

Seattle-King County Association of REALTORS® BYLAWS

ARTICLE 1 - NAME

Section 1. Name. The name of this organization shall be the Seattle-King County Association of REALTORS®. Hereafter referred to as "SKCAR" or "the Association."

Section 2. REALTORS®. Inclusion and retention of the Registered Collective Membership Mark REALTORS® in the name of SKCAR 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 SKCAR 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, those individuals authorized to use the terms REALTOR® and or REALTORS® as licensed, prescribed and controlled by the NATIONAL ASSOCIATION OF REALTORS®.

ARTICLE III-JURISDICTION

Section 1. The territorial jurisdiction of SKCAR as a member of the NATIONAL ASSOCIATION OF REALTORS® shall include the County of King in the State of Washington.

Section 2. Territorial Jurisdiction is defined to mean:

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

ARTICLE IV - MEMBERSHIP

Section 1. Classes of Membership shall be as follows:

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

(1) Principal REALTOR® Members. 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, leasing, managing, appraising for others for compensation, counseling or 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 of Washington 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 of Washington or a state contiguous thereto, unless otherwise qualified for Institute Affiliate Membership as described in Section 1 (b) of Article IV.

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 as described in Section 1 (b) of Article IV.

NOTE: REALTOR® Members may obtain membership in a "secondary" Association in another state.

(2) Non-Principal REALTOR® Members. 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 Principal REALTOR® Member and meet the qualifications set out in Article V.

(3) Corporate Officers. An individual who, as a corporate officer (who may be licensed or unlicensed) of a real estate brokerage franchise organization with at least one hundred fifty (150) franchisees located within the United States, its insular possessions and the Commonwealth of Puerto Rico, elected to membership pursuant to the provisions in the NAR Constitution and Bylaws. Such individuals shall enjoy all of the rights, privileges and obligations of REALTOR® Membership (including compliance with the Code of Ethics) EXCEPT: obligations related to Association mandated education, meeting attendance, or indoctrination classes or other similar requirements; the right to use the term REALTOR® in connection with their franchise organization's name; the right to hold elective office in the local Association, State Association and National Association.

(4) Primary and secondary REALTOR® Members. An individual is a primary member if SKCAR pays state and National dues based on such Member. An individual is a secondary Member if state and National dues are remitted through another local Association. One of the principals in a real estate firm must be a Designated REALTOR® member of SKCAR in order for licensees affiliated with the firm to select SKCAR as their "primary" Association.

(5) 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 pursuant to Article 17 of the National Association of REALTORS® Code of Ethics and the payment of the Association dues as established in Article X of these Bylaws. The Designated REALTOR® Member must be a sole proprietor, partner, corporate officer or branch office manager or other Broker 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 these Bylaws.

(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.

(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 support the objectives of SKCAR.

(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 organizations, 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 SKCAR 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 real estate practice on their own account or not associated with an established real estate office.

(g) Distinguished Life Member: Distinguished Life Members shall be individuals who have been a member of SKCAR for at least 25 years and served in one or more of the following capacities at local, state or national level: committee member or director or elected officer. A Distinguished Life Member will be approved by the Board of Directors and their local dues will be waived.

ARTICLE V - QUALIFICATION AND ELECTION

Section 1. Application.

(a) 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 the 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 SKCAR, the State and National Associations, and if elected a Member, will abide by the Constitutions and Bylaws and

Rules and Regulations of SKCAR, the 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 the applicant consents that SKCAR, through its Board of Directors, may invite and receive information and comment about the applicant from any Member or other persons, and that the applicant agrees that any information and comment furnished to SKCAR 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.

Section 2. Qualification.

(a) An applicant for REALTOR® Membership who is a sole proprietor, partner, corporate officer or branch office manager of a real estate firm shall supply evidence satisfactory to the Board of Directors that he or she is actively engaged in the real estate profession, and maintains a current, valid Washington State 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 **, and shall agree that if elected to membership he or she will abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, and by the Constitution, Bylaws, and Rules and regulations of SKCAR, the State Association, and the National Association.

(*) **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 branch office 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 SKCAR establishes that its interests and those of its Members and the public could be adequately protected by requiring that the bankrupt applicant pay cash in advance for SKCAR fees for up to one (1) year from the date that membership is approved or from the date that the applicant 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.

(**) **NO RECORD OF OFFICIAL SANCTIONS INVOLVING UNPROFESSIONAL CONDUCT** is intended to mean that SKCAR may only consider judgments within the past three (3) years of violations of (1) civil rights laws; (2) real estate license laws; (3) or other laws prohibiting unprofessional conduct against the applicant rendered by the courts or other lawful authorities, and (4) findings of violations of the Code of Ethics of the National Association of REALTORS® resulting in suspension or expulsion from any Member Association/Association in which the applicant is or was a Member.

NOTE: 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.

(b) Individuals who are actively engaged in the real estate profession other than as sole proprietors, partners, corporate officers, or branch office managers in order to qualify for REALTOR®

Membership, shall at the time of application, be associated either as an employee or as an independent contractor with a Designated REALTOR® Member of SKCAR or a Designated REALTOR® Member of another Association (if a secondary member) and must maintain a current, valid Washington State 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 agree in writing that if elected to membership he or she will abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, and by the Constitution, Bylaws, and Rules and regulations of SKCAR, the State Association, and the National Association.

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

1. All final findings of Code of Ethics violations and violations of other membership duties in any other 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 association or association MLS

"Provisional" membership may be granted in instances where ethics complaints or arbitration requests (or hearings) are pending in other associations or where the applicant for membership has unsatisfied discipline pending in another association (except for violations of the Code of Ethics; See Article V, Section 2(a) NOTE) provided all other qualifications for membership have been satisfied. Associations 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 months from the date that provisional membership is approved. Provisional members shall be considered REALTORS® and shall be subject to all of the same privileges and obligations of REALTOR® membership. If a member resigns from another association with an ethics complaint or arbitration request pending, the association may condition membership on the applicant's certification that he/she 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.

Section 3. Election. The procedures for election to membership shall be as follows:

(a) Applicants for REALTOR® membership shall be granted provisional membership immediately upon submission of a completed application form and remittance of applicable association dues and any application fee. Provisional members shall be considered REALTORS® and shall be subject to all of the same privileges and obligations of membership. Provisional membership is granted subject to subsequent review of the application by the Board of Directors. If the Board of Directors determines that the individual does not meet all of the qualifications for membership as established in the association's bylaws, or, if the individual does not satisfy all of the requirements of membership (for example, completion of a mandatory orientation program) within sixty (60) days from the association's receipt of their application, membership may, at the discretion of the Board of Directors, be terminated.

(b) Dues shall be computed from the date of application and shall be non-refundable unless the association's Board of Directors terminates the individual's membership in accordance with subsection (a) above. In such instances, dues shall be returned to the individual less a prorated amount to cover the number of days that the individual received association services and any application fee.

(c) The Board of Directors may not terminate any provisional membership without providing the provisional member with advance notice, an opportunity to appear before the Board of Directors, to call witnesses on his behalf, to be represented by counsel, and to make such statements as he deems relevant. The Board of Directors may also have counsel present. The Board of Directors shall require that written minutes be made of any hearing before it or may electronically or mechanically record the proceedings.

(d) If the Board of Directors determines that provisional membership should be terminated, it shall record its reasons with the Secretary. If the Board of Directors believes that termination of provisional membership may become the basis of litigation and a claim of damage by a provisional member, it may specify that termination shall become effective upon entry in a suit by the Board for a declaratory judgment by a court of competent jurisdiction of a final judgment declaring that the termination violates no rights of the individual.

Section 4. Dues Payable.

a) Dues for all members shall be payable annually in advance on the first day of January. Dues shall be computed from the date of application and granting of provisional membership.

Section 5. Status Changes.

(a) A REALTOR[®] Member who changes the conditions under which he or she holds membership shall be required to provide written notification to SKCAR within thirty (30) days. A Non-Principal REALTOR[®] Member who becomes a principal in the firm with which he or she 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 principal REALTOR[®] 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 Principal REALTOR[®] Member. If the non-principal REALTOR[®] Member does not satisfy the requirements established in these Bylaws for the category of membership to which he or she has transferred within thirty (30) days of the date he or she advised SKCAR of his or her change in status, the new membership application will terminate automatically unless otherwise so directed by the Board of Directors.

NOTE: The Board of Directors, at its discretion, may waive any qualification, which the applicant has already fulfilled in accordance with these Bylaws.

(b) Any application fee related to a change in membership status shall be reduced by an amount equal to any application fee previously paid by the applicant.

(c) Dues shall be prorated from the first day of the 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.

Section 6. 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 within one year of the date of application, 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®.

Section 7. 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.

Members suspended for failing to meet the requirement for the first four (4) year cycle (2001 – 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 – 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 member who is still suspended as of that date will be automatically terminated.

ARTICLE VI - PRIVILEGES AND OBLIGATIONS

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

Section 2. Any Member of SKCAR may be reprimanded, fined, placed on probation, suspended, or expelled by the Board of Directors for a violation of these Bylaws and SKCAR Rules and Regulations not inconsistent with these Bylaws, after a hearing as provided in the Code of Ethics and Arbitration Manual of the NATIONAL ASSOCIATION OF REALTORS®. Although Members other than REALTORS® are not subject to the Code of Ethics nor its enforcement by SKCAR, 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 Standards Committee, be subject to discipline as described above, for

any conduct, which in the opinion of the Board of Directors, applied on a nondiscriminatory basis, reflects adversely on the terms REALTOR[®] or REALTORS[®], and the real estate industry, or for conduct that is inconsistent with or adverse to the objectives and purposes of SKCAR, the State Association, and the NATIONAL ASSOCIATION OF REALTORS[®].

Section 3. Any REALTOR[®] Member 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 NATIONAL ASSOCIATION OF REALTORS[®], 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 OF REALTORS[®].

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 SKCAR for dues, fees, fines, or other assessments of SKCAR or any of its services, departments, divisions, or subsidiaries, SKCAR may condition the right of the resigning Member to reapply for membership upon payment in full all such monies owed.

Section 5. If a Member resigns from SKCAR 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 upon the applicant's certification that he /she will submit to the pending ethics proceeding and will abide by the decision of the hearing panel.

- (a) If a member resigns or otherwise causes membership to terminate, the duty to submit to arbitration continues in effect even after membership lapses or is terminated, provided that the dispute arose while the former member was a REALTOR[®].

Section 6. REALTOR[®] Members. REALTOR[®] Members, whether primary or secondary, in good standing whose financial obligations to SKCAR are paid in full, and who are licensed by the State of Washington as Real Estate Brokers, Associate Brokers or Salespersons, shall be entitled to vote and hold elective office in SKCAR; may use the terms REALTOR[®] and REALTORS[®], which use shall be subject to the provisions of Article VIII; and have the primary responsibility to safeguard and promote the standards, interests, and welfare of SKCAR and the real estate profession.

a) If a Principal REALTOR[®] Member is suspended or expelled, the firm, partnership, or corporation with which he or she is associated 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 association with the firm, partnership, or corporation 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 association of the disciplined Member with the firm, partnership, or corporation is severed, or unless the Principal REALTOR[®] Member who is suspended or expelled is removed 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 of degree of management control must be certified to SKCAR 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 other individuals affiliated with the firm shall not be affected, and the firm, partnership or corporation may continue to use the terms REALTOR[®] and REALTORS[®] in connection

with its business during the period of suspension or until the former Member is re-admitted to membership in SKCAR. 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 Non-Principal REALTOR[®] Members who are employed by or affiliated as independent contractors 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 until association of the disciplined Member with the firm, partnership, or corporation is severed, or management control is relinquished, or unless the Non-Principal REALTOR[®] Member elects to sever his or her connection with the Principal REALTOR[®] Member and affiliate with another Principal REALTOR[®] Member in good standing in SKCAR, whichever may apply.

If a Non-Principal REALTOR[®] Member is suspended or expelled, the use of the terms REALTOR[®] or REALTORS[®] by the firm, partnership, or corporation shall not be affected.

(b) In any action taken against a Principal REALTOR[®] Member for suspension or expulsion under Section 6(a) hereof, notice of such action shall be given to all REALTOR[®] Members employed by or affiliated as independent contractors with such Principal REALTOR[®] Member and they shall be advised that the provisions in Article VI, Section 6(a) shall apply.

Section 7. Institute Affiliate Members. Institute Affiliate Members shall have such rights and privileges and be subject to such obligations as may be prescribed by the Board of Directors consistent with the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS[®].

NOTE: Local associations establish the rights and privileges to be conferred on Institute Affiliate Members except that no Institute Affiliate Member may be granted the right to use the term REALTOR[®], REALTOR-ASSOCIATE[®], or the REALTOR[®] logo; to serve as President of the local association.

Section 8. Affiliate members. Affiliate Members shall have rights and privileges and be subject to obligations prescribed by the Board of Directors.

Section 9. Public Service Members. Public Service Members shall have such rights and privileges and be subject to such obligations as may be prescribed by the Board of Directors.

Section 10. Honorary Members. Honorary Members shall confer only the right to attend meetings and participate in discussions.

Section 11. Student Members. Student Members shall have such rights and privileges and shall be subject to obligations as may be prescribed by the Board of Directors.

Section 12. Distinguished Life Member. Distinguished Life Members shall have the same privileges as REALTOR[®] Members, without paying dues.

Section 13. Certification by REALTOR[®]. Designated REALTOR[®] Members of SKCAR shall certify to SKCAR during the month of September, on a form provided by SKCAR, a complete listing of all individuals licensed or certified in the Designated REALTOR[®]'s office(s) and shall designate a primary Association for each individual who holds membership. Each Designated REALTOR[®] Member shall also identify any non-member licensees in the Designated REALTOR[®]'s office(s) and if Designated REALTOR[®] Member Dues have been paid to another Association based on said non-member licensees, the Designated REALTOR[®] Member 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 these

Bylaws. Designated REALTOR® Members shall also notify SKCAR of any additional individual(s) licensed or certified with the firm(s) or of any severance of affiliation with the firm(s) by a licensee within (30) days of the date of affiliation or severance of the individuals.

ARTICLE VII - PROFESSIONAL STANDARDS AND ARBITRATION

Section 1. The responsibility of SKCAR and SKCAR 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 from time to time amended, which by this reference is made a part of these Bylaws, provided, however that any provision deemed inconsistent with Washington State law shall be deleted or amended to comply with Washington State law.

Section 2. It shall be the duty and responsibility of every REALTOR® Member of SKCAR to abide by the Constitution and Bylaws and Rules and Regulations of SKCAR, the Constitution and Bylaws and the Rules and Regulations of WASHINGTON ASSOCIATION OF REALTORS®, 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 and Arbitration Manual of NATIONAL ASSOCIATION OF REALTORS® as from time to time amended.

ARTICLE VIII - USE OF THE TERM REALTOR® OR 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. SKCAR shall have the authority to control, jointly and in full cooperation with the NATIONAL ASSOCIATION OF REALTORS®, use of the term within its jurisdiction.

Section 2. REALTOR® Members of SKCAR shall have the privilege of using the terms REALTOR® or REALTORS® in connection with their places of business within the State of Washington or a state contiguous thereto so long as they remain REALTOR® Members in good standing. No other class of members shall have this privilege.

Section 3. A REALTOR® Member who is a principal of a real estate firm, partnership, or corporation may use the terms REALTOR® or 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 of Washington or a state contiguous thereto are REALTOR® Members of SKCAR or Institute Affiliate Members as described in Section 1(b) of Article IV.

- (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.

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 MEMBERSHIPS

Section 1. SKCAR shall be a member of the NATIONAL ASSOCIATION OF REALTORS[®] and of the WASHINGTON ASSOCIATION OF REALTORS[®]. By reason of SKCAR's membership, each REALTOR[®] Member of SKCAR shall be entitled to membership in the NATIONAL ASSOCIATION OF REALTORS[®] and the WASHINGTON ASSOCIATION OF REALTORS[®] without further payment of dues. SKCAR shall continue as a member of the State Association and National Association, unless a majority of all SKCAR REALTOR[®] Members decision elect to withdraw, in which case the State Association and National Association shall be notified at least one month in advance of the date designated for the termination of such membership.

Section 2. SKCAR recognizes the exclusive property right of the NATIONAL ASSOCIATION OF REALTORS[®] in the terms REALTOR[®] and REALTORS[®]. SKCAR shall discontinue use of the terms in any form in its name upon ceasing to be a member of the NATIONAL ASSOCIATION, or upon determination by the Board of Directors of the NATIONAL ASSOCIATION that it has violated the conditions imposed upon the terms.

Section 3. SKCAR hereby adopts the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS[®] and agrees to enforce the code among its REALTOR[®] Members. SKCAR and all of its Members agrees to abide by the Constitution, Bylaws, and Rules and Regulations and Policies of the NATIONAL ASSOCIATION OF REALTORS[®] and the WASHINGTON ASSOCIATION OF REALTORS[®].

Section 4. In the event that the Board of Directors resolves to seek direct affiliation with the NATIONAL ASSOCIATION OF REALTORS[®] and upon such direct affiliation to withdraw from membership in the WASHINGTON ASSOCIATION OF REALTORS[®], all SKCAR REALTOR[®] Members shall be given an opportunity to approve or disapprove such resolution as provided in Section 1 of this Article. Such vote may, at the discretion of the Board of Directors, be conducted as follows: (a) at the annual General Membership meeting; (b) at a special meeting of Members called for that purpose; or (c) by mail vote. If the Board of Directors elect to conduct the vote by mail, SKCAR shall mail or otherwise deliver a special Mail-In Ballot ("Ballot") to each SKCAR REALTOR[®] Member in good standing. To be counted toward the vote, all completed Ballots must be received at the SKCAR office no later than a date set by the Board of Directors, which date shall not be later than 21 days after all Ballots are mailed or delivered to SKCAR REALTOR[®] Members.

ARTICLE X - DUES AND ASSESSMENTS

Section 1. Application Fee. The Board of Directors may adopt an application fee for REALTOR[®] Membership in such reasonable amount, not exceeding three (3) times the amount of annual dues for REALTOR[®] membership, which shall be required to accompany each application for REALTOR[®] membership, and which shall become the property of SKCAR upon final approval of the application. The Board of Directors shall determine the application fee.

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

(a) The annual dues for membership in SKCAR for 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 multiplied by the number of real estate licensees 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 other local Association in the State of Washington or a state contiguous thereto or Institute Affiliate Members of SKCAR. In calculating the dues payable to SKCAR 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® Member notifies SKCAR in writing of the identity of the other local REALTOR® 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 with the jurisdiction of this Association.

(1) For the purpose of this Section, a REALTOR® Member of a Member Association shall be held to be any Member who has a place or places of business within the State of Washington or a state contiguous thereto and who, as a principal, partner, corporate officer, 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 with a 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 (except as provided for in Section 2 (a) (1) hereof), provided that such licensee is not otherwise included in the computation of dues payable by the principal, partner, or corporate officer 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, 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®.

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

(b) REALTOR® Members. The annual dues of each REALTOR® member other than the Designated REALTOR® Member shall be in such amount as established annually by the Board of Directors.

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

NOTE: The Institutes, Societies and Councils of the National Association shall be responsible for collecting and remitting dues to the National Association for Institute Affiliate Members (\$75.00). The National Association shall credit \$25.00 to the account of a local association for each Institute Affiliate Member whose office address is within the assigned territorial jurisdiction of that association, provided, however, if the office location is also within the territorial jurisdiction of a Commercial Overlay Board (COB), the \$25.00 amount will be credited to the COB, unless the Institute Affiliate Member directs that the dues be distributed to the other board. The National Association shall also credit \$25.00 to the account of state associations for each Institute Affiliate Member whose office address is located within the territorial jurisdiction of the state association. Local and state associations may not establish any additional entrance, initiation fees or dues for Institute Affiliate Members, but may provide service packages to which Institute Affiliate Members may voluntarily subscribe.

(d) Affiliate Members. The annual dues of each Affiliate Member shall be in such amount as established annually by the Board of Directors, which shall include annual dues for membership in the State Association plus an amount established annually by the Board of Directors.

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

(f) Honorary Members. No dues payable.

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

(h) The Board of Directors may from time to time, at its discretion, authorize discounts for early payment of dues.

Section 3. Dues Payable.

(a) Dues for all members shall be payable annually in advance on the first day of January. Dues shall be computed from the date of application and granting of provisional membership.

(b) In the event a Non-Principal REALTOR[®] Member or licensed or certified appraiser who holds REALTOR[®] membership is dropped for nonpayment of Association dues, and such person remains with the Designated REALTOR[®] Member's firm, the dues obligation of the Designated REALTOR[®] Member (as set forth in Article X, Section 2, (a)) will be increased to reflect the addition of a non-member licensee. Dues shall be calculated from the first day of the current fiscal year and are payable within thirty(30) days of the notice of termination.

(c) Dues for an individual applying for REALTOR[®] Membership as defined in Article IV, Section 1(a) (1 - 3) of these Bylaws shall be calculated from the first day of the month in which the applicant is elected to Membership, and shall be prorated for the year, payable upon election to Membership and considered delinquent thereafter.

(d) Dues for a reinstated Member shall be calculated from the first day of the quarter in which the reinstated Member is re-elected to Membership, and shall be prorated for the year, payable upon re-election to Membership and considered delinquent thereafter.

(e) Dues for all other categories of Membership shall be payable annually in advance of the first day of January and be considered delinquent thereafter. The dues of a new applicant shall be

calculated from the first day of the month in which the candidate is elected to Membership, and shall be prorated for the year payable upon election to Membership and considered delinquent thereafter.

(f) All dues paid to the Association shall become the property of the Association and are non-refundable, except upon the death of a Member or upon approval of the Executive Vice President or the Board of Directors.

Section 4. Non-payment of Financial Obligations. If dues, fees, or fines or other assessments including amounts owed to SKCAR are not paid within one month after the due date, the nonpaying Member is subject to suspension at the discretion of the Board of Directors. Two (2) months after the due date, membership of the nonpaying Member may be terminated at the discretion of the Board of Directors. Three (3) months after the due date, membership shall automatically terminate unless within that time the amount due is paid. However, no action shall be taken to suspend or terminate a Member for nonpayment of disputed amounts until the accuracy of the amount owed has been confirmed by the Board of Directors. A former Member who has had his or her membership terminated because of non-payment 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 SKCAR or any of its services, departments, divisions or subsidiaries may apply for reinstatement in the manner prescribed for new applicants for membership, after making payment in full of all past due accounts. A late payment penalty of such amount as approved annually by the Board of Directors, shall be charged for Members who have not paid within nine (9) days of the due date. In the event the membership of a Non-Principal REALTOR® Member whose dues are paid in full, is terminated due to the loss of membership, for non-payment of dues, transfer to a non-REALTOR® member company, or otherwise, by any Principal REALTOR® Member with whom he or she is associated, the dues paid by the Non-Principal REALTOR® Member shall not be refunded or prorated in any manner. However, if the Non-Principal REALTOR® Member transfers his association to a Designated REALTOR® Member, in good standing, during the calendar year of termination, the Non-Principal REALTOR® member shall be reinstated to full membership.

Section 5. Deposit. All monies received by SKCAR for any purpose shall be deposited to the credit of SKCAR in a financial institution or institutions selected by resolution of the Board of Directors.

Section 6. Expenditures. The Board of Directors shall administer the day to day finances of SKCAR.

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

Section 8. The dues of REALTOR® Members who are REALTOR® Emeriti (as recognized by the NATIONAL ASSOCIATION OF REALTORS®), Past Presidents of the National Association or recipients of the Distinguished Service Award shall be as determined by the Board of Directors.

ARTICLE XI - OFFICERS AND DIRECTORS

Section 1. Officers of SKCAR. The elected officers of SKCAR shall be: a President, a President-Elect, a Secretary, a Treasurer, two Vice Presidents, and a Vice President-Elect. The Vice Presidents shall be a Vice President of Governmental and Public Affairs and a Vice President of Business Practices. The Vice President-Elect shall be a Vice President-Elect of Governmental and Public Affairs. The Immediate Past President of the Association shall also serve as an Officer. The President shall serve as the Treasurer and the President-Elect shall serve as the Secretary. Each Officer shall serve a term of one

year.

Section 2. Duties of Officers. The duties of the officers shall be as outlined in SKCAR's Policy and Procedures Manual. It shall be the particular duty of the Executive Vice President to keep the records of SKCAR and to carry on all necessary correspondence with the NATIONAL ASSOCIATION OF REALTORS® and the WASHINGTON ASSOCIATION OF REALTORS®.

Section 3. Board of Directors. The governing body of SKCAR shall be a Board of Directors consisting of the elected officers of SKCAR, the Immediate Past President, five elected and two appointed Directors at-large, ten elected Regional Directors (effective January 1, 2006, there shall be fourteen elected Regional Directors), and the Chairman of the Affiliate Membership Committee. The Executive Vice President shall serve as an ex-officio, non-voting member.

Effective January 1, 2007, the governing body of SKCAR shall be a Board of Directors consisting of the six elected officers of SKCAR, the Immediate Past President, five elected and one appointed At-Large Director, six elected Regional Directors and one appointed Affiliate Director. The Executive Vice President shall serve as an ex-officio, non-voting member.

Section 4. Eligibility of Officers and Directors of SKCAR.

(a) Eligibility to be President. All candidates must be REALTOR® Members in good standing in SKCAR at the time the candidates would normally be sworn into office, if elected, and must have been a former officer or is a current officer of SKCAR. In addition, this position shall have only one candidate nominated and that shall be the individual who filled the position of President-Elect in the previous year. The President-Elect may be challenged. This action could only be taken by the Board of Directors in cases where there are specific violations performed by the President-Elect which, in the opinion of the Board of Directors reflect adversely on SKCAR if this individual should succeed in becoming President. Specific areas requiring Director action include, without limitation, criminal indictment, a real estate license revocation, mental incapacity or behavior which was given such notoriety that the high moral character and reputation required of an individual holding the office of President of SKCAR would be questioned by the general public and thereby jeopardize the reputation of all REALTOR® Members.

(b) Eligibility to be President-Elect. All candidates must be REALTOR® Members in good standing in SKCAR at the time the candidates would normally be sworn into office, if elected. Additionally, the candidate must be or have been 1) an officer of SKCAR or 2) a SKCAR Director who has served one additional year as either a Standing Committee, Sub-committee or Task Force Chairperson of SKCAR, a Standing Committee member of SKCAR for at least two years, or a Director of WAR at the time the candidate would normally be sworn into office.

(c) Eligibility to be Vice President of Governmental Affairs. Candidates must be REALTOR® Members in good standing in SKCAR at the time the candidates would normally be sworn into office, if elected. In addition, this position shall have only one candidate nominated and that shall be the individual who filled the position of Vice President-Elect of Governmental Affairs in the previous year. The Vice President-Elect may be challenged. This action could only be taken by the Board of Directors in cases where there are specific violations performed by the Vice President-Elect which, in the opinion of the Board of Directors reflect adversely on SKCAR if this individual should succeed in becoming Vice President. Specific areas requiring Director action include, without limitation, criminal indictment, a real estate license revocation, mental incapacity or behavior which was given such notoriety that the high moral character and reputation required of an individual holding the office of Vice President of SKCAR would be questioned by the general public and thereby jeopardize the reputation of all REALTOR®

Members.

(d) Eligibility to be Vice President-Elect of Governmental and Public Affairs and Vice President Business Practices. Candidates must be REALTOR® Members in good standing in SKCAR at the time the candidates would normally be sworn into office, if elected. In addition, candidates must be or have held the position of a SKCAR or WAR Director, and have served one additional year as a Governmental & Public Affairs Committee member, Sub-committee or Task Force Chairperson, at the time the candidate would normally be sworn into office.

(e) Eligibility to be Vice President of Business Practices. Candidates must be REALTOR® Members in good standing in SKCAR at the time the candidates would normally be sworn into office, if elected. In addition, candidates must be or have held the position of a SKCAR or WAR Director, and have served one additional year as a Business Practice, Grievance or Professional Standards Committee member, Sub-committee or Task Force Chairperson, at the time the candidate would normally be sworn into office.

(f) Eligibility to be a Director of SKCAR. With the exception of the appointed Director-at-large, candidates must be REALTOR® Members in good standing in SKCAR at the time the candidates would normally be sworn into office, if elected.

A SKCAR Director cannot serve more than four years or two successive terms (whichever is greater) in this office. Any qualified member may serve an additional four years or two successive terms (whichever is greater) with a break of at least one year between such terms.

1. Elected Directors-at-Large. Two of the five elected Director at-large positions will be set aside for REALTOR® members who have not served on the SKCAR Board of Directors within the last three years.
2. Appointed Directors-at-Large. The President may appoint one (1) Directors-at-Large. Candidates must be one of the following: 1) REALTOR® Members in good standing, 2) Affiliate Members in good standing and/or 3) business or community representatives.

(g) Eligibility to be an Affiliate Membership Committee Director. The President shall appoint an Affiliate Director. Candidates must be Affiliate Members in good standing in SKCAR at the time the candidates would normally be sworn into office.

Section 5. Election of Officers and Directors.

(a) The territory served by SKCAR shall be divided into six (6) geographic regions ("Regions"). These Regions shall be such as, from time to time, are established by the Board of Directors who shall name the Regions, establish their exact boundaries. Currently, the regions have been established as: North King/Snohomish, Seattle, East King County, Southeast King County, Southwest King County and Pierce County.

Effective January 1, 2007: The territory served by SKCAR shall be divided into three (3) geographic regions ("Regions"). The regions have been established as: Seattle Region, Eastside Region, South Region.

(b) Regional Directors. Candidates must be REALTOR® Members in good standing in SKCAR at the time the candidates would normally be sworn into office, if elected. The Regional Directors

will be five owners, brokers or managing associate brokers ("Brokers"), and five salespersons or non-managing associate brokers ("Non-Broker"), one each from the following Regions: North King County /Snohomish County, Seattle, East King County, Southeast King County and Southwest King County (NOTE: The Pierce County region does not have any regional directors).

Effective January 1, 2006: The Regional Directors will be seven owners, brokers or managing associate brokers ("Brokers"), and seven salespersons or non-managing associate brokers ("Non-Broker"), from the following Regions: North King County /Snohomish County (1 Broker and 1 Non-broker), Seattle (2 Brokers and 2 Non-brokers), East King County (2 Brokers and 2 Non-brokers), Southeast King County (1 Broker and 1 Non-broker) and Southwest King County (1 Broker and 1 Non-broker) (NOTE: The Pierce County region does not have any regional directors).

Regional Directors shall serve a term of two years. The directors for Seattle, East King County and North King Co/Snohomish will be elected in even years (NOTE: In the 2005 election cycle for 2006 Regional Directors, 1 broker and 1 non broker will be elected for a one-year term for each of the following regions: Seattle and East King County). The directors for Southeast and Southwest King County will be elected in odd years.

Effective January 1, 2007: The Regional Directors will be three (3) owners, brokers or managing associate brokers ("Brokers"), and three (3) salespersons or non-managing associate brokers ("Non-Brokers"), from the following Regions: Seattle Region, Eastside Region and South Region. Regional Directors shall serve a term of two years. The Seattle Region and the Eastside Region Directors will be elected in even years and the South Region Directors will be elected in odd years.

A Director who moves out of the geographic Region and/or no longer holds status with which her/she was elected (Broker or Non-Broker) shall voluntarily resign from their SKCAR Directorship. The SKCAR President shall appoint a replacement.

(c) Directors-at-Large.

1. Elected Directors-at-Large. Candidates must be REALTOR® Members in good standing in SKCAR at the time the candidates would normally be sworn into office, if elected. The Directors-at-large shall be the five Director-at-large candidates receiving the first, second, third, fourth and fifth highest amount of votes. Directors-at-Large shall serve a term of one year.

Two of the five elected At-Large Director positions will be set aside for REALTOR® members who have not served on the SKCAR Board of Directors within the last three years.

2. Appointed Directors-at-Large. The President may appoint a maximum of two Directors-at-Large. A Director-at-Large shall serve a term of one year, or the balance of the President's term, whichever is less.

(d) Affiliate Director. The President shall appoint an Affiliate Membership Committee Director. Candidates must be Affiliate Members in good standing in SKCAR at the time the candidates would normally be sworn into office. The Affiliate Director shall serve a term of one year, or the balance of the President's term, whichever is less.

(e) In case of a tie vote, the selection shall be made by lot under the direction of the Elections Subcommittee to supervise and conduct the election.

(f) The annual election of Officers and Directors shall take place during June of each year ("Annual Election). Any REALTOR[®] may vote in the Annual Election by Mail-In Ballot or Electronic Ballot. The REALTOR[®] must submit to SKCAR an official Request for Mail-In Ballot or Electronic Ballot form no later than June 15 of the applicable election year. SKCAR shall mail via regular mail or electronic mail, as applicable, or otherwise deliver an official Mail-In Ballot to the requesting REALTOR[®]. All completed Mail-In Ballots shall be delivered to SKCAR no later than June 30 of the applicable election year. Any Mail-In Ballot received after June 30 of the applicable election year shall be void. All completed Electronic Ballots must be delivered electronically to SKCAR no later than June 30 of the applicable election year. Any Electronic Ballot received after June 30 of the applicable election year shall be void. If any REALTOR[®] submits more than one Ballot in any Annual Election, all Ballots submitted by that REALTOR[®] in that Annual Election will be void and the REALTOR[®] will be prohibited from submitting any further Ballot in that Annual Election.

(g) At least sixty (60) days before June 1 of the applicable election year, the President, shall convene a meeting of the Nominations Committee, which will be composed of the following: President-Elect (Chairman), President, Immediate Past President, two (2) SKCAR Directors selected by the President and two (2) at-large REALTOR[®] members selected by the Chairman. The Nominations Committee shall notify all REALTOR[®] Members through SKCAR publications or any other reasonable means, of the requirements for each office and the time period in which to submit applications for candidacy ("Application"). After the last date for submission of Applications, the Nominations Committee shall review all candidates who have submitted Applications and shall nominate at least two (2) qualified candidates for each office, except President for which there shall be only (1) nominated candidate. Provided, that if only one (1) qualified candidate has submitted an Application for an office, the Nominations Committee shall nominate only the single qualified candidate. Only those candidates nominated by the Nominations Committee shall be placed on the official ballot. At least fourteen (14) days before June 1 of the applicable election year, the Nominations Committee shall notify all REALTOR[®] Members of those candidates on the official ballot. Nothing in this paragraph shall prohibit any REALTOR[®] Member who fails to submit a timely Application or who is not nominated to the official ballot, and who is otherwise qualified for office, from seeking election through write-in votes at the time of the Annual Election.

(h) The President, with the approval of the Board of Directors, shall appoint an Elections Subcommittee, or appropriate staff, to supervise and conduct the election.

Section 6. Vacancies. Vacancies among the Officers and the Board of Directors shall be recommended by the President and filled by simple majority vote of the Board of Directors until the next annual election.

Section 7. Removal of Officers or 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 (1/3) of the voting membership or a majority of the Board of Directors shall be filed with the President, or if the President is the subject of the petition, with the President-Elect, and shall specifically set forth the reasons the individual is deemed 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 Board of Directors 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 called by written notice to all Directors at least ten (10) days prior to the meeting and shall be conducted by the President of the Board unless the President's continued service in office is being considered at the meeting. In such case, the President-Elect will conduct the meeting. Those Directors present shall constitute a quorum, providing at least half of the Directors are present. A three-fourths vote of Directors present and voting shall be required for removal from office.

Section 8. Chief Executive Officer. The Board of Directors may employ a Chief Executive Officer and may prescribe his/her functions. The Chief Executive Officer may employ such other persons as necessary to conduct the activities of SKCAR with the Directors' approval of the budget expenditure. The Chief Executive Officer shall serve as an ex-officio member of Board of Directors.

Section 9. Surety Bond. Any person with whom money is entrusted, shall furnish a Surety Bond in such amount as the Board of Directors shall deem necessary, the cost to be paid by SKCAR.

Section 10. (a) Right of Indemnification. Each person who was or is made a party or is threatened to be made a party to or is involved (including, without limitation, as a witness) in any actual or threatened action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that she or he is or was a director or officer of SKCAR or, while a director or officer, she or he is or was serving at the request of SKCAR as a director, officer, employee, or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action in an official capacity as director, officer, employee or agent, or in any other capacity while serving as a director, officer, employee or agent in any other capacity, shall be indemnified and held harmless by SKCAR to the full extent permitted by applicable law as then in effect, against all expense, 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; provided, however, that [except as provided in sub-paragraph (b) of this Section] SKCAR shall indemnify any such person seeking indemnification in connection with a proceeding (or part thereof) initiated by such person only if such proceeding (or part thereof) was authorized by the Board of Directors of the Corporation SKCAR. 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 her or his heirs, executors and administrators. No indemnification shall be provided under this section to any such person if SKCAR is prohibited by the non-exclusive provisions of the Washington Business Corporation Act or other applicable law as 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 SKCAR the 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 SKCAR of an undertaking, by or on behalf of such director or officer, to repay all amounts so advanced if it shall ultimately be determined that such director or officer is not entitled to be indemnified under this Section or otherwise, which undertaking may be unsecured and may be accepted without reference to financial ability to make repayment; provided further, however, that no such provision may eliminate or limit the liability of a director, officer, employee or agent, for any act or omission occurring before the date when this provision becomes effective. (b) Right of Claimant to Bring Suit. If a claim for which indemnification is required under sub-paragraph (a) of this Section is not paid in full by SKCAR within sixty (60) days after a written claim has been received by SKCAR, except the case of a claim for expenses incurred in defending a proceeding in advance of its final disposition, in which case the applicable period should be

twenty (20) days, the claimant may at any time thereafter bring suit against SKCAR to recover the unpaid amount of the claim and, to the extent successful in whole or in part, the claimant shall be entitled to be paid also the expenses of prosecuting such claim. The claimant shall be presumed to be entitled to indemnification under this Section upon submission of a written claim (and, in an action brought to enforce a claim for expense incurred in defending any proceeding in advance of its final disposition, where the required undertaking has been tendered to SKCAR), and thereafter SKCAR shall have the burden of proof to overcome the presumption that the claimant is not so entitled. Neither the failure of SKCAR (including its Board of Directors, independent legal counsel, its members or staff, if any) to have made a determination prior to the commencement of such action that indemnification of or reimbursement of advancement of expenses to the claimant is proper in the circumstances nor an actual determination by SKCAR (including its Board of Directors, independent legal counsel, its staff or its member, if any) that the claimant is not entitled to indemnification or to the reimbursement or advancement of expenses shall be a defense to this action or create a presumption that the claimant is not so entitled, (c) Non-exclusivity of Rights. The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Section shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the Articles of Incorporation, Bylaws, agreement, vote of members or disinterested directors otherwise, (d) Insurance, Contracts and Funding. SKCAR may maintain insurance, at its expense, to protect itself and any director, officer, employee, or agent of SKCAR, partnership, joint venture, trust or other enterprise against any expense, liability, or loss under the Washington Business Corporation Act as applied to nonprofit corporations. SKCAR may, without further membership action, enter into contract with any director or officer of SKCAR in furtherance of the provisions of this Section and may create a trust fund, grant a security interest 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 as provided in this Section, (e) Indemnification of Other Persons. SKCAR may, by action of its Board of Directors from time to time, provide indemnification and pay expenses in advance of the final disposition of a proceeding to employees and agents of SKCAR with the same scope and effect as the provisions of this Section with respect to the indemnification and advancement of expenses of directors and officers of the corporation or pursuant to rights granted to, or provided by the Washington Business Corporation Act, and applied to nonprofit corporations, or otherwise.

ARTICLE XII - MEETINGS

Section 1. Annual Meeting. SKCAR's Annual General Membership meeting ("Annual Meeting") shall be held during the last four months of each year. The Board of Directors shall designate the date, time and place of the Annual Meeting.

Section 2. Meetings of Directors. The Board of Directors shall designate a regular time and place of meetings. Absence of any Director from three (3) consecutive regular meetings without an excuse deemed valid by the Board of Directors shall be construed as resignation there from.

Section 3. Other Meetings. Meetings of the Members may be held at such other times as the President of the Board of Directors may determine, or upon the written request of at least ten (10) percent of the REALTOR[®] Members.

Section 4. Notice of Meetings. Written notice shall be given to every Member entitled to participate in the meeting at least one week preceding all meetings. If a special meeting, it shall be accompanied by a statement of the purpose of the meeting.

Section 5. Quorum. If proper notice has been provided for a meeting as described in Section 4 hereof, those REALTOR® Members in attendance at such meeting shall be deemed to affect a quorum for purposes of conducting the business of the meeting.

Section 6. Emergency Meetings of the Board of Directors. An emergency meeting of the Board of Directors may be called by the President of the Board, President-Elect, Chief Executive Officer or one-third of all Directors of the Corporation. The emergency meeting shall be held at such place as may be determined by the Board of Directors, or as shall be stated in the Notice of the meeting if the Board has not fixed a place for holding emergency meetings. No business may be transacted that is not specified in the Notice of the meeting. At any meeting at which all the Directors are present, though held without notice, any business may be transacted which might have been transacted if the meeting had been duly called.

Notice of an emergency meeting shall given by the Chief Executive Officer, or by the person calling the meeting, by facsimile, e-mail, or by personal communication over the telephone (which is confirmed by facsimile), at least 24 hours prior to the time when the meeting is to be held. Facsimile or e-mail Notices shall be deemed given on the date faxed or e-mailed, as the case may be. Notice of the emergency meeting must state the purpose for which the meeting is called and nature of the business that is to be transacted.

Notice of the emergency meeting of the Board of Directors need not be given to any Director, if he or she waives it in writing or by facsimile, whether before or after such meeting is held, or if he or she is present at such meeting. Attendance of a Director at the emergency meeting shall constitute a Waiver of Notice of such meeting, except where the Director attends the meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened and he or she gives written notice of his or her objection to the Chief Executive Officer prior to the commencement of the meeting.

A majority of the SKCAR Board of Directors, represented in person, shall constitute a quorum for the transaction of business at the emergency meeting. Each Director shall be entitled to one (1) vote. If a quorum is present, the act of the majority of the Directors present shall be the act of the Board unless the matter voted on requires a greater percentage by statute or any governing documents of the Association.

The Directors present at the emergency meeting may continue to transact business until adjournment, even though the number of Directors that have withdrawn results in too few Directors to constitute a quorum. If at any emergency meeting of the Board there shall be less than a quorum present, the majority of those present may adjourn the meeting from time to time until a quorum is obtained, and no further notice thereof need be given other than by announcement at the meeting which shall be so adjourned.

ARTICLE XIII - COMMITTEES

Section 1. Standing Committees. The President shall appoint, subject to confirmation by the Board of Directors and in conformance with approved policies, the following standing committees:

Business Practices	Finance & Operations
Governmental & Public Affairs	Grievance
Member & Community Relations	Planning
Professional Standards	

Section 2. Special Committees. The President shall appoint, subject to the confirmation of the Board

of Directors, special committees as deemed necessary.

Section 3. 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 these Bylaws.

Section 4. President. The President shall be an ex-officio member of all standing committees except Grievance and Professional Standards and shall be notified of their meetings.

Section 5. Committee Chairperson. The Chairperson of each Standing Committee shall serve for one (1) year after election or appointment of the President. The Chairperson shall be a REALTOR[®] Member (except for the Chairperson of the Affiliate Council, who will be an Affiliate Member) and shall be notified of and responsible for all ongoing projects. The Chairperson will report to the department Officer, who in turn will report to the Board of Directors on a regular basis, either in person or by written report. The Chairperson may be requested, from time to time, to appear personally before the Board of Directors.

Section 6. Grievance and Professional Standards Committees. Members of these committees shall be REALTOR[®] Members in good standing and shall serve three (3) year staggered terms.

Section 7. Limitation on Committee Authority. No such committee shall have the authority of the Board of Directors in reference to amending, altering or repealing the bylaws; electing, appointing or removing any member of any such committee or any director or officer of SKCAR; amending the articles of incorporation; adopting a plan of consolidation with another corporation; authorize the sale, lease or exchange of all or substantially all of the property and assets of SKCAR not in the ordinary course of business; authorizing the voluntary dissolution of SKCAR or revoking proceedings therefore; adopting a plan for the distribution of the assets of SKCAR; or amending, altering or repealing any resolution of the Board of Directors which by its terms provides that it shall not be amended, altered or repealed by such committee. The designation and appointment of any such committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any individual director of any responsibility imposed upon it or any individual director by law.

ARTICLE XIV - FISCAL AND ELECTIVE YEAR

The fiscal year of SKCAR shall be the calendar year. The elective year of SKCAR 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 SKCAR, its Board of Directors and Committees, in all instances wherein its provisions do not conflict with these Bylaws.

ARTICLE XVI - POLICIES AND PROCEDURES

SKCAR shall maintain a Policy and Personnel Manual. This Manual shall include but not be limited to: 1) policy and procedures necessary for the day to day operation of SKCAR, 2) the duties of officers and directors, 3) job descriptions and personnel policies regarding employees of SKCAR, and 4) policy statements of SKCAR. Amendments to the Manual are subject to the approval of the Board of Directors.

ARTICLE XVII - AMENDMENTS

Section 1. Procedure. These Bylaws may be amended in the same manner as set forth in Article VII of the Articles of Incorporation of SKCAR; provided that all amendments are plainly stated in the call for the annual meeting at which members are to consider amendments to these Bylaws. Article IX may be amended only by a majority of all REALTOR® Members.

Section 2. Notice of meeting. Notice by publication or distribution of meetings at which such amendments are to be considered, must be given to every member entitled to vote at least forty-five (45) days prior to the time of the meeting.

Section 3. Amendments. Amendments to these Bylaws affecting the admission or qualification or REALTOR® Members and Institute Affiliate Members, the use of the terms REALTOR® and or REALTORS®, or any alteration in the territorial jurisdiction of SKCAR shall become effective upon their approval by the Board of Directors of the NATIONAL ASSOCIATION OF REALTORS®.

ARTICLE XVIII - DISSOLUTION

Upon the dissolution or winding up of the affairs of SKCAR, 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.

Adopted January 15, 1974	Amended December 6, 1976
Amended December 5, 1977	Amended December 8, 1978
Amended June 28, 1979	Amended July 26, 1979
Amended December 7, 1979	Amended February 28, 1980
Amended December 5, 1980	Amended June 25, 1981
Amended December 4, 1981	Amended January 14, 1982
Amended March 18, 1982	Amended April 22, 1982
Amended June 17, 1982	Amended October 21, 1982
Amended December 7, 1984	Amended December 5, 1985
Amended December 4, 1987	Amended December 2, 1988
Amended December 1, 1989	Amended December 7, 1990
Amended December 4, 1992	Amended October 31, 1994
Amended September 29, 1995	Amended October 25, 1996
Amended November 21, 1997	Amended November 20, 1998
Amended December 10, 1999	Amended December 1, 2000
Amended November 16, 2001	Amended November 22, 2002
Amended November 21, 2003	Amended November 19, 2004
Amended July 28, 2005 *	Amended September 29, 2005
Amended January 26, 2006	

* Approved by BOD. Subject to ratification by membership at Annual Business Meeting.