

BYLAWS OF THE
TRI-CITY ASSOCIATION OF REALTORS®
(a non-profit corporation)

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**BYLAWS OF THE
TRI-CITY ASSOCIATION OF REALTORS®
(A Non-Profit Corporation)**

ARTICLE 1 - Name

Section 1. Name. The name of this organization shall be the Tri-City Association of REALTORS®, INC. hereafter referred to as the "Association."

Section 2. REALTORS®. Inclusion and retention of the Registered Collective Membership Mark REALTORS® in the name of the Association shall be governed by the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS® as from time to time amended.

ARTICLE II - Objectives

The objectives of the Association are:

Section 1. To unite those engaged in the recognized branches of the real estate profession for the purpose of exerting a beneficial influence upon the profession and related interests.

Section 2. To promote and maintain high standards of conduct in the real estate profession as expressed in the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®.

Section 3. To provide a unified medium for real estate owners and those engaged in the real estate profession whereby their interests may be safeguarded and advanced.

Section 4. To further the interest of home and other real property ownership.

Section 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.

Section 6. To designate, for the benefit of the public, individuals authorized to use the terms REALTOR® and REALTORS® as licensed, prescribed and controlled by the NATIONAL ASSOCIATION OF REALTORS®. (6/95)

ARTICLE III – Jurisdiction

Section 1. The territorial jurisdiction of the Association as a member of the NATIONAL ASSOCIATION OF REALTORS® shall include all of Franklin County, that part of Walla Walla County

extending west of the east line of Range 32, East Willamette Meridian, and that part of Benton County extending east of the west line of Range 26, East Willamette Meridian, all in the State of Washington.

Section 2. Territorial jurisdiction is defined to mean:

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

ARTICLE IV – Membership

Section 1. There shall be nine classes of members, as follows:

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

- 1) Individuals who, as sole proprietors, partners, or corporate officers or trustees, 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 or Board of REALTORS® within the state, or a state contiguous thereto, unless otherwise qualified for Institute Affiliate Membership as described in Section 1(b) of Article IV., or unless otherwise qualified for Affiliate Membership as described in Section 1(c), second paragraph of Article IV. (7/05)

In the case of a real estate firm, partnership, or corporation, whose business activity is substantially all commercial, only those principals actively engaged in the real estate business in connection with the same office, or any other offices within the jurisdiction of the board in which one of the firm's principals holds REALTOR® membership, shall be required to hold REALTOR® membership unless otherwise qualified for Institute Affiliate Membership as described in Section 1 (b) of Article IV. (11/01)

Note: REALTOR® Members may obtain membership in a “secondary” Board or Association in another state. (6/95)

- 2) Individuals who are engaged in the real estate profession other than as sole proprietors, partners, corporate officers or trustees, or branch office managers, and are associated with a REALTOR® Member and meet the qualifications set out in Article V. (1/98)

- 3) 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 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; and the right to hold elective office in the local Association, state and National Association. (1/98)

- 4) Primary and secondary REALTOR® Members. An individual is a primary Member if the Association pays State and National dues based on such Member. An individual is a secondary Member if State and National dues are remitted through another Board or 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 . (6/95)

- 5) Designated REALTOR® Members. Each firm shall designate, in writing, one REALTOR® Member who shall be responsible for all duties and obligations of Membership including the obligation to arbitrate pursuant to Article 17 of the Code of Ethics and the payment of Association dues as established in Article X of the bylaws. The “Designated REALTOR®” must be a sole proprietor, partner, corporate officer or trustee, or branch office manager acting on behalf of the firm’s principal(s) and must meet all other qualifications for REALTOR® Membership established in Article V, Section 2, of the Bylaws. (1/98)

(b) Institute Affiliate Members. Institute Affiliate Members shall be individuals who hold a professional designation awarded by an Institute, Society, or Council affiliated with the NATIONAL ASSOCIATION OF REALTORS® that addresses a specialty area other than residential brokerage or individuals who otherwise hold a class of membership in such Institute, Society, or Council that confers the right to hold office. Any such individual, if otherwise eligible, may elect to hold REALTOR® membership, subject to payment of applicable dues for such membership. (12/02)

(c) Affiliate Members. Affiliate Members shall be real estate owners and other individuals or firms who, while not engaged in the real estate profession as defined in paragraph (a) or (b) of this Section, have interests requiring information concerning real estate, and are in sympathy with the Objectives of the Association. Affiliate Membership shall also be granted to individuals licensed or certified to engage in real estate practice who, if otherwise eligible, do not elect to hold REALTOR® membership in the Association, provided the applicant is engaged exclusively in a specialty of the real estate business other than brokerage of real property. (9/94)

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

(e) 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.

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

(g) Life Members. Life Members shall be active members who have been recognized by the Board of Directors of the Tri-City Association of REALTORS® as individuals who have fulfilled long and distinguished membership in the Association of a minimum of twenty (20) consecutive years and have met the requirements as set forth from time to time by the Board of Directors.

(h) REALTOR® Emeritus Members. A REALTOR® Member who has held membership in the National Association as a REALTOR®, or REALTOR®-ASSOCIATE, or both, for a cumulative period of fifty (50) years, upon certification by the Board of Directors shall be designated 'REALTOR® EMERITUS'.

(i) Distinguished Service Members. Distinguished Service Members shall be those members actively engaged in the real estate profession and who are recipients of the National Association Distinguished Service Award.

Section 2. The Board of Directors may terminate the membership of any member of the Association when the request has been made by a member desiring such termination or where he no longer meets the requirements for the membership classification which he holds.

ARTICLE V - Qualification and Election

Section 1. Application.

An application for membership shall be made in such manner and form as may be prescribed by the Board of Directors and made available to anyone requesting it. The application form shall contain among the statements to be signed by the applicant (1) that applicant agrees as a condition to membership to thoroughly familiarize himself with the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, the Constitutions, Bylaws, and Rules and Regulations of the

Association, the State and National Associations, and if elected a Member, will abide by the Constitutions and Bylaws and Rules and Regulations of the Association, State and National Associations, and if a REALTOR® Member will abide by the Code of Ethics of the National Association of REALTORS® including the obligation to arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics, and as further specified in the Code of Ethics and Arbitration Manual of the NATIONAL ASSOCIATION OF REALTORS®, as from time to time amended, and (2) that applicant consents that the Association, through its Members Services Committee or otherwise, may invite and receive information and comment about applicant from any Member or other persons, and that applicant agrees that any information and comment furnished to the Association by any person in response to the invitation shall be conclusively deemed to be privileged and not form the basis of any action for slander, libel, or defamation of character. The applicant shall, with the form of application, have access to a copy of the Bylaws, Constitution, Rules and Regulations, and Code of Ethics referred to above. (6/95)

Section 2. Qualification.

(a) Applicants for REALTOR® Membership, who as sole proprietors, partners, corporate officers or trustees, or branch office managers of a real estate firm, shall supply evidence satisfactory to the Association through its Member Services Committee or otherwise that he is actively engaged in the real estate profession and maintains a current, valid real estate broker's or salesperson's license or is licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property; has a place of business within the state or a state contiguous thereto, (unless a secondary member); has no record of recent or pending bankruptcy*; has no record of official sanctions involving unprofessional conduct**; agrees to complete a course of instruction covering the Bylaws and Rules and Regulations of the Association, the Bylaws of the State Association and the Constitution, Bylaws and the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, and shall pass such reasonable and non-discriminatory written examinations thereon, as may be required by the Board of Directors, and shall agree that if elected to membership, he will abide by such Constitution, Bylaws, Rules and Regulations, and Code of Ethics. (7/05)

["No Recent or Pending Bankruptcy" is intended to mean that the applicant or any real estate firm in which the applicant is a sole proprietor, general partner, corporate officer or trustee, or branch manager is not involved in any pending bankruptcy or insolvency proceedings or has not been adjudged bankrupt in the past three (3) years. If a bankruptcy proceeding as described above exists, membership may not be rejected unless the Association establishes that its interests and those of its members and the public could not be adequately protected by requiring that the bankrupt applicant pay cash in advance for Association and M.L.S. fees for up to one (1) year from the date that membership is approved or from the date that the applicant is discharged from bankruptcy (whichever is later). In the event that an existing member initiates bankruptcy proceedings, the member may be placed on a "cash basis" from the date that bankruptcy is initiated until one (1) year from the date that the member has been discharged from bankruptcy. (1/98)]

[**"No Record of Official Sanctions Involving Unprofessional Conduct" is intended to mean that the Association may only consider judgments within the past three (3) years of violations of (1) civil rights law; (2) real estate license laws; (3) or other laws prohibiting unprofessional conduct against the applicant rendered by the courts or other lawful authorities. (1/98)]

NOTE 1: Article IV, Section 2, of the NAR Bylaws prohibits Member Boards from knowingly granting REALTOR® membership to any applicant who has an unfulfilled sanction pending which was imposed by another Board or Association of REALTORS® for violation of the Code of Ethics. (11/01)

(b) Individuals who are actively engaged in the real estate profession other than as a sole proprietor, partner, corporate officer, trustee, or branch office managers in order to qualify for REALTOR® Membership, shall at the time of application be associated either as an employee of or as an independent contractor with a Designated REALTOR® Member of the Association or a Designated REALTOR® Member of another Board or Association (if a secondary member) who maintains an established real estate office and must maintain a current, valid real estate broker's or salesperson's license or be licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property and shall satisfy the following requirements (6/95):

- 1) The applicant must make written application for REALTOR® Membership to the local Association; and
- 2) Must subscribe (a) to the REALTORS® Code of Ethics, and (b) to the Constitution, Bylaws, Rules and Regulations of the local Association, the State Association, and the National Association; and
- 3) Shall complete a course of instruction covering the Bylaws, Rules and Regulations of the Association, and the Bylaws of the State Association and the Constitution, Bylaws and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®; and
- 4) Pass such reasonable and non-discriminatory written examinations thereon as may be required by the Board of Directors; and
- 5) Shall agree that if elected to membership, he will abide by such Constitution, Bylaws, Rules and Regulations, and Code of Ethics. (6/95)

(c) The Association will also consider the following in determining an applicant's qualifications for REALTOR® Membership: (1/98)

- 1) All findings of Code of Ethics violations and violations of other membership duties in any other Board or Association within the past three (3) years,
- 2) Pending ethics complaints (or hearings),

- 3) Unsatisfied discipline pending,
- 4) Pending arbitration requests (or hearings),
- 5) Unpaid arbitration awards or unpaid financial obligations to any other Board or Association, or Association, or Board or Association MLS.
- 6) Any misuse of the term REALTOR® or REALTORS® in the name of the applicant's firm.(9/07)

“Provisional” membership may be granted in instances where ethics complaints or arbitration requests (or hearings) are pending in other Boards or Associations or where the applicant for membership has unsatisfied discipline pending in another Board or Association (except for violations of the Code of Ethics; See Article V, Section 2(a) NOTE 1) provided all other qualifications for membership have been satisfied. The Association may reconsider the membership status of such individuals when all pending ethics and arbitration matters (and related discipline) have been resolved or if such matters are not resolved within six (6) months from the date that provisional membership is approved. Provisional members shall be considered REALTORS® and shall be subject to all the same privileges and obligations of REALTOR® Membership. (11/01)

If a member resigns from another Board or Association with an ethics complaint or arbitration request pending, the Association may condition membership on the applicant's certification that he will submit to the pending ethics or arbitration proceeding (in accordance with the established procedures of the Association to which the applicant has made application) and will abide by the decision of the hearing panel. (1/98)

(d) Waiver of Orientation and Written Examination:

Upon application for re-instatement to REALTOR® Membership in the Tri-City Association of REALTORS®, the orientation and written examination shall be waived provided the applicant's former membership has not lapsed or been expired longer than one (1) year from date of request for re-instatement.

(e) An applicant for Institute Affiliate Membership shall supply to the Member Services Committee evidence that applicant holds 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 who otherwise holds a class of membership in such Institute, Society, or Council that confers the right to hold office and shall agree, if elected to membership, to abide by the Constitution, Bylaws and Rules and Regulations of the local Association, State Association and National Association. (12/02)

Section 3. Election.

The procedure for election to membership shall be as follows:

(a) The chief staff executive (or duly authorized designee) shall determine whether the applicant is applying for the appropriate class of membership.

(b) The Board of Directors shall review the qualifications of the applicant and the recommendations of the chief staff executive (or duly authorized designee) and then 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 records the proceedings.

(d) If the Board of Directors determines that the application should be rejected, it shall record its reasons with the chief staff executive (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 violates no rights of the applicant. (2/12)

Section 4 - New Member Code of Ethics Orientation.

Applicants for REALTOR® membership and provisional REALTOR® members (where applicable) shall complete an orientation program on the Code of Ethics of not less than two hours and thirty minutes of instructional time. This requirement does not apply to applicants for REALTOR® membership or provisional members who have completed comparable orientation in another association, provided that REALTOR® membership has been continuous, or that any break in membership is for one year or less. Failure to satisfy this requirement prior to the second (2nd) available Orientation provided by the Association occurring after the date of application (or, alternatively, the date that provisional membership was granted), will result in denial of the membership application or termination of provisional membership.

Note: Orientation programs must meet the learning objectives and minimum criteria established from time to time by the NATIONAL ASSOCIATION OF REALTORS®. (11/01)

Section 5 - Continuing Member Code of Ethics Training.

Effective January 1, 2001, through December 31, 2004, and for successive four year periods thereafter, each REALTOR® member of the association shall be required to complete quadrennial ethics training of not less than two hours and thirty minutes of instructional time. This requirement will be satisfied upon presentation of documentation that the member has completed a course of instruction conducted by this or another association, the State Association of REALTORS®, the NATIONAL ASSOCIATION OF REALTORS®, or any other recognized educational institution or provider which meets the learning objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTORS® from time to time. REALTOR® members who have completed training as a requirement of membership in another association and REALTOR® members who have completed the New Member Code of Ethics Orientation during any four year cycle shall not be required to complete additional ethics training until a new four year cycle commences.

Failure to satisfy this requirement shall be considered a violation of a membership duty for which REALTOR® membership shall be suspended until such time as the training is completed. (11/01) Members suspended for failing to meet the requirement for the first four (4)-year cycle (2001 through 2004) will have until December 31, 2005 to meet the requirement. Failure to meet the requirement by that time will result in automatic termination of membership. Failure to meet the requirement for the second (2005 through 2008) cycle and subsequent four (4)-year cycles will result in suspension of membership for the first two months (January and February) of the year following the end of any four (4)-year cycle 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. (7/05)

Section 6. Status Changes.

(a) A REALTOR® who changes the conditions under which he holds Membership shall be required to provide written notification to the Association within 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 he has transferred within ninety (90) days of the date he advised the Association of his change in status, his new Membership application will terminate automatically unless otherwise so directed by the Board of Directors. (6/95)

A REALTOR® who is transferring their license from one firm comprised of REALTOR® principals to another firm comprised of REALTOR® principals shall be subject to all of the privileges and obligations of membership during the period of transition. If the transfer is not completed within seven (7) business days of the date the Association is advised of the disaffiliation with the current firm,

membership will terminate automatically unless otherwise so directed by the Board of Directors. (6/98)
NOTE: The Board of Directors, at its discretion, may waive any qualification which the applicant has already fulfilled in accordance with the Association’s Bylaws. (6/95)

(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. (6/95)

(c) Dues shall be prorated from the first day of the month 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. (1/04)

ARTICLE VI - Privileges and Obligations

Section 1. The privileges and obligations of members in addition to those otherwise provided in these Bylaws, shall be specified in this Article.

Section 2. Any Member of the Association may be reprimanded, fined, placed on probation, suspended, or expelled by the Board of Directors for a violation of these Bylaws and Rules and Regulations not inconsistent with these Bylaws, after a hearing as provided in the Code of Ethics and Arbitration manual of the Association. Although Members other than REALTORS® are not subject to the Code of Ethics nor its enforcement by the Association, such members are encouraged to abide by the principles established in the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and conduct their business and professional practices accordingly. Further, Members other than REALTORS® may, upon recommendation of the Membership Committee, or upon recommendation by a hearing panel of the Professional Conduct Committee, be subject to discipline as described above, for any conduct, which in the opinion of the Board of Directors applied on a nondiscriminatory basis, reflects adversely on the terms REALTOR® or REALTORS®, and the real estate industry, or for conduct that is inconsistent with or adverse to the objectives and purposes of the local Association, the State Association and the NATIONAL ASSOCIATION OF REALTORS®. (6/95)

Section 3. 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, proved 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. (6/95)

Section 4. Resignations of Members shall become effective when received in writing by the Board of Directors, provided, however, that if any Member submitting the resignation is indebted to the Association for dues, fees, fines or other assessments of the Association or any of its services, departments, divisions, or subsidiaries, the Association may condition the right of the resigning Member to reapply for membership upon payment in full of all such monies owed.

Section 5. If a Member resigns from the Association or otherwise causes membership to terminate with an ethics complaint pending, that Board of Directors may condition the right of the resigning Member to reapply for membership on the applicant's certification that he will submit to the pending ethics proceeding and will abide by the decision of the hearing panel. (11/2000)

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®. (11/2000)

Section 6. REALTOR® Members.

(a) REALTOR® Members, whether primary or secondary, in good standing whose financial obligations to the Association are paid in full shall be entitled to vote and to hold elective office in the Association. (6/95)

(b) Only REALTOR® Members may use the terms REALTOR® or REALTORS®, which use shall be subject to the provisions of Article VIII.

(c) REALTOR® Members have the primary responsibility to safeguard and promote the standards, interest, and welfare of the Association and the real estate profession.

(d) If a REALTOR® Member is a sole proprietor in a firm, a partner in a partnership, or an officer of a corporation, and is suspended or expelled, the firm, partnership, or corporation shall not use the terms REALTOR® or REALTORS® in connection with its business during the period of suspension, or until readmission to REALTOR® Membership, or unless connection with the firm, partnership, or corporations is severed, or management control is relinquished, whichever may apply.

The membership of all other principals, partners or corporate officers shall suspend or terminate during the period of suspension of the disciplined Member, or until readmission of the disciplined Member or unless connection of the disciplined Member with the firm, partnership, or corporation is severed, or unless the REALTOR® who is suspended or expelled removes himself from any form or degree of management control of the firm for the term of the suspension or until readmission to membership, whichever may apply. Removal of an individual from any form or degree of management control must be certified to the Association by the Member who is being suspended or expelled and by the individual who is assuming management control, and the signatures of such certification must be notarized. In the event the suspended or expelled Member is so certified to have relinquished all form or degree of management control of the firm, the membership of other partners, corporate officers or trustees, or other individuals affiliated with the firm, shall not be affected, and the firm, partnership or corporation may continue to use the terms REALTOR® or REALTORS® in connection with its business during the period of suspension or until the former Member is readmitted to membership in the Association. The foregoing is not intended to preclude a suspended or expelled Member from functioning as an employee or independent contractor, providing no management

control is exercised. Further, the membership of REALTORS® other than principals who are employed by or affiliated as independent contracts with the disciplined Member shall suspend or terminate during the period of suspension of the disciplined Member or until readmission of the disciplined Member, or unless connection of the disciplined Member with the firm, partnership or corporation is severed, or management control is relinquished, or unless the REALTOR® Member (non-principal) elects to sever his connection with the REALTOR® and affiliate with another REALTOR® Member in good standing in the Association, whichever may apply. If a REALTOR® Member other than a sole proprietor in a firm; partner in a partnership; or an officer of a corporation is suspended or expelled, the use of the terms REALTOR® or REALTORS® by the firm, partnership or corporation shall not be affected. (1/98)

(e) In any action taken against a REALTOR® Member for suspension or expulsion under Section 6(d) hereof, 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 in Article VI, Section 6(d) shall apply. (6/95)

(f) Resignations shall become effective only when accepted by the Board of Directors. (Adopted 9/89)

Section 7. Institute Affiliate Members. Institute Affiliate Members shall have such rights and privileges and be subject to such obligations as are prescribed by the Board of Directors consistent with the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS®. (6/95)

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. (4/03)

Section 8. Affiliate Members. Affiliate Members shall have rights and privileges and be subject to obligations prescribed by the Board of Directors. (6/95)

Section 9. Public Service Members. Public Service Members shall have rights and privileges and be subject to obligations prescribed by the Board of Directors. (6/95)

Section 10. Honorary Members. Honorary Members shall confer only the right to attend meetings and participate in discussions and shall impose no obligations. (6/95)

Section 11. Student Members. Student Members shall have such rights and privileges and be subject to obligations prescribed by the Board of Directors. (6/95)

Section 12. Life Members. Life Members shall have rights and privileges and be subject to obligations prescribed by the Board of Directors. (6/95)

Section 13. REALTOR® Emeritus Members. REALTOR® Emeritus Members shall have rights and privileges and be subject to obligation as stipulated in Section 3 of this Article or be prescribed by the Board of Directors. Inactive REALTOR® Emeritus Members shall have rights and privileges prescribed by the Board of Directors. (6/95)

Section 14. Distinguished Service Members. Distinguished Service Members shall have rights and privileges and be subject to obligations prescribed by the Board of Directors. (6/95)

Section 15. Certification by REALTOR®. “Designated” REALTOR® Members of the Association shall certify to the Association during the months of April and October 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 REALTORS® shall also identify any non-member licensees or certified individuals in the REALTOR®’s office(s) and if Designated REALTOR® dues have been paid to another Association based on said non-member licensees or certified individuals, the Designated REALTOR® shall identify the Association to which dues have been remitted. These declarations shall be used for purposes of calculating dues under Article X, Section 2(a) of the Bylaws. “Designated” REALTOR® Members shall also notify the Association of any individual(s) licensed or certified with the firm(s) within ten (10) days of the date of affiliation or severance of the individual(s). (1/98)

Section 16. Harassment. Any Member of the Association may be reprimanded, placed on probation, suspended or expelled for harassment of an Association or MLS. employee, or Association Officer or Director, after an investigation in accordance with the established procedures of the Association. Disciplinary action may also consist of any sanction authorized in the Association’s Code of Ethics and Arbitration Manual. 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. (6/95) (6/10)

ARTICLE VII - Professional Conduct and Arbitration

Section 1. The responsibility of the Association and of Association Members relating to the enforcement of the Code of Ethics, the disciplining of members, 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 2. It shall be the duty and responsibility of every REALTOR® Member of this Association to abide by the Constitution and Bylaws and the Rules and Regulations of the Association, the Constitution and Bylaws of the State Association, the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS®, and to abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, including the duty to arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics, and as further defined and in accordance with the procedures set forth in the Code of Ethics & Arbitration Manual of this Association as from time to time amended. (6/95)

Section 3. The responsibility of the Association and of Association members relating to the enforcement of the Code of Ethics, the disciplining of members, the arbitration of disputes, and the organization and procedures incident thereto, shall be consistent with the cooperative professional standards enforcement agreement entered into by the Association, which by this reference is made a part of these Bylaws. (11/01)

ARTICLE VIII - Use of the Term REALTOR® and REALTORS®

Section 1. Use of the terms REALTOR® or REALTORS® by Members shall, at all times, be subject to the provisions of the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS® and to the Rules and Regulations prescribed by its Board of Directors. The Association shall have the authority to control jointly in full cooperation with the NATIONAL ASSOCIATION OF REALTORS®, use of the term 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. (7/07)

Section 2. REALTOR® Members of the Association shall have the privilege of using the terms REALTOR® and REALTORS® in connection with their places of business within the state or a state contiguous thereto so long as they remain REALTOR® Members in good standing. No other class of members shall have this privilege. (1/98)

Section 3. A REALTOR® Member who is a principal of a real estate firm, partnership, or corporation, may use the terms REALTOR® and REALTORS® only if all of the principals of such firm, partnership,

or corporation, who are actively engaged in the real estate profession within the state or a state contiguous thereto are REALTOR® Members of the Association or Institute Affiliate Members as described in Section 1(b) of Article IV. (1/98)

(a) In the case of a REALTOR® member who is a principal of a real estate firm, partnership, or corporation whose business activity is substantially all commercial, the right to use the term REALTOR® or REALTORS® shall be limited to office locations in which a principal, partner, corporate officer, or branch office manager of the firm, partnership, or corporation holds REALTOR® membership. If a firm, partnership, or corporation operates additional places of business in which no principal, partner, corporate officer, or branch office manager holds REALTOR® membership, the term REALTOR® or REALTORS® may not be used in any reference to those additional places of business. (11/01)

Section 4. Institute Affiliate Members shall not use the terms REALTOR® or REALTORS®, nor the imprint of the emblem seal of the NATIONAL ASSOCIATION OF REALTORS®.

ARTICLE IX - State and National Membership

Section 1. The Association shall be a Member of the NATIONAL ASSOCIATION OF REALTORS® and of the Washington Association of REALTORS®. By reason of the Association's membership, each REALTOR® Member of the Member Association shall be entitled to membership in the NATIONAL ASSOCIATION OF REALTORS® and the 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 2. The Association recognizes the exclusive property rights of the NATIONAL ASSOCIATION OF REALTORS® in the terms REALTOR® and REALTORS®. The Association shall discontinue use of the terms in any form in its name, upon ceasing to be a Member of the National Association, or upon a determination by the Board of Directors of the National Association that it has violated the conditions imposed upon the terms.

Section 3. The Association hereby 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 and the Washington Association of REALTORS®. (6/95)

ARTICLE X - Dues, Fees, and Finances

Section 1. Application Fee.

(a) The Board of Directors may adopt an application fee for REALTOR® Membership in a reasonable amount, not exceeding three times the amount of the annual dues for REALTOR® Membership, which shall be required to accompany each application for REALTOR® Membership, and which shall become the property of the Association upon final approval of the application by the Board of Directors. (12/02)

(b) Waiver of Application Fee.

Under no circumstances shall an individual’s membership application fee be waived or returned except:

- 1) Where an individual has notified the Association of REALTORS® in writing of his intent not to pursue membership in the Tri-City Association of REALTORS® prior to the Board of Director's final approval or disapproval of said applicant's application for membership.
- 2) Where a former REALTOR®'s Membership in the Tri-City Association of REALTORS® has expired or lapsed and said member has petitioned the Tri-City Association of REALTORS® for re-instatement to REALTOR® Membership provided:
 - a. Said applicant makes payment in full of all past due accounts from date of expiration of membership; and, provided further that,
 - b. Former member's membership has not lapsed or been expired longer than one (1) year from date of request for re-instatement.

Section 2. Dues. The annual dues of members shall be as follows:

(a) REALTOR® Members and Affiliate Members.

The annual dues of REALTOR® Members and Affiliate Members for the subsequent year shall be determined by the Board of Directors. The annual dues of each Institute Affiliate Member shall be as established in Article II of the Bylaws of the NATIONAL ASSOCIATION OF REALTORS®.

The annual dues of each Designated REALTOR® Member shall be in such amount as established annually by the Board of Directors, plus an additional amount to be established annually by the Board of Directors times the number of real estate salespersons and licensed or certified appraisers who (1) are employed by or affiliated as independent contractors, or who are otherwise directly or indirectly licensed or certified 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, and licensed or certified appraisers, as defined in Section 2(a) (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, or licensed or certified appraisers, 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. (11/01)

Dues shall be calculated from issue date of said non-member licensees', or licensed or certified appraisers' issue date of license or certification. (6/95)

For the purpose of this Section a Designated REALTOR® Member of a Member Association shall be held to be any Member who has a place, or places, of business within the State or a State contiguous thereto and who, as a principal, partner, corporate officer or trustee, or branch office manager of a real estate firm, partnership, or corporation, is actively engaged in the real estate profession as defined in Article III, Section 1, of the Constitution of the National Association of REALTORS®. An individual shall be deemed to be licensed, or certified, with a Designated REALTOR® if the license or certification of the individual is held by the Designated REALTOR®, or by any Broker who is licensed or certified with the Designated REALTOR®, or by any entity in which the Designated REALTOR® has a direct or indirect ownership interest and which is engaged in other aspects of the real estate business (except as provided for in Section 2 (a) (1) hereof) provided that such licensee or certified individual is not otherwise included in the computation of dues payable by the principal, partner, corporate officer or branch office manager of the entity. (10/03)

A Designated REALTOR® with a direct or indirect ownership interest in an entity engaged exclusively in soliciting and/or referring clients and customers to the Designated 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 or certified individuals affiliated with that entity and shall certify that all of the licensees or certified individuals affiliated with the entity are solely engaged in referring clients and customers and are not engaged in listing, selling, leasing, managing, counseling or appraising real property. The individuals disclosed on such form shall not be deemed to be licensed or certified with the Designated REALTOR® filing the form for purposes of this Section and shall not be included in calculating the annual dues of the Designated REALTOR®. (10/03)

Membership dues shall be prorated for any licensee or certified individual 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 or certified individual held REALTOR® Membership during the preceding calendar year. (10/03)

(b) Public Service Members. The annual dues of each Public Service Member shall be \$10.00.

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

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

(e) Life Members. The annual dues of each Life Member shall be the same as the Association dues prescribed for their class of membership as defined in Article IV, Section 1, (a) through (g).

(f) REALTOR® Emeritus Members. REALTOR® Emeritus Members shall pay no dues to the Tri-City Association of REALTORS®.

(g) Distinguished Service Members. Distinguished Service Member shall pay no dues to the Tri-City Association of REALTORS®.

Section 3. Dues Payable. Dues for all members shall be payable annually in advance on the first day of January, and shall be delinquent on the second day of January. Dues for a new Designated REALTOR® member applicant shall be calculated from the first day of the month in which the individual is elected to Association membership, and shall be prorated for the year. (9/05)

(a) In the event a sales licensee or licensed or certified appraiser who hold REALTOR® membership is dropped for non-payment of Association dues, and the individual remains with the Designated REALTOR®'s firm, the dues obligation of "Designated" REALTOR® (as set forth in Article X, Section 2 (a)) will be increased to reflect the addition of a non-Member licensee or licensed or certified appraiser. Dues shall be calculated from the first day of the current fiscal year and are payable within 25 days of the notice of termination. (6/95)

(b) A reinstated Member's dues shall be calculated from the first day of the month in which the Board of Directors approved the reinstatement.

(c) Paid dues are not refundable, except in the event of the death of a Member, a portion of the annual dues may be refunded to the Member's immediate family upon approval of the Board of Directors.

Section 4. Non-Payment of Financial Obligations.

(a) Any member whose dues, fees, fines, and other assessments including amounts owed to the Association or the Association's Multiple Listing Service, are delinquent for 15 days from the due date, shall not receive any services of the Association until such delinquency is eliminated.

(b) Twenty-five days after due date membership shall automatically terminate unless within that time that amount due is paid.

(c) However, no action shall be taken to suspend services or expel a Member for nonpayment of disputed amounts until the accuracy of the amount owed has been confirmed by the Board of Directors.

(d) A former member who has had his membership terminated for nonpayment of dues, fees, fines or other assessments duly levied in accordance with the provisions of these Bylaws or the provisions of other Rules and Regulations of the Association or any of its services, departments, or divisions, may apply for reinstatement in the manner prescribed for new applicants for membership, after making payment in full of all past due accounts as of the date of termination.

Section 5. Special Assessment. Special assessments may be initiated by action of the Board of Directors. If such assessment is requested by the Board of Directors, the class(es) of membership affected by said assessment shall be notified by mail or by placing in the REALTORS®' distribution box at the Association Office, at least ten (10), and not more than fifty (50) days prior to a meeting to consider any special assessment. A majority vote of those present at the meeting will pass the assessment which must be paid in accordance with Section 4 above.

NOTE: Notice requirements are per RCW 24.03.080.] (6/95)

Section 6. Designated REALTOR® Responsible. The Designated REALTOR® member of each firm represented in the Association shall monitor the payment of dues and/or assessments by the REALTORS® associated with said Designated REALTOR®, and in the event any such REALTOR® does not pay the required dues and/or assessments, the Designated REALTOR® shall be subject to Article XIX(a). (9/94)

Section 7. Notice of Dues, Fees, Fines, Assessments, and Other Financial Obligations of Members. All dues, fees, fines, assessments, or other financial obligations to the Association or Association MLS shall be noticed to the delinquent Association Member in writing setting forth the amount owed and due date.

Section 8. Deposit. All moneys received by the Association for any purpose shall be deposited to the credit of the Association in financial institution or institutions selected by resolution of the Board of Directors. Board of Directors may approve special accounts for special Committee projects.

Section 9. Expenditures. The Board of Directors shall administer the finances of the Association.

Section 10. Operating Budget. If for any fiscal year a deficit Operating Budget is proposed by the Board of Directors, it must be approved before implementation by a majority vote of the REALTOR® Members present and qualified to vote at any meeting at which a quorum is present.

ARTICLE XI - Officers and Directors

Section 1. Officers. The Officers of the Association shall be elected for terms of one year. Officers are as follows:

(a) A President, who shall be a Realtor member of TCAR and in current status, shall serve as Chair of the Board of Directors and shall preside at its meetings and those of the membership. He/she shall be the official spokesperson of the Association in matters of policy. He/she shall be an ex-officio member of all committees except Grievance and Professional Standards, and shall perform all other duties as established by the Board of Directors. The position of President will automatically be filled by the current President Elect.

(b) A President Elect, who shall be a Realtor member of TCAR and in current status, shall perform such duties as are assigned by the Board of Directors, and in the absence of the President shall perform all of the duties of the President.

(c) A Vice President, who shall be a Realtor member of TCAR and in current status, shall act for the President Elect in the event of his/her absence or incapacity with all the powers and duties of the office until the next election.

(d) A Secretary/Treasurer, who shall be a Realtor member of TCAR and in current status, shall keep or cause to be kept a record of all official proceedings of TCAR and its Board of Directors, he/she shall serve as Chairman of the Budget & Finance Committee.

Section 2. Board of Directors. The governing body of the Association shall be a Board of Directors consisting of the elective officers, the immediate Past President who shall serve a one (1) year term, and six (6) elected REALTOR® Members who will serve in specific director positions, number 1, 2, 3, 4, 5, and 6 with staggered, three (3) year terms.

Additional directors may be added based upon the REALTOR® Membership of the Association in good standing as of June 1 date prior to the annual Association elections. Such additional Directors shall be based upon the following schedule: (6/93)

601-800 1 add'nl Director (7 total) 801-1000 2 add'nl Directors (8 total)
1000-1500 3 add'nl Directors (9 total) 1501-2000 4 add'nl Directors (10 total)

No member shall hold the office of local Association Director and Officer position of the Association simultaneously. In the event of a resignation, reinstatement may be obtained with approval of the Board of Directors.

Section 3. Election of Officers and Directors.

(a) At least two (2) months before the annual election, a Nominating Committee of three (3) Realtor

members, at least one of whom shall be a Past President, shall be appointed by the Board of Directors.

(b) The Nominating Committee shall select one candidate for President-elect, at least one candidate for Vice-President, at least one candidate for Secretary/Treasurer, and at least one candidate for each vacancy on the Board of Directors. All candidates must meet the following minimum requirements: (1/98)

- 1) President-elect must have been an elected Officer or a Director and is required to have been a member of the Budget and Finance Committee.
- 2) Vice President, Secretary/Treasurer and Director candidates must currently be a member of a committee or a past chairman of a committee within the past three (3) years. (5/91)

(c) The report of the Nominating Committee shall be mailed or electronically transferred to each member eligible to vote at least two (2) weeks preceding the election.

(d) Additional candidates for all offices other than officers may be placed in nomination by simple petition signed and submitted by the candidate. The petition shall be submitted to the Chief Executive Officer at least ten (10) working days prior to the election.

(e) The Chief Executive Officer shall post and/or electronically transfer a sample ballot to all Members eligible to vote at least five (5) working days prior to the election.

(f) The election of Directors shall take place during the third week of August of each year. All elective terms begin January 1 of the following year.

(g) Elections shall be by electronic ballot and all votes shall be cast by electronic means established by the Board of Directors. The ballot shall contain the names of all candidates and the offices for which they are running.

(h) The President shall appoint an Election Committee of at least three (3) Realtor members to conduct the election.

(i) The Candidates receiving the largest plurality of the votes of the membership shall be declared duly elected. In case of a tie vote, the issue shall be determined by lot.

(j) Any candidate can be ruled ineligible to serve as a Director or Officer by the Board of Directors if his/her election would result in more than fifty percent (50%) of the Board members being licensed with the same company.

Section 4. Vacancies. Vacancies among the Officers and the Board of Directors shall be filled by the Board of Directors until the next annual election.

Section 6. Removal of Officers and Directors. In the event that an Officer or Director is deemed to be incapable of fulfilling the duties for which elected, but will not resign from office voluntarily, the Officer or Director may be removed from office under the following procedure:

(a) A petition requiring the removal of an Officer or Director and signed by not less than one-third of the voting membership or a majority of all Directors shall be filed with the President, or if the President is the subject of the petition, with the next-ranking officer and shall specifically set forth the reasons the individual is deemed disqualified from further service. (6/95)

(b) Upon receipt of the petition and not less than twenty (20) days or more than forty-five (45) days thereafter, a special meeting of the voting Membership of the Association shall be held, and the sole business of the meeting shall be to consider the charge against the Officer or Director, who is the subject of the petition and to render a decision on such petition.

(c) The special meeting shall be noticed by mailing or by placing in the REALTORS® distribution box at the Association Office to all voting Members at least ten (10) and not more than fifty (50) days prior to the meeting and shall be conducted by the President of the Association unless the President's continued service in office is being considered at the meeting. In such case, the next-ranking Officer will conduct the meeting of the hearing by the Members. Provided a quorum is present, a three-fourths vote of Members present and voting, shall be required for removal from office. (6/95)

Section 7. Chief Staff Officer.

The Board of Directors may employ the necessary office personnel for efficient operation of the office of the corporation. The Board of Directors may also employ a Chief Executive Officer.

(a) **Chief Executive Officer.** There shall be a Chief Executive Officer appointed by the Board of directors, who shall be the chief administrative officer of the Association. The Chief Executive Officer shall have the authority to hire, supervise, evaluate, and terminate other staff, if any, and shall perform such other duties as prescribed by the Board of Directors.

Section 8. Bonding. Officers and employees to be bonded and the amount of said bonds shall be determined by the Board of Directors from time to time. Said Bond or Bonds shall be furnished by a Surety Company approved by the Board of Directors. The cost of such Bond or Bonds shall be paid by the Association.

Section 8. Indemnification of Officers and Directors.

(a) **Right of Indemnification.** Each person who was or is made a party to 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, shall be indemnified and held harmless by the Association if that person is or was a Director or Officer of the Association.

Likewise, a person shall be indemnified if, being or having been such a Director or Officer, he is or was serving at the request of the Association as a Director, Officer, employee or agent of another Association or of a partnership, joint venture, trust, or other enterprise, including service with respect to employee benefit plans. The person shall be indemnified whether the basis of a proceeding is an alleged action in an official capacity as a Director, Officer, employee or agent or in any other capacity while serving as a Director, Officer, employee or agent or in any other capacity. The Association shall indemnify and hold harmless to the full extent permitted by applicable law as then in effect, against all expenses, liability and loss (including, without limitation, attorneys' fees, judgments, fines, ERISA, excise taxes, or penalties and amounts to be paid in settlement) actually or reasonably incurred or suffered by such person in connection therewith. Such indemnification shall continue as to a person who has ceased to be a Director, Officer, employee, or agent and shall inure to the benefit of that person's heirs, executors, and administrators.

No indemnification shall be provided under this Article XI to any such person if the corporation is prohibited by the non-exclusive provisions of the Washington Business Corporation Act or other applicable law as is then in effect from paying such indemnification. The right to indemnification conferred in this section shall be a contract right and shall include the right to be paid by the Association expenses incurred in defending any such proceeding in advance of its final disposition; provided, however, that the payment of such expenses 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 amount so advanced if it shall ultimately be 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.

(b) Effect On Other Rights. 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 statute, provision of the Article of Incorporation, Bylaws, agreement, or vote of shareholders or disinterested Directors or otherwise.

(c) Insurance. At its expense, the Association may maintain insurance to protect itself and any Director, Officer, employee or agent of the Association or of another association, 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 Business 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 in, or use other means (including, without limitation, a letter of credit) to ensure the payment of such amounts as may be necessary to effect indemnification's as provided in this Article.

(d) Advance Payment. The Association may, by action of its Board of Directors from time to time, provide indemnification and pay expenses in advance of the 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 Offices of the Association or pursuant to rights granted pursuant to, or provided by, the Washington Business Corporation Act or otherwise. (9/89)

ARTICLE XII – Meetings

Section 1. Annual Meetings. The annual membership meeting of the Association shall be held during the month of September.

Section 2. Meeting of Directors.

(a) The Board of Directors shall designate a regular time and place of meeting. Absence from three regular meetings within a calendar year shall be construed as a resignation.

(b) A quorum shall consist of 50% of the Directors.

(c) Special Directors meetings may be called upon 24 hours notice by the President or by written request of 25% of the Directors.

Section 3. Other Membership Meetings. Meetings of members may be held at such other times as the President or the Board of Directors may determine, or upon the written request of at least ten percent of the REALTOR® Members eligible to vote.

Section 4. Notice of Membership Meetings. Written notice shall be given to every Member entitled to participate in the meeting at least ten (10) and not more than fifty (50) days preceding all meetings. If a special meeting, it shall be accompanied by a statement of the purpose of the meeting.

NOTE: Notice requirements are per RCW 24.03.080. (6/95)

Section 5. Quorum. A quorum for the transaction of business at a Membership Meeting shall consist of 10% of the REALTOR® Members eligible to vote.

Section 6. Voting at Membership Meetings. All final voting by the membership on matters recommended by a Committee and/or the Board of Directors must be by vote to “approve” or “disapprove” only. Any matter disapproved by the membership present must be returned to the Committee submitting same and/or Board of Directors for review and resubmission to the membership. (1/98)

ARTICLE XIII – Committees

Section 1. Standing Committees. The President shall appoint from among the REALTOR® Members subject to confirmation by the Board of Directors, the following standing committees; except, only REALTORS® can serve on Grievance, MLS, Professional Conduct and RPAC:

- | | | |
|--|----------------------|--|
| Activities (Communications, Program, Awards) | Budget & Finance | Bylaws |
| Education | Equal Opportunity | Executive |
| Affairs, RPAC) | Grievance | Long Range Planning |
| Multiple Listing | Professional Conduct | Public Relations |
| | | Technology (11/08) |
| | | Governmental Affairs (Legislation, Political
Member Services (Association Services) |

Section 2. Special Committees. The President shall appoint, subject to confirmation by the Board of Directors, such special committees as deemed necessary.

Section 3. Organization. All committees shall be of such size and shall have duties, functions and powers as may be assigned to them by the President or the Board of Directors, and whose purpose, composition and responsibilities are described in the Association’s Policies and Procedures Manual, except as otherwise provided in these Bylaws. (9/99)

ARTICLE XIV - Fiscal and Elective Year

The fiscal and elective year of the Association shall be the calendar year.

ARTICLE XV - Rules of Order

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

ARTICLE XVI – Amendments

Section 1. These Bylaws may be amended by majority vote of the REALTOR® Members present and qualified to vote at any meeting at which a quorum is present, provided the substance of such proposed amendment or amendments shall be plainly stated in the call for the meeting 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. Article IX may be amended only by a majority vote of all REALTOR® Members. (9/94)

Section 2. Notice by mail, or by electronic mail, of all meetings at which such amendments are to be considered shall be given to every REALTOR® Member at least ten (10), and not more than fifty (50) days prior to the time of meeting. (8/13)

Section 3. Amendments to these Bylaws affecting the admission or qualification of REALTOR® Members and Institute Affiliate 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.

ARTICLE XVII – Dissolution

Section 1. Upon the dissolution of this Association, the Board of Directors, after providing for the payment of all obligations, shall distribute any remaining assets to the Washington Association of REALTORS®, or within its discretion, to any other non-profit tax exempt organization. (7/05)

ARTICLE XVIII - Multiple Listing

Section 1. Authority. The Association of REALTORS® shall maintain for the use of its Members a Multiple Listing Service, which shall be subject to the Bylaws of the Association of REALTORS®, and such Rules and Regulations as may be hereinafter adopted.

Section 2. Purpose. A Multiple Listing Service is a means by which authorized Participants make blanket unilateral offers of compensation to other Participants (acting as subagents, buyers agents, or in other agency or non-agency capacities defined by law); by which cooperation among participants is enhanced; by which information is accumulated and disseminated to enable authorized Participants to prepare appraisals, analyses and other valuations of real property for bona fide clients and customers; by which Participants engaging in real estate appraisal contribute to common data bases; and is a facility for the orderly correlation and dissemination of listing information so participants may better serve their clients and the public. Entitlement to compensation is determined by the cooperating Broker’s performance as a procuring cause of the sale (or lease). (7/07)

Section 3. Participation.

(a) Any REALTOR® Member of this or any other REALTOR® Association, who is a principal, partner, corporate officer or trustee, or branch office manager acting on behalf of the principal, without further qualification, except as otherwise stipulated in these Bylaws, shall be eligible to participate in Multiple Listing upon agreeing in writing to conform to the Rules and Regulations thereof and to pay the costs incidental thereto. However, under no circumstances is any individual or firm, regardless of membership status, entitled to Multiple Listing Service or "Participation" unless they hold a current, valid Washington State real estate broker's license and offer or accept compensation to and from other Participants or are licensed or certified by an appropriate Washington State regulatory agency to engage in the appraisal of real property.

Use of information developed by or published by the MLS is strictly limited to activities authorized under a Participant's licensure(s) or certification and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey 'Participation' or any right of access to information developed or published by the M.L.S. where access to such information is prohibited by law. (1/09)

Note: Mere possession of a broker's license is not sufficient to qualify for MLS participation. Rather, the requirement that an individual or firm 'offers or accepts cooperation and compensation' means that the Participant actively endeavors during the operation of its real estate business to list real property of the type listed on the MLS and/or to accept offers of cooperation and compensation made by listing brokers or agents in the MLS. "Actively" means on a continual and 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 1/09)

(b) Subscribers/Users of the MLS include non-principal brokers, sales associates, licensed and certified appraisers affiliated with Participants and individuals seeking licensure or certification as real estate appraisers who are under the direct supervision of an M.L.S. Participant. (9/92)

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

ADOPTED THIS ____ day of _____, 20__.

PRESIDENT

SECRETARY

Revised:

1/2012

3/2012

9/2013

5/2015

FORM OF COMPLAINT FOR DECLARATORY RELIEF

Tri-City Association of REALTORS®, Inc. (hereafter "Plaintiff") complains of defendant _____ (hereafter "Defendant") and alleges:

1. Plaintiff is a corporation duly organized and existing under the laws of the State of Washington and is a Member Association of Washington Association and of the NATIONAL ASSOCIATION OF REALTORS®.

2. Plaintiff's Bylaws include, and at all times herein mentioned have included, provisions governing qualifications, eligibility and application for membership and admission to membership therein.

A true and exact copy of the Bylaws is attached as Exhibit A.

3. On or about _____ defendant applied for membership in plaintiff. After duly considering defendant's application in accordance with its Bylaws, plaintiff has concluded that defendant is not eligible or qualified for membership and that defendant's application for membership should be rejected.

4. An actual controversy exists between plaintiff and defendant in that defendant claims to be qualified and eligible for, and entitled to membership in plaintiff and that plaintiff's conclusion to the contrary is improper and unlawful, and defendant threatens to sue plaintiff, its officers, directors, members or some of them for damages in the event plaintiff denies membership to defendant, praying that this court enjoin plaintiff from denying defendant's application for membership. Plaintiff disputes those contentions and contends that its conclusion not to admit defendant to membership in entirely proper and lawful.

5. Plaintiff is holding defendant's application for membership until a declaration of the rights of the parties in the premises is made in this case.

WHEREOF, plaintiff Tri-City Association of REALTORS®, Inc. prays judgment (a) declaring and determining the right and duties of the parties and in particular adjudicating that plaintiff's decision to reject the defendant's application for membership is lawful and proper and that such rejection will not give rise to any cause of action in favor of defendant against plaintiff, its officers, directors, or members, or any of them, (b) for its costs of suit herein incurred, and (c) for such other and further relief as may be proper.

FORM OF COMPLAINT FOR DECLARATORY RELIEF

Tri-City Association of REALTORS®, Inc. (hereafter "Plaintiff") complains of defendant _____ (hereafter "Defendant") and alleges:

1. Plaintiff is a corporation duly organized and existing under the laws of the State of Washington and is a Member Association of Washington Association and of the NATIONAL ASSOCIATION OF REALTORS®.

2. Plaintiff's Bylaws include, and at all times herein mentioned have included provisions relating to discipline of members for violation of their obligations as members. A true and exact copy of the Bylaws is attached as Exhibit A.

3. Heretofore a complaint was filed with plaintiff against defendant charging violation of membership obligations, disciplinary proceedings were duly taken and had pursuant to the Bylaws, and in consequence plaintiff has concluded that defendant should be (suspended or expelled) from membership and will (suspend or expel) defendant unless the Court holds otherwise.

4. An actual controversy exists between plaintiff and defendant in that defendant claims that defendant should not be (suspended or expelled) and that plaintiff's decision to (suspend or expel) and the (suspension or expulsion) are and would be improper and unlawful, and defendant has threatened to sue plaintiff, its officers, directors, members or some of them for damages in the event plaintiff denies membership to defendant, praying that this court enjoin plaintiff from suspending or expelling defendant's membership. Plaintiff disputes those contentions and contends that its conclusion that defendant should be suspended or expelled from membership and suspension or expulsion is and would be entirely proper and lawful.

5. Plaintiff is not putting into effect its decision to suspend or expel defendant from membership until declaration of the rights or the parties in the premises is made in this case.

WHEREFORE, plaintiff Tri-City Association of REALTORS®, Inc. prays judgment (a) declaring and determining the right and duties of the parties and in particular adjudicating that plaintiff's decision to (suspend or expel) defendant is lawful and proper and that such (suspension or expulsion) will not give rise to any cause of action in favor of defendant against plaintiff, its officers, directors, or members, or any of them, (b) for its costs of suit herein incurred, and (c) for such other and further relief as may be proper.