

# BYLAWS OF THE SEQUIM ASSOCIATION OF REALTORS® INC.

|              |                                                                                                   |
|--------------|---------------------------------------------------------------------------------------------------|
| Article I    | <a href="#">Name and Jurisdiction</a>                                                             |
| Article II   | <a href="#">Objectives</a>                                                                        |
| Article III  | <a href="#">Membership</a> (Primarily verbatim from NAR)                                          |
| Article IV   | <a href="#">Code of Ethics: Professional standards and Training</a> (Primarily verbatim from NAR) |
| Article V    | <a href="#">Dues</a> (Primarily verbatim from NAR )                                               |
| Article VI   | <a href="#">Qualification and Application for Membership</a>                                      |
| Article VII  | <a href="#">Officers and Board of Directors</a>                                                   |
| Article VIII | <a href="#">Meetings</a>                                                                          |
| Article IX   | <a href="#">Committees</a>                                                                        |
| Article X    | <a href="#">Fiscal and Elective Year</a>                                                          |
| Article XI   | <a href="#">Amendments</a>                                                                        |
| Article XII  | <a href="#">Dissolution</a>                                                                       |
| Article XIII | <a href="#">Indemnification</a>                                                                   |

## Article I – Name and Jurisdiction

### **Section 1. Name.**

The name of this organization shall be the Sequim Association of REALTORS®, Incorporated, hereinafter referred to as the "Association."

### **Section 2. Jurisdiction.**

The territorial jurisdiction of the Association as a member of the NATIONAL ASSOCIATION OF REALTORS® is: Clallam County East of Siebert's Creek.

### **Section 3. REALTOR® Trademark.** (Verbatim from NAR)

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.

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 the 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.

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.

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

In the case of a REALTOR® principal 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.

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 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 interest may be safeguarded and advanced.

**Section 4.** To further the interests 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®.

## Article III – Membership

### **Section 1. REALTOR® Members. (Verbatim from NAR)**

REALTOR® Members, whether primary or secondary shall be:

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.

Individuals who are engaged in the real estate profession other than as sole proprietors, partners, corporate officers, or branch office managers and are associated with a REALTOR® member and meet the qualifications.

### **Section 2. 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; and the right to hold elective office in the local association, state association, and National Association.

### **Section 3. Primary and Secondary REALTOR® Members.**

An individual is a primary member if the association pays state and National dues based on such member. An individual is a secondary member if state and National dues are remitted through another association. One of the principals in a real estate firm must be a designated REALTOR® member of the association in order for licensees affiliated with the firm to select the association as their "primary" association.

### **Section 4. Designated REALTOR® Members.**

Each firm (or office in the case of firms with multiple office locations) shall designate in writing one REALTOR® member who shall be responsible for all duties and obligations of membership, including the obligation to arbitrate (or to mediate if required by the association) pursuant to Article 17 of the Code of Ethics and the payment of association dues. The "Designated REALTOR®" must be a sole proprietor, partner, corporate officer, or branch office manager acting on behalf of the firm's principal(s), and must meet all other qualifications for REALTOR® membership.

#### **Section 5. 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® or REALTOR-ASSOCIATE® membership, subject to payment of applicable dues for such membership.

#### **Section 6. 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 7. Obligations 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.

#### **Section 8. State and National Membership**

The association shall be a member of the NATIONAL ASSOCIATION OF REALTORS® and the Washington State Association of REALTORS®. By reason of the association's membership, each REALTOR® member of the Member Board shall be entitled to membership in the NATIONAL ASSOCIATION OF REALTORS® and the Washington State 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.

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.

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.

### **Section 9. Additional Member Classes (Not included in NAR text)**

(a) **Affiliate Members.** Affiliate Members may be individuals or firms who, while not engaged in the real estate profession as defined in Section 1 of this article, have interests requiring information concerning real estate, and are in sympathy with the objectives of the Association. Affiliate Members shall have rights and privileges and be subject to obligations prescribed by the Board of Directors

(b) **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 business. Public Service Members shall have rights and privileges and be subject to obligations prescribed by the Board of Directors.

(c) **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. Honorary Membership shall confer only the right to attend meetings and participate in discussions.

(d) **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. Student Members shall have rights and privileges and be subject to obligations prescribed by the Board of Directors

(e) **Life Members.** Life Members shall be REALTOR® members who have been recognized by the Board of Directors of the Sequim Association of REALTORS® as individuals who have fulfilled long and distinguished membership in the association for a minimum of twenty (20) years, and have met the requirements as set forth from time to time by the Board of Directors.

## **Article IV – Code of Ethics**

**(Verbatim from NAR)**

**Section 1. 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 (2) hours and thirty (30) minutes of instructional time. This requirement does not apply to applicants for REALTOR® membership or provisional members who have completed comparable orientation in another association, provided that REALTOR® membership has been continuous, or that any break in membership is for one (1) year or less.

Failure to satisfy this requirement within 60 days of the date of application (or, alternatively, the date that provisional membership was granted), will result in denial of the membership application or termination of provisional membership.

**Section 2. Continuing REALTOR® Code of Ethics Training.**

Effective January 1, 2019, through December 31, 2021 and for successive three year periods thereafter, each REALTOR® member of the association (with the exception of REALTOR® members granted REALTOR® Emeritus status by the National Association) shall be required to complete ethics training of not less than two (2) hours and thirty (30) minutes of instructional time. This requirement will be satisfied upon presentation of documentation that the member has completed a course of instruction conducted by this or another REALTOR® association, the State Association of REALTORS® or the NATIONAL ASSOCIATION OF REALTORS®, which meets the learning objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTORS® from time to time. REALTOR® members who have completed training as a requirement of membership in another association and REALTOR® members who have completed the New Member Code of Ethics Orientation during any three year cycle shall not be required to complete additional ethics training until a new three 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 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 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 3. New Member Fair Housing Orientation.**

Applicants for REALTOR® membership and provisional REALTOR® members (where applicable) shall complete Fair Housing training of not less than two (2) hours 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®, the NATIONAL ASSOCIATION OF REALTORS®, or the Institutes, Societies, and Councils, which meets the learning objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTORS® from time to time. Fair Housing training approved by a state licensing authority for an existing Fair Housing requirement to gain or maintain licensure shall also fulfill this requirement, provided it also meets the learning objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTORS® from time to time. This requirement does not apply to applicants for REALTOR® membership or provisional members who have completed

comparable orientation in another association, provided that REALTOR® membership has been continuous, or that any break in membership is for one (1) year or less.

Failure to satisfy this requirement within 60 days of the date of application (or, alternatively, the date that provisional membership was granted), will result in denial of the membership application or termination of provisional membership.

#### **Section 4. Continuing Fair Housing Training.**

Effective January 1, 2025, through December 31, 2027 and for successive three 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 Fair Housing training of not less than two (2) hours 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®, the NATIONAL ASSOCIATION OF REALTORS®, or the Institutes, Societies, and Councils, which meets the learning objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTORS® from time to time. Fair Housing training approved by a state licensing authority for an existing Fair Housing requirement to maintain licensure shall also fulfill this requirement, provided it also meets the learning objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTORS® from time to time. REALTOR® members who have completed Fair Housing training as a requirement of membership in another association shall not be required to complete additional Fair Housing training until a new three year cycle commences.

Failure to satisfy the required periodic Fair Housing training shall be considered a violation of a membership duty. Failure to meet the requirement in any three 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 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. 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.

#### **Section 6. Enforcement of the Code.**

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

## Article V – Dues, Deposits, and Expenditures

**(Verbatim from NAR)**

### **Section 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 2. Designated REALTOR® Members Dues.**

The annual dues of each Designated REALTOR® member shall be in such amount as established annually by the board of directors, plus an additional amount to be established annually by the board of directors times the number of real estate salespersons 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 Board shall be held to be any member who has a place or places of business within the state or a state contiguous thereto and who, as a principal is actively engaged in the real estate profession as defined in Article III, Section 1 of the Constitution of the NATIONAL ASSOCIATION OF REALTORS®. An individual shall be deemed to be licensed with a REALTOR® if the license of the individual is held by the REALTOR®, or by any broker who is licensed with the REALTOR®, or by any entity in which the REALTOR® has a direct or indirect ownership interest and which is engaged in other aspects of the real estate business provided that such licensee is not otherwise included in the computation of dues payable by the principal of the entity.

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

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

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

### **Section 3. REALTOR® Members Dues.**

The annual dues of REALTOR® members other than the designated REALTOR® shall be as established annually by the board of directors.

### **Section 4. Institute Affiliate Members Dues.**

The annual dues of each Institute Affiliate member shall be as established in Article II of the Bylaws of the NATIONAL ASSOCIATION OF REALTORS®.

### **Section 5. Association Specific (Not NAR Verbiage)**

(a) Affiliate Members. The annual dues of each Affiliate Member shall be in such amount as established annually by the Board of Directors.

(b) Public Service Members. The annual dues of each Public Service Member shall be in such amount as established annually by the Board of Directors.

(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. Dues payable, if any, shall be at the discretion of the Board of Directors.

(f) The dues of REALTOR Members who are REALTOR® Emeriti (as recognized by the National Association), Past Presidents of the National Association or recipients of the Distinguished Service Award shall be as determined by the Board of Directors.

### **Section 6. Due Dates**

The association shall determine appropriate dates by which all members must pay annual and/or monthly dues.

### **Section 6. Non-payment of Dues**

If dues, fees, fines, or other owed to the Association or the Associations Multiple Listing Service are not paid within one (1) month after the due date, the nonpaying Member is subject to suspension at the discretion of the Board of Directors. After two (2) months membership of the nonpaying Member may be terminated at the discretion of the Board of Directors. After three (3) months Membership of the nonpaying Member shall automatically terminate.

Prior to termination, non-payment information will be verified by the Association.

A member whose membership is terminated may reapply for membership as a new member and follow the guidelines as presented in Article VI.

All dues, fees, fines, assessments, or other financial obligations to the Association or the Associations Multiple Listing Service shall be noticed to the delinquent Association Member in writing stating the amount owed and due date.

#### **Section 7. Deposits**

All monies received by the Association for any purpose shall be deposited to the credit of the Association in a financial institution(s) as selected by the Board of Directors.

#### **Section 7. Expenditures**

The Association Executive shall administer the day to day expenditures of the association as authorized by the Treasurer and the Board of Directors. Any non-budgeted expenditures must be approved by at least 51% of the Board of directors.

### **Article VI -- Qualification and Application for Membership**

#### **Section 1. Qualification as a sole proprietor, partner, corporate officer, or branch office.**

Applicants for REALTOR® Membership who are a sole proprietor, partner, corporate officer, or branch office manager of a real estate firm shall:

- Possess a valid real estate broker license or the equivalent issued by a state regulatory agency such as the WA DOL.
- Supply evidence of activity in the real estate profession,
- Have a place of business within the state or a state contiguous thereto (unless a secondary member),
- Have no record of official sanctions involving unprofessional conduct within the last three years including civil rights laws, real estate license laws, or other laws prohibiting unprofessional conduct against the applicant rendered by the courts or other lawful authorities.
- Agree to review the Association Bylaws and Policies,
- Agree to abide by all rules and regulations as presented at the Association, WR, or NAR.

#### **Section 2. Qualification as an Individual Membership**

Applicants for REALTOR® Membership as individuals shall:

- Complete and submit a membership application.
- Possess a valid real estate broker license or equivalent issued by a state regulatory agency such as the WA DOL.
- Supply evidence of association as an employee or independent contractor with a Designated REALTOR®
- Agree to review the Association Bylaws and Policies
- Agree to abide by all rules and regulations as presented at the Association, WR, or NAR.

#### **Section 3. Granting of Membership**

Prior to granting membership, the Association will:

- Verify the application is correct and complete.
- Verify licenses and associations.
- Collect required membership dues.

#### **Section 4. Rejection of Membership**

If the Association determines that an application should be rejected, it shall record its reasons with the Secretary. The applicant shall be provided a written notice of rejection including the reason(s). The applicant will be given an opportunity to appear before the Board of Directors, to call witnesses, to be represented by counsel, and to make such statements as deemed relevant. The Board of Directors may also have counsel present. The Board of Directors shall require that minutes be taken of any such proceeding and/or hearing.

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.

#### **Section 5. Changes in Status**

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 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® 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 fourteen (14) 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.

#### **Section 6. Certification by REALTOR®.**

"Designated" REALTOR® Members of the Association shall certify to the Association during the month of January on a form provided by the Association, a complete listing of all individuals licensed or certified in the REALTORS®'s office(s) and shall designate a primary Board for each individual who holds membership. Designated REALTORS® shall also identify any non-member licensees in the REALTOR®'s office(s) and if Designated REALTOR® Dues have been paid to another Board based on said non-member licensees, the Designated REALTOR® shall identify the Board to which dues have been remitted. These declarations shall be used for purposes of calculating dues under Article V. Designated REALTOR® Members shall also notify the Association of any additional individual(s) licensed or certified with the firm(s) within fifteen (15) days of the date of affiliation or severance of the individual.

### **Article VII – Officers and Board of Directors**

### **Section 1. Officers.**

The elected officers of the Association shall be: a President, a Vice President, a Secretary, and a Treasurer. The Secretary and Treasurer may be the same person. They shall serve for terms of one year.

(a) No person shall be eligible for the office of President unless he/she has been a member in good standing of the Sequim Association of Realtors for at least two years.

### **Section 2. Duties of Officers.**

The duties of the officers shall be such as their titles, and as may be assigned to them by the Board of Directors. The association shall maintain a duty description for each position.

### **Section 3. Board of Directors.**

The governing body of the Association shall be a Board of Directors consisting of the four elected officers, two elected State Directors, three elected Local Directors, one elected At Large Director, the immediate past President, and the current MLS Chair. All members of the board shall be REALTOR® Members of the Association in good standing.

### **Section 4. Terms of Office.**

Elected Officers, the At Large Director, and the immediate past President shall serve for one year. Local Directors shall serve for three year terms with one local director up for election each year. State Directors shall serve for terms of one and three years as authorized by the Washington Association of REALTORS®.

### **Section 5. Election of Officers and Directors.**

(a) At least two (2) months before the annual election, an Election Committee of three (3) REALTOR® Members shall be appointed by the Board of Directors. The Election Committee shall select at least one candidate for each office and at least one candidate for each place to be filled on the Board of Directors. The slate of candidates shall be read to all members in attendance at three (3) consecutive meetings preceding the election. After the first reading, additional candidates in nomination by petition signed by at least 10% of the REALTOR® Members eligible to vote. The petition shall be filed with the Secretary at least two (2) weeks before the election. The Secretary shall read the notice of such additional nominations to all members in attendance preceding the election. No additional nominations will be accepted from the floor.

(b) The election of Officers and Directors shall take place at the annual meeting. Election shall be by ballot and all votes shall be cast in person, or by board approved proxy. The ballot shall contain the names of all candidates and the offices for which they are nominated. After all ballots have been cast and counted, the Election Committee will provide the results to the President who will make the formal declaration of the results. In case of a tie vote, the issue shall be determined by lot. Uncontested candidates may be announced as the “new position without objection” and do not require formal ballots.

### **Section 6. Vacancies.**

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

### **Section 7. 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 the 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 to be disqualified from further service.

(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, and to render a decision on such petition.

(c) The special meeting shall be noticed to all voting Members at least ten (10) days prior to the meeting, and shall be conducted by the President of the Association unless the President's continued service in office is being considered at the meeting. In such case, the next-ranking officer will conduct the meeting of the hearing by the Members. Provided a quorum is present, a three-fourths vote of Members present and voting shall be required for removal from office.

#### **Section 8. Association Executive.**

The Board of Directors may employ an association executive who shall be the administrative officer of the Sequim Association of REALTORS®. The Association Executive shall be responsible for the day-to-day management of the Sequim Association of REALTORS®. It shall be the particular duty of the Association Executive to keep the records of the Board and to carry on all necessary correspondence with the NATIONAL ASSOCIATION OF REALTORS® and the Washington Association of REALTORS®. The board may remove an association executive only with a vote of two-thirds of the Directors present and voting at a regular or special Board meeting.

### **Article VIII – Meetings**

#### **Section 1. Annual.**

The Association shall hold an Annual Meeting in the Fall of each year with the date, location, and time to be designated by the Board of Directors. The meeting shall include the election of officers and directors, the presidents review of the years events, and any other reports as requested by the Board of Directors.

#### **Section 2. Board of Directors.**

The Board of Directors shall meet regularly at a designated time and place. Absence from three regular meetings without an excuse deemed valid by the Board of Directors shall be construed as a resignation. Additional or special Meetings of the Board of Directors may be held at the discretion of the President or a majority of the Board of Directors. A minimum of 24-hour notice is required.

#### **Section 3. Other Meetings.**

Additional meetings of the Members may be held at the discretion of the President or the Board of Directors. Membership may request an additional meeting, upon written request of at least 30% of the Members eligible to vote.

#### **Section 4. Notice of Meetings.**

Written notice by U.S. mail or by electronic transmission shall be given to every Member entitled to

participate in the meeting at least one (1) week preceding all meetings. If a special meeting is called, it shall be accompanied by a statement of the purpose of the meeting.

#### **Section 5. Quorums.**

A quorum for the transaction of SAR business shall consist of 20% of the Members eligible to vote.

A quorum for the Board of Directors shall be 50% of the board plus one.

#### **Section 6. Who May Attend.**

All meetings are considered open to all members unless otherwise noted. Meetings that discuss awards, personnel actions, or have other business not intended for the general membership may be closed at the discretion of the particular meeting chair.

#### **Section 7. 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 IX – Committees**

#### **Section 1. Standing Advisory Committees**

The President shall appoint from among the REALTOR® Members or affiliates, subject to confirmation by the Board of Directors, the following standing advisory committees and additional other special committees as deemed necessary:

- Awards
- Budget and Finance
- Bylaws and Policies
- Education
- Government Affairs
- MLS
- Elections and Nominations

#### **Section 2. Budget and Finance.**

This committee shall consist of the President, Past President, Treasurer, and MLS Chair. The Association Executive may participate as a non-voting member.

#### **Section 3. MLS Committee.**

The Multiple Listing Service committee shall consist of of all designated broker Members who are Participants in the Multiple Listing Service. In addition to the designated brokers, the Board of Directors may appoint REALTORS® affiliated with Participants to the MLS committee, not to exceed 10% of the total membership of the committee. All members of the Committee shall be Participants in the Multiple Listing Service. The Committee shall select its Chairman from among its Members subject to approval by the Board of Directors. The Chairman shall be a voting member of the Board of Directors

#### **Section 4. President.**

The President shall be considered as an ex-officio member of all committees.

#### **Section 5. Organization.**

All committees shall be of such size and shall have such duties, functions, and powers as may be assigned to them by the President or the Board of Directors, except as otherwise provided in the Bylaws.

### **ARTICLE X - FISCAL AND ELECTIVE YEAR**

**Section 1.** The fiscal and elective year of the Association shall be January 1 to December 31.

### **ARTICLE XI - AMENDMENTS**

#### **Section 1. Regular Changes.**

These Bylaws may be amended by the majority vote of the 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.

#### **Section 2. Mandated Changes.**

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 3. Notice.**

Notice of all meetings at which such amendments are to be considered shall be given to members eligible to vote at least one (1) week prior to the meeting.

#### **Section 4. NAR Changes.**

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 OF REALTORS®.

### **ARTICLE XII - DISSOLUTION**

#### **Section 1.**

Upon the dissolution or winding up of affairs of this Association, the Board of Directors, after providing for the payment of all obligations, shall distribute any remaining assets to the Washington Association of REALTORS®, or within its discretion, to any other non-profit tax-exempt organization.

### **ARTICLE XIII - INDEMNIFICATION**

**Section 1.** The Association shall indemnify any person who shall serve as a director, officer, committee member, or employee of this Association, or any other person who shall act in a similar capacity or capacities for the Association, against any and all liability and reasonable expense that may be incurred by them in connection with, or resulting from, any claim, action, suit or proceeding, civil or criminal, or in connection with an appeal resulting thereto, in which they may become involved as a party defendant, or otherwise, by reason of their having been a director, officer, etc., of this Association, or by reason of any action taken or not taken in their capacity as director, officer, etc., whether or not they continue to be such at the time such a liability or expense shall have been incurred. The term liability and reasonable expense shall include, but not be limited to, court cost, judgments, depositions and other expenses of disbursements attendant upon such claim or suit, and counsel fees. The Association does, however, reserve the right to determine who shall be counsel for such person in any claim or action.

**Section 2.** Provided, however, that as a condition to the foregoing in case of a negotiated settlement before or after filing suit, and before the matter in question is submitted to a judge or jury, the Association must determine that such person acted at the direction of the Board of Directors, or the President, or that they acted in good faith in what they reasonably believed to be the best interests of the Association, and that they had no reasonable cause to believe that the conduct was unlawful. Provided, further, that as a condition to the foregoing in case the matter is submitted to a judge or jury and the Association has not agreed to indemnification, there must be a finding by the Court or instruction to the jury providing for indemnification by the Association when it is found that said person acted at the direction of the Board of Directors, or the President, or that they acted in good faith in what they reasonably believed to be the best interest of the Association, and that they had no reasonable cause to believe that their conduct was unlawful.