National Association of REALTORS®; and these Policies. The Professional Standards Committee shall also have the authority to arbitrate disputes and have the additional responsibilities and authority set forth in the Code of Ethics and Arbitration Manual as adopted by the Board of Directors and, from time to time, amended by the Board of Directors.

**Section 16**  
Multiple Listing Service Committees

The regular and special meetings of the MLS Participants Committee and of the MLS Steering Committee shall be held at such time and place as the Committee Chairperson or the Board of Directors may from time to time designate. The Committees shall fix their own procedural rules governing their affairs and the conduct thereof. The President of the Association shall be a member of the MLS Participants Committee and the MLS Steering Committee. The President-Elect and Executive Vice President of the Association shall be ex-officio members of the MLS Steering Committee.

A member of the MLS Steering Committee may be removed from office at a meeting of the members of the MLS Participants Committee expressly called for that purpose, with or without cause, by a vote of a majority of the members of the MLS Participants Committee present at the meeting. The unexcused absence of a member of the MLS Steering Committee from three (3) or more consecutive meetings of said Committee shall constitute a resignation of the committee membership of such committee member.

A member of the MLS Participants Committee or the MLS Steering Committee may resign their committee membership at any time by filing a written resignation with the Secretary of the Association.

Any vacancy occurring in the MLS Steering Committee memberships held by the President of the Association, the Chairperson or Chairperson-Elect of the MLS Participants Committee shall be filled by the successor to such position. Any other vacancy occurring in the MLS Steering Committee may be filled by the affirmative vote of a majority of the remaining MLS Steering committee members, 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 Chairpersonship of the MLS Participants Committee shall be filled for the remainder of the unexpired term by the Chairperson-Elect of said Committee. Any vacancy in the position of Chairperson-Elect of said Committee may be filled only by a vote of the MLS Participants Committee and, if not so filled, said position shall remain vacant until the next annual meeting of the MLS Participants Committee.

Association members who are actively engaged in the real estate profession but are not MLS Participants, are nonetheless entitled to receive, by purchase or lease, all information other than current listing information that is generated wholly or in part by the MLS including "comparable" information, "sold" information and statistical reports. This information is provided for the exclusive use of Association members and individuals affiliated with Association members who are also engaged in the real estate profession and may not be transmitted, retransmitted or provided in any manner to any unauthorized individual, office or firm except as may be otherwise specified in the MLS Rules and Regulations. Association members who receive such information, either as an Association service or through the MLS, are subject to the applicable provisions of the MLS Rules and Regulations whether they participate in the MLS or not.

**Section 17**  
Appointed Committees

The regular and special meetings of the Appointed Committees shall be held at such time and place as the Committee Chairperson, the Board of Directors or the President may from time to time designate. The Appointed Committee shall fix their own procedural rules governing their affairs and the conduct thereof. The President, President-Elect and Executive Vice President of the Association shall be ex-officio members of all Appointed Committees.

A member of any Appointed Committee may be removed from office at a meeting of the Board of Directors expressly called for that purpose, with or without cause, by a vote of a majority of the members of the Board of Directors present at the meeting. The unexcused absence of a committee member from three (3) or more consecutive meetings of an Appointed Committee shall constitute a resignation of the committee membership of such committee member. A committee member may resign at any time by filing a written notice with the Secretary of the Association.

Any vacancy occurring in any Appointed Committee may be filled by appointment by the President. All such appointments shall be subject to confirmation by the Board of Directors. Each person so appointed shall be elected for the unexpired term of the predecessor in office of such person.

**Section 18**  
Divisions of the Association

The Board of Directors may in its discretion create Divisions of the Association for the different branches of the real estate profession in order to give the members who specialize in such branches opportunity for conference and cooperation.

**Section 19**  
Whistleblowers

A whistleblower is a member of the Association who reports information that he or she has reasonable cause to believe discloses a violation of state or federal law to one or more of the parties below.

If a whistleblower has information that he or she reasonably believes discloses a violation of state or federal law, he or she should contact the President, President-Elect or Executive Vice President of the Association or, if the whistleblower believes that all three of the foregoing have engaged in such a violation, he or she should contact the highest ranking officer that he or she believes has not engaged in such a violation. A whistleblower may also contact the appropriate law enforcement or government agency. A whistleblower must exercise sound judgment to avoid baseless allegations. A member who intentionally files a false report of wrongdoing will be subject to discipline.

Insofar as possible, the confidentiality of a whistleblower will be maintained. However, identity may have to be disclosed to conduct a thorough investigation, to comply with the law or to provide accused individuals their legal rights of defense.





# Leadership Opportunities

*"Have you ever wished something was different.....  
join a committee and be part of the change!!"*

2022 President, Eric Etzel, is asking Spokane Association of REALTORS® members to serve on various committees, work groups and task forces. Involvement adds immensely to brokers' lives and businesses. Call or text Eric at 995-2833 or e-mail him at [eric@choicespokane.com](mailto:eric@choicespokane.com) if you have any questions or wish to discuss your involvement.

*Do you have a special interest in any of these opportunities?*

S.A.R. Involvement Opportunities (description of each are on back of page):

- Budget & Finance** (aka "Show Me the Money" Committee)
- Communications** (aka "Can You Hear Me Now" Committee)
- Forms** (aka "It's All in the Details" Committee)
- Governmental Affairs** (aka "Politics is a Good Thing" Committee)
- Grievance** (aka "The Complaint Department" Committee)
- Membership** (aka "It's all about ME-membership engagement-" Committee)
- Professional Development** (aka "Knowledge is Power" Committee)
- SOS** (Serving Our Spokane) (aka "Making a Difference" Committee)
- Special Events** (includes the following): (aka "Life is a Special Occasion" Committee)  
 3rd Grade Poster Contest    Golf    Food Drive    Special Event Party & Auction
- Technology** (aka "Gadgets & Gizmos" Committee)

Please indicate your preference by numbering 1-5 (1 being first priority) or just mark the one box if you only wish to be on one committee. **If you wish to be on more than one committee please indicate with an asterisk(\*)**. Please give a brief statement as to why you want to serve on the reverse side under the committee details.

Email or fax your completed form to Tami Peterson at the SAR office.  
Email: [tami@spokanerealtor.com](mailto:tami@spokanerealtor.com) Fax # 324-8650

### **Volunteer Testimonial: What I Get Out of Serving My Association**

"As a REALTOR® for nearly 8 years, I found the moment I started getting involved with my local Association the more I understood how our business operated in this area. It was apparent we have an amazing staff at the Spokane Association of REALTORS®, and being an active part of the association has allowed me to get to know many of the staff on both a professional and personal level. I find that anytime I have questions I always have someone I can ask. Participating on a SAR Committee has truly been a rewarding and valuable piece of my business. Not only has it allowed me the opportunity to meet so many of our amazing affiliates, but I am better able to know what these affiliates have to offer so I can better refer them to clients. Most effective for me is meeting and networking with other REALTORS® in other companies. I have found mentorship, partnerships, friendships and more. It is a fabulous resource for all and if you are not taking advantage of it, you are truly missing out!"

*—Kristy Hamby, Windermere Airway Heights*

Your Name \_\_\_\_\_ Phone # \_\_\_\_\_

Company Name \_\_\_\_\_

OVER →

# *Description of S.A.R. Committees*

## **BUDGET & FINANCE COMMITTEE**

Advises the Board of Directors with respect to financial matters of the S.A.R. and prepares an annual budget. (Meets once a month).

## **COMMUNICATIONS COMMITTEE**

Communicates to the public, the significance of the term REALTOR® and information about the REALTOR® organization and the real estate industry. Communication from association leadership to membership - feedback from membership. Selects speakers for quarterly membership meetings. Oversees new member Orientation program. (Meets once a month).

## **FORMS COMMITTEE**

Makes changes to the S.A.R. forms. (Meets as needed).

## **GOVERNMENTAL AFFAIRS COMMITTEE**

Monitors legislative activities at the state and local level. Works to promote legislation which recognizes private property rights and the interest of the real estate industry. Promotes member awareness of and involvement in the political process. Through RPAC, raises funds for support of appropriate candidates for public office. Plans and supervises the activities of the S.A.R. in Fair Housing matters. (Meets once a month).

## **GRIEVANCE COMMITTEE**

Is a fact finding/gathering committee to determine the validity of complaints against REALTORS®. Reviews complaints and arbitration requests. (Meets once a month). 3 year term. (Limited Openings).

## **MEMBERSHIP COMMITTEE**

To continue to improve member engagement. (Meets once a month).

## **PROFESSIONAL DEVELOPMENT COMMITTEE**

Plans and oversees the educational activities of the S.A.R. Works to promote worthy educational programs and to encourage members to take advantage of local, state and national education opportunities. (Meets once a month).

## **SERVING OUR SPOKANE COMMITTEE**

To provide promotional and scheduling support for the Sacred Heart Children's Hospital Clubhouse. Evaluate and make recommendations to the Board on funding requests from community from other organizations.

## **SPECIAL EVENTS COMMITTEE**

Provides membership with special events such as the Food Drive and Christmas Party Fund Raiser, as well as social events such as the Golf Tournament and 3rd Grade Poster/Essay Contest. (Meets approximately two times a year; sub-committees meet when needed).

## **TECHNOLOGY COMMITTEE**

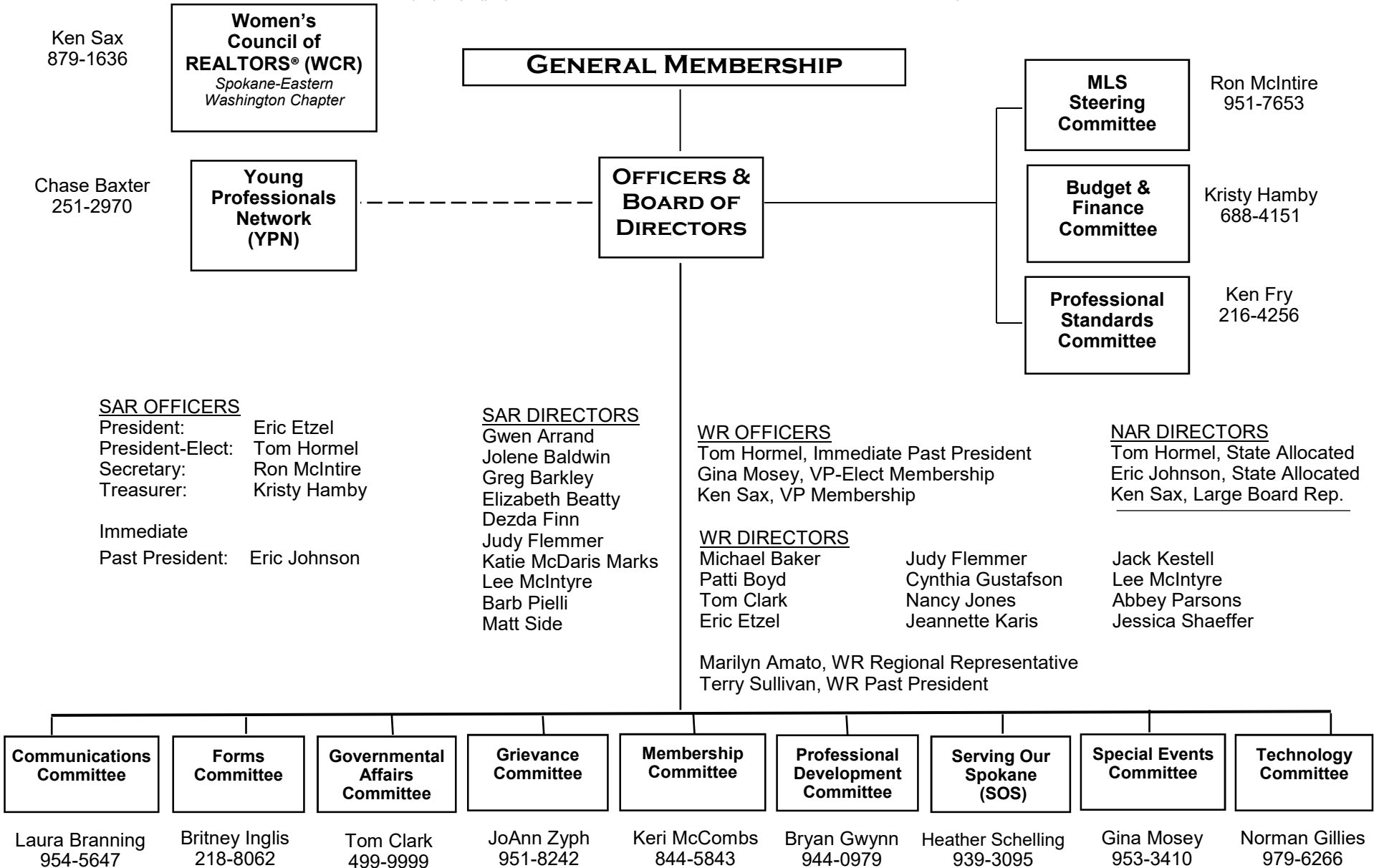
Evaluates technology to serve member needs, makes recommendations on software products and SAR web page development. (Meets once a month.)

## **ADDITIONAL COMMITTEES:**

**PROFESSIONAL STANDARDS COMMITTEE** *(must have previously served 3-year term on the Grievance Committee)*

Has the authority to hear matters concerning any alleged violation of the Code of Ethics, the Constitution and Bylaws, and the duties of membership. Also has the authority to arbitrate disputes. (Meets as needed).

# 2022 ASSOCIATION ORGANIZATION



# Spokane Association of REALTORS® 2022 Staff

