

Washington REALTORS®

POLICY MANUAL



**Approved by the Board of Directors
September 20, 2024**

Washington Association of REALTORS®
POLICY MANUAL

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SECTION 1: ASSOCIATION GOVERNANCE POLICIES

1.1 Rules of the Washington Association of REALTORS® (WR)

An association may adopt or be issued various kinds of rules. Below is a historical narrative concerning the rules of the Washington Association of REALTORS®.

WR was established in the state of Washington in 1942. The most current document available is the charter which was rendered to the Association in 1942 by the National Association of Real Estate Boards (now known as the National Association of REALTORS®). The charter prescribes WR's privileges and responsibilities, including the duty to abide by the constitution and bylaws and observe the code of ethics of the National Association of REALTORS®.

Additional national association organizational documents of particular significance to the association include the following membership related statements: Code of Ethics (as amended), Three Way Agreement, and the Membership Criteria (6 and 8 points).

WR was granted tax-exempt, non-profit 501 c (6) status by the U.S. Treasury Department, Internal Revenue Service. WR originally filed Articles of Incorporation (non-profit corporate status) with the State of Washington in 1942.

WR's bylaws were adopted and have been amended by the membership at various membership meetings (dates unknown). The most recent amended version of the bylaws is dated April 23, 2021.

WR recognizes, in its bylaws, the latest edition of Robert's Rules of Order, Newly Revised Edition as the authority governing all meetings and conferences of WR.

In addition, WR members in regular or special meetings, or WR's Board of Directors, in a regular or special meeting, may adopt special rules governing their meetings as found necessary to supplement or modify rules provided in Robert's Rules of Order. Special rules supersede any rules in the parliamentary authority with which they may conflict.

Standing rules as outlined in the Policy Manual may also be adopted at any regular or special meeting prescribed above and are rules which relate to the details of the administration of WR, rather than to parliamentary procedure.

Finally, WR is subject to all provisions of local, state and national law and regulation applying to professional, trade, tax-exempt, non-profit 501 c (6), corporations.

The following documents pertaining to the rules of WR are made a part of this manual or are located at the WR office for review.

- 1) **National Association Rules**
 - Constitution and Bylaws of the National Association of REALTORS®.
 - Code of Ethics of the National Association of REALTORS®. Charter issued by the National Association of REALTORS®.
 - Three Way Agreement among the national, state, and member boards.
 - Membership Criteria (six (6) and eight (8) points) of the National Association of REALTORS®.
- 2) **Federal Government Rules**
 - Tax-exempt, non-profit 501 c (6) status letter granted by the US Treasury Dept., IRS.
- 3) **State Government Rules**
 - Articles of Incorporation granted by Washington Secretary of State, for the Washington Association of REALTORS®.
- 4) **Association Bylaws**
 - Bylaws provide the foundation for Association governance and are amended by the Board of Directors.

1.2 Policy Formulation vs. Policy Administration

Distinctions are quite often obscure between and among such terms as policies, rules, positions, directives, regulations, procedures, practices, et al. Consequently, the following shall serve as definitions for WR concerning the terms used in the manual and WR generally:

1. **ARTICLES AND BYLAWS** are rules governing the operation of WR adopted by the Board of Directors.
2. **RULES OF ORDER AND STANDING RULES** are rules governing the operation of WR adopted by The Board of Directors in session with the advice and/or recommendation of staff.
3. **POSITIONS** are descriptive narratives, sometimes including recommendations, outlining the concerns and/or views of WR members on current issues adopted by The Board of Directors in session with the advice and/or recommendation of staff.
4. **PROGRAMS** are descriptions of activities relating to WR adopted by The Board of Directors and/or Executive Committee in session with the advice and/or recommendation of staff.

5. **POLICIES** are general or fundamental principles relating to Board involvement adopted by the members of The Board of Directors or Executive Committee in session with the advice and/or recommendation of staff. They are broad enough to allow latitude in implementation but narrow enough to give clear guidance.
6. **PROCEDURES** are the detailed explanations, directions, or actions to implement adopted articles, bylaws, rules, positions, programs and policies selected and applied by staff with the advice and/or recommendation of the president. They address specific directions telling how, by whom and when things are to be done.

7. DEFINITIONS

Basic Capacities. All of the specific real estate services and programs that fall within the scope of one of the three core functions of the Association: Government Affairs/RPAC, Membership and Operations. The basic capacities will be the ongoing responsibilities assigned to each of the Core Committees.

Core Committee. A committee with responsibility for oversight of activities in a core subject area. A core committee will address strategies, programs, and basic capacities through its own direct action or by the creation of special committees and task forces to get the work accomplished. The core committees are Legislative Steering, REALTOR® PAC Trustees, Membership and Operations.

Standing Committee. A committee that is explicitly recognized by the Board of Directors as a permanent committee and is not subject to review during the annual planning process. The standing committees are Nominations, Finance, NAR Directors Forum, Legal Affairs, Legislative Steering Committee, REALTOR® PAC Trustees, Diversity, Equity, and Inclusion, and Professional Standards.

NOTE: It is anticipated that some groups, although not formally designated as “permanent,” are likely to be formed annually, although their precise title, focus and charge may change from year to year. These may include groups such “Education,” and “Communications.”

Special Committee. A committee with responsibility for a defined aspect of a core subject area. Special committees will be formed every year based on the strategic or operational needs of the association, and annually can be continued into the following year, sunset or modified, depending on the then-current needs of the Association.

Advisory Work Group. A group formed to provide advice or guidance to WR leadership or staff on a specific, limited subject, for a specific, limited period of time.

Task Force. A task force appointed by a Standing Committee or special committee chair to do in-depth analysis. A task force reports its findings/analysis to the group which requested the information. The committee then decides what action is appropriate from those findings.

Presidential Advisory Group (PAG). A small group (5 – 9 people) appointed by the President with a defined beginning and a defined end with a measurable result as its outcome. It will make recommendations to the Executive Committee. It is designed to serve as an outreach strategy to include members and nonmembers who are not involved in the direction of the organization. The President during whose term the PAG is expected to report shall make the appointments to the PAG. Presidential Advisory Group follows the standard committee procedures within the current WR Policy Manual including meeting minutes, document the formation of a Presidential Advisory Group, purpose, method of selection, regular reporting and final report and process (See below**).

**Standing Committee Rules apply including: Does not subvert a Member Association Function (Section 2.1/Rule 1); CEO to assign a staff member to each Advisory Group (Section 2.1/Rule XIII Section 1); Advisory Groups follow Open/Closed Meeting Policy (Section 2.1 Rule IX/Section 1); Minutes will be provided within 15 days of meeting for appropriate publication (Section 2.1 Rule X1 Section (1)).

Despite careful descriptions and definitions, it is not always easy to distinguish between what is a policy-making and policy-administration function. These tend to merge one with the other and what one views as policy-making may be viewed by another as policy-administration. This difficulty can be held to a minimum, however, if everyone involved seeks to follow the distinctions herein.

1.3 Definition and Role of Board of Directors

The Bylaws of the WR defines the Board of Directors as the governing body of WR. Essentially, it is the Association's most important committee.

First and foremost, it is a policy-making body. Policy decisions are those that affect the organization as a whole, to determine mission, vision, goals, and programs on the broadest scale. On the other hand, operational decisions affecting individual programs, services or people (employees), the efficiency and quality of services, and day-to-day operations are the purview of the Chief Executive Officer.

As further defined in the bylaws, The Board of Directors of the WR consists of the following voting members:

- President
- President-elect
- First Vice President
- Treasurer
- Treasurer-elect
- Immediate Past President
- Vice President of Operations
- Vice President of Membership
- Vice President of Government Affairs
- 5 Regional Representatives

- Vice President-elect of Operations
- Vice President-elect of Membership
- Vice President-elect of Government Affairs
- All Past Presidents
- 1 Commercial Representative
- State Directors, named by Local Associations
- President, or President's Designee, from each NAR-established Institute, Society and Council
- NAR Officers and/or Directors

A basic rule is that the legal entity, rather than the Board of Directors, is the holder of legal power. The powers of the Directors are not inherent in them, but in the organization as such. The principle exists that Directors or trustees exercise the powers of the organization, but do not own it. Thus, the Board of Directors has the power and duty to carry on whatever transactions the corporation or the association itself has the power to carry on. The power of the Board of Directors is superior, in ordinary matters, so long as it is exercised lawfully and in lawful transactions.

The Board of Directors is, in essence, the trustee in the literal and legal sense of the term. No matter how the organization is structured, or the degree of authority delegated to committees, staff or affiliates, the Board—and therefore the Directors—are ultimately accountable. The Board of Directors holds in trust the principal responsibility for fulfilling the association's purpose and mission—as well as the legal accountability for its operations.

This does not mean that you should fear liability for every association loss or mishap that may occur; WR Board members are protected from liability for errors of judgment—as long as they act reasonably and in good faith, and with the basic interests of the association as the foremost objective.

Members of the Board of Directors shall have the utmost interests of the Washington REALTORS® in mind at all times. They shall avoid any contract that may serve their personal interests and should never assume any position that brings their personal interests into conflict or competition with the interests of WR.

The Board of Directors shall have the authority to approve the hiring and termination of the CEO.

Finally, the Board of Directors, as the elected officials, has the responsibility to serve the entire industry or profession. As such, every member has the ability to embarrass or enhance the reputation of the group. Each individual member of WR has an important responsibility to the association.

1.4 Standing Rules for the Board of Directors

RULE I: MEETINGS

Section 1. Meetings shall be conducted in accordance with the Bylaws and Standing Rules. Cases not otherwise covered shall be governed by Robert's Rules of Order, Newly Revised Edition.

Section 2. Notices of regular meetings of the Board of Directors shall be communicated to all Members not less than two (2) weeks prior to each scheduled regular meeting.

Section 3. Notices for special meetings of the Board along with the purpose of the meetings shall be communicated to all member board Executive Officers or Elected Secretaries not less than ten (10) days prior to the scheduled meeting.

RULE II: AGENDAS

Section 1. Meeting agendas shall be prepared by the President and the Chief Executive Officer.

Section 2. Meeting agendas shall be adopted by the Board of Directors.

RULE III: EXECUTIVE SESSIONS

Section 1. Only Board members, duly elected non-seated members and Chief Executive Officer specified staff may attend Executive sessions unless an exception is granted by the President or majority of the Board present and voting.

RULE IV: SPEAKER RECOGNITION

Section 1. Members or directors wishing to speak shall approach a microphone and be recognized by the chair before addressing the body.

Section 2. Members or directors shall identify themselves by name and Member Association.

RULE V: MOTIONS

Section 1. Motions for consideration by the Board of Directors shall be submitted by individual directors to the chair in writing on a prescribed motion form.

RULE VI: VOTING

Section 1. Members and directors shall be entitled to participation fully in all discussions and deliberations. However, only directors shall be entitled to vote on matters before the body.

Section 2. Unless another form of voting is requested by a director, voting on matters shall be by voice vote except when ballots are necessary for votes on officer and director elections, dues changes or bylaw amendments.

Section 3. Roll call votes on matters may be requested by the meeting chair or a director. The President or his/her designee shall call the name of each director for their vote.

RULES VII: POLICIES

Section 1. Policies may be adopted, revised, deleted or suspended during any Board of Directors Meeting without advance notice. (Bylaws)

Section 2. Adopted policies shall not be in conflict with the Bylaws. (Bylaws)

Section 3. Adopted policies shall be included in the policy manual. (Bylaws)

RULE VIII: MINUTES

Section 1. Minutes shall be kept for all meetings of the Board.

Section 2. The draft minutes of the Board meetings shall be communicated to each Board Member and Member Board Executive Officer or Elected Secretary within four (4) weeks following a meeting.

Section 3. After the draft minutes are approved, they may be made available for general distribution.

Section 4. The draft and official Executive Session minutes shall be maintained and available to the members of the Board only.

RULE IX: ATTENDANCE

Section 1. When a director misses two (2) successive Board of Directors meetings without being excused by the Board of Directors, the Director's office shall be declared vacated. Notification will be sent to the member association.

RULE X: VOTING

Section 1. Board of Director voting on election of officers, Bylaws and annual dues amounts shall be conducted as prescribed in the Bylaws, or through policy.

The Credentials Committee, a special committee of the Operations Committee, will determine the specific method by which the number of votes will be distributed among the directors present and voting on behalf of each member association.

Section 2. All ballots shall be destroyed at the close of the business meeting after validation by the Credentials Committee.

RULE XI: AMENDMENTS, DELETIONS, ADDITIONS, OR SUSPENSION

Section 1. These Standing Rules may be amended, deleted, added to or suspended at a regular or special meeting of the Board by a majority vote of those present and voting.

1.5 Compliance Guidelines for the Board of Directors

The members of the Board of Directors of the WASHINGTON REALTORS® acknowledge and accept the scope and extent of our duties as directors. We have a responsibility to carry out our duties in an honest and businesslike manner and within the scope of our authority, as set forth in the Bylaws and governance policies. As Directors we must act within the bounds of the authority conferred upon us and with the duty to make and enact informed decisions and policies in the best interests of the WASHINGTON REALTORS® members and its staff. The Board of Directors has adopted the following Compliance Guidelines and our Directors are expected to adhere to the standards of loyalty, good faith, and the avoidance of conflict of interest that follow.

Board Members will:

- Act in the best interests of, and fulfill their obligations to the WASHINGTON REALTORS® members;

- Act honestly, fairly, ethically and with integrity;
- Conduct themselves in a professional, courteous and respectful manner;
- Comply with all applicable laws, rules and regulations;
- Act in good faith, responsibly, with due care, competence and diligence, without allowing their independent judgment to be subordinated;
- Act in a manner to enhance and maintain the reputation of the WASHINGTON REALTORS®;
- Maintain confidentiality of information until such time as it is decided that a “public” statement will be made, or position taken or when authorized or legally required to disclose such information;
- Not use confidential information acquired in the course of their service as Directors for their personal advantage;
- Disclose potential conflicts of interest that they may have regarding any matters that may come before the Board and abstain from discussion and voting on any matter in which the Director has, or may have, a conflict of interest pursuant to the Conflict of Interest Policy adopted by the Board and any future modifications which may be adopted by the Board in the future; and
- Make available to, and share with, fellow Directors information as may be appropriate to ensure proper conduct and sound operation of the WASHINGTON REALTORS® and its Board of Directors.

A Board member who has concerns regarding compliance with this Compliance Guidelines should raise those concerns with the Executive Committee, who will determine what action shall be taken to deal with the concern. In the extremely unlikely event that a waiver of these Guidelines for a Board member would be in the best interest of the Washington REALTORS®, it must be approved by the Executive Committee.

Board members will annually sign a confirmation that they have read and will comply with this Code.

SIGNATURE: _____

DATE: _____

REPRESENTING BOARD/ASSOCIATION: _____

1.6 Ownership Disclosure and Conflict of Interest Policy

Ownership Disclosure Policy

1. When WASHINGTON REALTORS® has an ownership interest in an entity and a member has an ownership interest* in that same entity, such member must disclose the

existence of his or her ownership interest prior to speaking to a decision making body on any matter involving that entity.

2. If a member has personal knowledge that WASHINGTON REALTORS® is considering doing business with an entity in which a member has any financial interest**, or with an entity in which the member serves in a decision-making capacity, then such member must disclose the existence of his or her financial interest or decision-making role prior to speaking to a decision-making body about the entity.
3. If a member has a financial interest in, or serves in a decision-making capacity for, any entity that the member knows is offering competing products and services as those offered by WASHINGTON REALTORS®, then such member must disclose the existence of his or her financial interest or decision-making role prior to speaking to a decision-making body about an issue involving those competing products and services.

After making the necessary disclosure, a member may participate in the discussion and vote on the matter unless that member has a conflict of interest as defined below.

Conflict of Interest Policy

A member of any of WASHINGTON REALTORS®' decision making bodies will be considered to have a conflict of interest whenever that member:

1. Is a principal, partner or corporate officer of a business providing products or services to WASHINGTON REALTORS® or in a business being considered as a provider of products or services ("Business"; or
2. Holds a seat on the board of directors of the Business unless the person's only relationship to the Business is service on such board of directors as WASHINGTON REALTORS®' representative; or
3. Holds an ownership interest of more than 1 percent of the Business.

Members with a conflict of interest must immediately disclose their interest at the outset of any discussions by a decision-making body pertaining to the Business or any of its products or services. Such members may not participate in the discussion relating to that Business other than to respond to questions asked of them by other members of the body. Furthermore, no member with a conflict of interest may vote on any matter in which the member has a conflict of interest, including votes to block or alter the actions of the body in order to benefit the Business in which they have an interest.

*Ownership interest is defined as the cumulative holdings of the member, the member's spouse, children, siblings and to any trust, corporation or partnership in which any of the foregoing individuals is an officer or director, or owns, in the aggregate, at least 50% of the (a) beneficial interest (if a trust), (b) stock (if a corporation) or (c) partnership interests (if a partnership).

***Financial interest means any interest involving money, investments, credit or contractual rights.*

1.7 Decision Matrix

The Decision Matrix shall be reflective of the Policy Manual and policies, but in areas of conflict the Decision Matrix will govern. Changes to the Decision Matrix are approved by the Board of Directors with recommendations coming from the Vice Presidents through the Executive Committee or the Chief Executive Officer. Any member can request changes to the Decision Matrix through the appropriate committee and/or the Executive Committee.

1.8 Duties and Responsibilities of the President

Responsibility - Serve as chief elected official of the Association.

Duties - The President shall:

1. Direct, assist and coordinate the activities of the Executive Committee.
2. Formulate the major goals to be accomplished for the approval of the Board of Directors; said goals shall encompass the Strategic Plan of the Washington REALTORS®.
3. Serve as the chief spokesperson for the Association.
4. Serve as coordinator of the activities of and be responsible for the performance of the elected officers.
5. Stand ready to make decisions affecting the members on problems or issues from day to day.
6. Assure that the instructions of the Board of Directors are carried out.
7. Have the sole responsibility of directing the actions of the Chief Executive Officer.
8. Be an ex-officio member of all committees except the Nominating and Professional Standards Committees.
9. Accept the responsibilities as designated by the National Association of REALTORS® and attend the NAR business meetings and the WR director business meetings.
10. Serve as the chair of the Executive Committee and as a Director by virtue of holding the position of President.
11. Serve as the delegate from the State Association at the National Association Annual Convention.

12. Serve as host to the visiting National Association dignitaries during the Association meetings and convention.
13. Be familiar with all governing documents of the Association and assist in the implementation of the objectives and strategies of the Strategic Plan.
14. Serve as a trustee of the Washington Real Estate Education Foundation.

Qualifications

1. Must have served or be serving in an elective office or directorship of a member association.
2. Must have held the office of President-Elect of the State Association.
3. Must be actively engaged in the real estate business and hold an active real estate license from the State of Washington.

Term - The President is elected for a term of one year and is not eligible to serve a second successive term.

1.9 Duties and Responsibilities of the President-Elect

Responsibility - Serve as an Elected Officer selected by the membership to promote the best interests of the Association.

Duties - The President-Elect shall:

1. Be responsible for all the duties and responsibilities of the President in the event of the President's absence or incapacity.
2. Serve as a Vice Chair of the Executive Committee and as a State Director.
3. Assure that a training and planning session is conducted for Elected Officers, Executive Committee and Staff to develop leadership and management capabilities and to plan for the coming year.
4. Serve and perform other duties as directed by the President.
5. Guide the Strategic Planning process in order to recommend new or modified programs for consideration in the following year's plan that may more effectively achieve a strategy.
6. Attend the NAR business meetings and WR business conferences.
7. Serve as the delegate alternate of the State Association at the National Association convention.
8. Be familiar with all governing documents of the Association and assist in the implementation of the objectives and strategies of the Strategic Plan.

Qualifications

1. Must have actively served or be serving in an elective office or directorship of a member association.
2. Must be actively engaged in the real estate business and hold an active real estate license from the State of Washington.
3. Must have served as President of his/her local association of REALTORS® or as an officer of the National Association of REALTORS®, or any of its Institutes, or have served as a Vice President of any standing committee.
4. Must have served as a Director of the State Association or have served on a WR Committee the year prior to taking office or have actively served on a state committee for a minimum of (3) three years, of the last (5) five years.

Term - The President-Elect is elected for a term of one year and automatically succeeds to the office of the President.

1.10 Duties and Responsibilities of the First Vice President

Responsibility – Serve as an Elected Officer selected by the membership to promote the best interests of the Association.

Duties - The First Vice President shall:

1. Be responsible for all the duties and responsibilities of the President in the event of the President and President-elect's absence or incapacity.
2. Serve as a member of the Executive Committee and as a State Director.
3. Serve and perform other duties as directed by the President.
4. Serve as an advisor for the Regional Representatives in coordination of the Roundtable meetings.
5. Attend the NAR business meetings and WR business conferences.
6. Be familiar with all governing documents of the Association and assist in the implementation of the objectives and strategies of the Strategic Plan.

Qualifications

1. Must have actively served or be serving in an elective office or directorship of a member association.
2. Must be actively engaged in the real estate business and hold an active real estate license from the State of Washington.

3. Must have served as President of his/her local association of REALTORS® or as an officer of the National Association of REALTORS®, or any of its Institutes, or have served as a Vice President of any standing committee.
4. Must have served as a Director of the State Association or have served on a WR Committee the year prior to taking office or have actively served on a state committee for a minimum of (3) three years, of the last (5) five years.

Term - The First Vice President is elected for a term of one year and automatically succeeds to the office of the President-elect.

1.11 Duties and Responsibilities of the Treasurer

Responsibility - Oversee and be responsible for the financial operations of the Association.

Duties - The Treasurer shall:

1. Direct, assist, coordinate and chair the activities of the Finance Committee.
2. Serve and perform other duties as directed by the President and maintain continuous liaison with the Chief Executive Officer and Staff Executive to insure proper coordination in the conduct of the Association's business.
3. Serve as a member of the Executive Committee and as a State Director.
4. Issue or cause to be issued all notices in accordance with the provisions of the Bylaws or as required by law.
5. In general, perform all duties incident to the office of Treasurer and such other duties as assigned by the President or the Board of Directors.
6. In conjunction with the CEO, be responsible for receipt and disbursements of all funds and securities of the Association.
7. Make such periodic financial reports and render such statements as good business practice dictates at all Board of Director meetings, and as requested by the Executive Committee.
8. Review the REALTOR® PAC Financial Reports and report the status to the Board of Directors.
9. Review annually, with the Chief Executive Officer, the Association bonding and property insurance coverage and limits.
10. Be familiar with all governing documents of the Association, assist in the implementation of the objectives and strategies of the Strategic Plan, and assure compliance with all Financial Policies.
11. Serve as WR liaison and resource to local board finance chairs or treasurers.

Any or all of the foregoing duties of the Treasurer may be delegated by the Board of Directors to the Chief Executive Officer to be performed under the supervision of the Treasurer.

Qualifications

1. Must have actively served or be serving in an elective office or directorship of a Member Association.
2. Must have been a Director of the State Association.
3. Must be actively engaged in the real estate business and hold an active real estate license from the State of Washington.
4. Have actively served on a state committee for a minimum of (3) three years, of the last (5) five years.
5. Must have held the office of Treasurer-elect.

Term - The Treasurer is elected for a term of one year and is not eligible to serve a second successive term.

1.12 Duties and Responsibilities of the Treasurer-elect

Responsibility - Elected by the Board of Directors to promote the best interests of the Association.

Duties - The Treasurer-Elect shall:

1. Be responsible for all the duties and responsibilities of the Treasurer in the event of the Treasurer's absence or incapacity.
2. Serve as a member of the Executive Committee and as a State Director.
3. Serve and perform other duties as directed by the Treasurer.
4. Serve as the Vice Chair of the Finance Committee.
5. Attend all meetings of the Association's Executive Committee, Board of Directors, and Finance Committee.
6. Be familiar with all governing documents of the Association and assist in the implementation of the objectives and strategies of the Strategic Plan.

Qualifications

1. Must have actively served or be serving in an elective office or directorship of a member association.

2. Must be actively engaged in the real estate business and hold an active real estate license from the State of Washington.
3. Must have served as a Director of the State Association or have served on a WR Committee the year prior to taking office or have actively served on a state committee for a minimum of (3) three years, of the last (5) five years.

Term - The Treasurer-Elect is elected for a term of one year and automatically succeeds to the office of the Treasurer.

1.13 Duties and Responsibilities of the Vice President of Operations

Responsibility - Oversee and be responsible for the committee operations that relate to the internal operational areas of the Association, including governance, governing documents, leadership development and training, diversity, equity, and inclusion, and global business, YPN and professional standards. Serve as a resource/advisor to the professional staff.

Duties - The Vice President of Operations shall:

1. Be familiar with and coordinate all committee operations as described above.
2. Review all committee actions to assure that such actions are in compliance with the adopted policies, budget and strategic plan.
3. Serve and perform other duties as directed by the President and maintain continuous liaison with the Chief Executive Officer and Staff Executive to insure proper coordination in the conduct of the Association's business.
4. Attend all meetings of the Operations Committee, Executive Committee, and Board of Directors. Communicate with the chairs of all the Operations special committees and advisory work groups to stay informed about committee activities, and report to the Operations Committee and Executive Committee as appropriate.
5. Upon recommendation of staff, appoint advisory work groups as necessary.
6. Serve as a member of the Executive Committee and as a Director.
7. Be familiar with all governing documents of the Association and assist in the implementation of the objectives and strategies of the Strategic Plan.

Qualifications

1. Must have held the office of Vice President-elect of Operations of WR.
2. Must have actively served or be serving in an elective office or directorship of a Member Association.
3. Must be actively engaged in the real estate business and hold an active real estate license from the State of Washington.

Term - The Vice President of Operations is elected to serve for a term of one year and is not eligible to serve a second successive term.

1.14 Duties and Responsibilities of the Vice President-Elect of Operations

Responsibility - Elected by the directors to promote the best interests of the Association.

Duties - The Vice President-Elect of Operations shall:

1. Be responsible for all the duties and responsibilities of the Vice President in the event of the Vice President's absence or incapacity.
2. Serve as a member of the Executive Committee and as a Director.
3. Serve and perform other duties as directed by the Vice President.
4. Serve as the Vice Chair of the Operations Committee.
5. Attend all meetings of the Operations Committee, Executive Committee, and Board of Directors. Coordinate with VP of Operations to stay informed of the status of the activities of the Operations' special committees and advisory groups.
6. Be familiar with all governing documents of the Association and assist in the implementation of the objectives and strategies of the Strategic Plan.
7. Serve as liaison to the Finance Committee as necessary.
8. Assist President-elect in making appointments to special committees and advisory work groups in the area of Operations.

Qualifications

1. Must have actively served or be serving in an elective office or directorship of a member association.
2. Must be actively engaged in the real estate business and hold an active real estate license from the State of Washington.
3. Must have completed a prescribed leadership program (for elections held in 2016 and thereafter).

4. Must have served on a special committee or advisory work group for two (2) years of the three (3) years prior to standing for election, one (1) year of which must be service on the Core Committee for which the candidate intends to run.

NOTE: In the elections of 2016-2017 (the “transition period”) the requirement will simply be service on any WR committee for two (2) of three (3) years prior to standing for election.

- 5.

Term - The Vice President-Elect is elected for a term of one year and automatically succeeds to the office of the Vice President.

1.15 Duties and Responsibilities of the Vice President of Membership

Responsibility - Oversee and be responsible for the committee operations that relate to the Association’s relationships with its members, including recruitment, member engagement, member services and benefits (including Education), research and communications; serve as a resource/advisor to the professional staff.

Duties - The Vice President of Membership shall:

1. Be familiar with and coordinate all committee operations as described above.
2. Review all committee actions to assure that such actions are in compliance with the adopted policies, budget and strategic plan.
3. Serve and perform other duties as directed by the President and maintain continuous liaison with the Chief Executive Officer and Staff Executive to insure proper coordination in the conduct of the Association's business.
4. Attend all meetings of the Membership Committee, Executive Committee, and Board of Directors. Communicate with the chairs of all the Membership special committees and advisory work groups to stay informed about the committees and advisory group activities, and report to the Membership Committee and Executive Committee as appropriate.
5. Serve as a member of the Executive Committee and as a Director.
6. Be familiar with all governing documents of the Association and assist in the implementation of the objectives and strategies of the Strategic Plan.

Qualifications

1. Must have held the office of Vice President-elect of Membership of WR.
2. Must have actively served or be serving in an elective office or directorship of a member association.

3. Must be actively engaged in the real estate business and hold an active real estate license from the State of Washington.

Term - The Vice President of Membership is elected to serve a term of one year and shall not be eligible to serve a second successive term.

1.16 Duties and Responsibilities of the Vice President-Elect of Membership

Responsibility - Elected by the directors to promote the best interests of the Association.

Duties - The Vice President-Elect of Membership shall:

1. Be responsible for all the duties and responsibilities of the Vice President in the event of the Vice President's absence or incapacity.
2. Serve as a member of the Executive Committee and as a Director.
3. Serve and perform other duties as directed by the Vice President.
4. Attend all meetings of the Membership Committee, Executive Committee, and Board of Directors. Coordinate with VP of Membership to stay informed of the status of the activities of the Membership special committee and advisory groups.
5. Be familiar with all governing documents of the Association and assist in the implementation of the objectives and strategies of the Strategic Plan.
6. Serve as liaison to the Finance Committee as necessary.
7. Assist President-elect in making appointments to special committees and advisory work groups in the area of Membership.

Qualifications

1. Must have actively served or be serving in an elective office or directorship of a member association.
2. Must be actively engaged in the real estate business and hold an active real estate license from the State of Washington.
3. Must have completed a prescribed leadership program (for elections held in 2016 and thereafter).
4. Must have served on a special committee or advisory work group for two (2) years of the three (3) years prior to standing for election, one (1) year of which must be service on the Standing Committee for which the candidate intends to run.

NOTE: In the elections of 2016-2017 (the "transition period") the requirement will simply be service on any WR committee for two (2) of three (3) years prior to standing for election.

Term - The Vice President-Elect is elected for a term of one year and automatically succeeds to the office of the Vice President.

1.17 Duties and Responsibilities of the Vice President of Government Affairs

Responsibility - Oversee and be responsible for the committee operations that relate to the legislative, political affairs and political action committee areas of the Association and serve as a resource/advisor to the professional staff.

Duties - The Vice President of Government Affairs shall:

1. Direct, assist and coordinate the activities necessary to handle the basic capacities as assigned.
2. Review all committee actions to assure that such actions are in compliance with the adopted policies, budget and strategic plan.
3. Serve and perform other duties as directed by the President and maintain continuous liaison with the Chief Executive Officer and Staff Executive to insure proper coordination in the conduct of the Association's business.
4. Attend all meetings of the Association's Executive Committee, Board of Directors, and Legislative Steering and RPAC committees.
5. Serve as a member of the Executive Committee and as a Director.
6. Be familiar with all governing documents of the Association and assist in the implementation of the objectives and strategies of the Strategic Plan.
7. Oversee REALTOR® PAC Plus program and Key Contacts.

Qualifications

1. Must have held the office of Vice President-elect of Government Affairs of WR.
2. Must have actively served or be serving in an elective office or directorship of a member association.
3. Must have been a Director of the State Association.
4. Must be actively engaged in the real estate business and hold an active real estate license from the State of Washington.

Term - The Vice President of Government Affairs is elected to serve for a term of one year and is not eligible to serve a second successive term.

1.18 Duties and Responsibilities of the Vice President-Elect of Government Affairs

Responsibility - Elected by the directors to promote the best interests of the Association.

Duties - The Vice President-Elect of Government Affairs shall:

1. Be responsible for all the duties and responsibilities of the Vice President in the event of the Vice President's absence or incapacity.
2. Serve as a member of the Executive Committee and as a Director.
3. Serve and perform other duties as directed by the Vice President.
4. Attend all meetings of the Association's Executive Committee, Board of Directors, and Legislative Steering and REALTOR® PAC committees.
5. Be familiar with all governing documents of the Association and assist in the implementation of the objectives and strategies of the Strategic Plan.
6. Serve as liaison to the Finance Committee as necessary.
7. Assist president-elect in making appointments to REALTOR® PAC and Legislative Steering Committee.

Qualifications

1. Must have actively served or be serving in an elective office or directorship of a member association.
2. Must be actively engaged in the real estate business and hold an active real estate license from the State of Washington.
3. Must have completed a prescribed leadership program (for elections held in 2016 and thereafter).
4. Must have served on either RPAC or Legislative Steering for at least one (1) year of the last three (3) years prior to standing for election.
NOTE: In the elections of 2016-2017 (the "transition period") the requirement will simply be service on any WR committee for two (2) of three (3) years prior to standing for election.

Term - The Vice President-Elect is elected for a term of one year and automatically succeeds to the office of the Vice President.

1.19 Duties and Responsibilities of the Immediate Past President

Responsibility - Serve as an officer of the Association and as a resource to the succeeding leadership.

Duties - The Immediate Past President shall:

1. Direct, assist and coordinate the activities of the following special committees:
Nominations and Past President's Council.
2. Serve and perform other duties as directed by the President.
3. Be familiar with all governing documents of the Association and assist in the implementation of the objectives and strategies of the Strategic Plan.

Term - The Immediate Past President serves in this office in the year immediately following the year served as president.

1.20 Duties and Responsibilities of the Regional Representatives

Responsibility - Serve as liaison between their respective Region and the Executive Committee regarding the concerns and activities of their respective Regions.

Duties - The Regional Representatives shall:

1. With input from the WR President-elect, prepare the agenda for their Regional meetings.
2. Serve as facilitator for their Regional meetings and report the Region's recommendations and requests to the Executive Committee.
3. Report to their Region the Executive Committee's disposition of the Region's recommendations and requests.
4. Attend all WR meetings of their respective Region, Executive Committee, and Board of Directors.
5. Serve as a member of the Executive Committee and as a State Director.
6. Be familiar with all governing documents of the Association and assist in the implementation of the objectives and strategies of the Strategic Plan.

Qualifications

1. Must have actively served or be serving in an elective office or directorship of a Member Association or have actively served on one or more WR committee(s) for a total of not less than three (3) years out of the last five (5) years.
2. Must be actively engaged in the real estate business and hold an active real estate license from the State of Washington.

Term - Regional Representatives are elected by their respective Region to serve for terms of one year and cannot serve more than two successive years in this office.

Elections shall be held at the discretion of each Region however, elections shall be held no later than the Fall Business Conference.

1.21 Duties and Responsibilities of a State Director

Responsibility - Participate as a member of the governing body of the Association.

Duties - The Director shall:

1. Attend all WR Board of Directors meetings.
2. Attend the annual Legislative Day in Olympia.
3. Keep their Member Association members informed of the activities of the WR.
4. Present to the WR Board of Directors any programs, suggestions or concerns of their Member Association.
5. Be familiar with all governing documents of the Association and assist in the implementation of the objectives and strategies of the Strategic Plan.

Qualifications - Must have served or be serving in an elected office or directorship of a Member Association and must be a member in good standing with WR (i.e., that dues are paid and have an active real estate license).

Term - State Directors are named by their member association to serve for a term of:

- One from each Member Association for a term of one (1) year;
- Additional directors from each Member Association based on membership totals, for terms of three (3) years.

1.23 Duties and Responsibilities of NAR Directors

Responsibility - Serve as a NAR Board Director.

Duties - NAR Directors shall:

1. Attend all State and NAR Board of Director meetings.
2. Upon request, report to the State Association Committees, Board of Directors and members on each NAR Board of Directors meeting.
3. Seek the opinions and/or advice of State Association leadership on issues under consideration by the NAR Board of Directors.
4. Attend at least one committee or forum of the NAR and report on that committee's activities.
5. Serve as liaison to State Association committees as assigned by the WR president.

6. Understand and agree to abide by the policies adopted by the Board of Directors for the position of NAR Directors.
7. Be familiar with all governing documents of the Association and assist in the implementation of the objectives and strategies of the Strategic Plan.

Qualifications - Director-At-Large candidates should:

1. Be capable of reflecting a local and state point of view when considering NAR issues.
2. Demonstrate a commitment to REALTOR® organization affairs by:
 - Being active in their local Associations. (NOTE: The application form will provide the candidate with space to explain the nature and extent of the candidate's activities in his/her local association. The candidate's statement should be verified by the local association president's signature)

And

- Having served on a minimum of two (2) state association committees, task forces and/or work groups within the last three (3) years, or one (1) committee in two (2) of the last three (3) years. (NOTE: The application form will provide the candidate with space to explain the nature and extent of the candidate's activities in the state association)

And

- Must have served as a Director of the State Association.
3. Demonstrate an interest in the NAR by attending at least one (1) NAR Midyear meeting or NAR Convention within the last three (3) years.
 4. Demonstrate a current, active involvement in the practice of real estate within the last year. (NOTE: The application form will provide the candidate with space to explain the nature and extent of the candidate's real estate activities).
 5. Have an understanding of the structure and operations of the NAR.
 6. Be a member in good standing with NAR (i.e., that dues are paid and have an active real estate license).
 7. Be familiar with the NAR Bylaws, and understand antitrust basics (NOTE: The WR Policy Manual contains Section 4.8 on Restraint of Trade)
 8. Be familiar with the section of NAR's Policy Manual that discusses NAR Director qualifications and duties.
 9. A member is only eligible for an NAR Director State Allocated position ballot after their local allocated NAR positions have been filled. Locally allocated positions must be filled

and reported to Washington REALTORS® no less than 10 days prior to the election of State Allocated NAR Directors.

Term - NAR Directors are elected for a term of three years.

1.24 Duties and Responsibilities of the Institute, Society, and Council State Director

Responsibility - Serve as liaison between his/her organization and the Association.

Duties - Institute, Society and Council Directors shall:

1. Attend all State Association Board of Directors meetings.
2. Act as liaison between his/her respective organization and the Association by keeping his/her affiliate organization informed of the activities of the State Association and presenting to the State Association Board of Directors any programs or suggestions at his/her affiliate organization.
3. Be familiar with all governing documents of the Association and assist in the implementation of the objectives and strategies of the Strategic Plan.

Term - Institute, Society, and Council Directors shall serve a term of one year.

1.25 Duties and Responsibilities of the Chief Executive Officer

Responsibility - Serve as the Chief Staff Executive of the Association.

Duties - The Chief Executive Officer of the WR shall be responsible to the Board of Directors for the following:

1. Carry out the directives of the Board of Directors, the Executive Committee and other appropriate committees of the Association as communicated by the President or the President's designee.
2. In-depth knowledge of Association policies, procedures, programs and projects.
3. When appropriate, advise member boards, members and staff of decisions made by the Board of Directors and/or the Executive Committee.
4. Plan, research, recommend, and upon approval of the Board of Directors, implement and manage policies and programs which further the objectives of the Association.
 - Oversee annual business plans of the Association;
 - Oversee and participate in the timely preparation of Association budgets;
 - Understand and implement the adopted Strategic Plan;
 - Direct public relations and marketing programs in a manner which enhances the image and purposes of the Association;
 - Establish and execute programs and activities which encourage membership enrollment and participation; and
 - Oversee the development, approval and implementation of educational, member services, government affairs and communications/marketing programs.

5. Hire, fire, administer and manage staff in an effective and professional manner within the fiscal limitations established by the Association and in accordance with adopted policies.
6. Act as the designated representative and/or spokesperson for the Association when appropriate or when designated to act in such capacity by the President, Board of Directors, or the Executive Committee.
 - Act as liaison with organizations where such organizations share similar interests or where association with such organizations would be in the best interest of the Association;
 - Execute such contracts and commitments as may be authorized by the Board of Directors or Executive Committee within established policies;
 - Act as the main signatory of all Association accounts; and
 - Act as direct liaison with the NAR when appropriate and serve on such committees as appointed.
7. Communicate in a timely manner to advise the Board of Directors, Executive Committee, President, and Officers on the conditions of the Association and on all important facts which may influence or impact them or the Association.
 - Responsible to provide recommendations to the Finance Committee and assist in preparation of the annual budgets and long-range forecasts of needs;
 - Responsible to maintain appropriate historical records, minutes, files and legal documents;
 - Responsible to plan, promote, and administer all official meetings of the Association;
 - Responsible for regular and ongoing communications with the general membership, Board of Directors and Officers;
 - Serve as an ex-officio member of the Executive Committee
 - Attend meetings of the Board of Directors.
8. Shall act as the liaison to Executive Officers of Member Associations and act as a resource for these primary customers.

1.26 The Role of a NAR Director vs. NAR Delegate

The terms "director" and "delegate" are normally considered to be synonymous terms when, in fact, they are not. A director has certain obligations of a fiduciary nature to the association and serves as a member of the governing body. A delegate, on the other hand, is an individual who is selected through a particular process to cast a vote (weighted by the bylaws) as a representative of the membership at the association's general membership meeting (convention). An alternate should be prepared to stand in the shoes of a delegate in case of absence.

The governing body of the NAR is The Board of Directors. Directors-at-large are allocated to each state based on the amount of REALTORS® or REALTOR® Associates in that state. The delegate body of the NAR, at the annual convention, votes for the NAR directors.

When elected, NAR directors are delegated by the NAR as follows: "The Board of Directors and the officers will seek the opinions and advice of member boards on matters of national importance in such manner as may be convenient and shall consider such information in their decisions.

1.27 Election of Officers

The names of all eligible candidates shall be placed on the ballot. Qualified candidates who wish to run in an election must submit names, certification of qualifications, and notice of "willing to serve" to the Nominations Committee no later than the conclusion of the Nominations Committee meeting, two days prior to Election day.

1.28 Election Results

Voting result counts shall not be disclosed.

1.29 NAR Director Voting

Inasmuch as directors of the NAR are elected by the Board of Directors of the Washington REALTORS® to act and represent the membership of the state, they should be left to cast their vote(s) according to their conscience.

Therefore, on all matters to be voted upon by The Board of Directors of the NAR, The Board of Directors of the Washington REALTORS® may take a position on the particular matter. They may only suggest, but never require, that a NAR director vote the position of the Washington REALTORS®' Board of Directors.

1.30 NAR Director Policies & Procedures

NAR Directors Forum/ Chair

1. The NAR Directors from Washington shall constitute the NAR Directors Forum. The Forum will meet at the two NAR meetings or more often if required by the President.
2. The NAR Directors will select a current NAR Director to serve as Chair of the Forum.

NAR Committee/Forum Service

Each NAR Director shall request to serve on a committee or committees or forums of the NAR. Requests for committee appointments will be submitted directly to NAR and state recommendations will be submitted by the WR CEO in consultation with the WR President, the WR President-elect and the NAR Director Forum Chair.

Attendance at committees/forums will be coordinated by the NAR Directors Forum Chair to assure coverage of as many committees/forums as possible and to avoid double coverage. NAR Directors will also be asked to monitor various committee/forum meetings in the event no other person from Washington is in attendance. Directors are encouraged to attend as many other committee/forum meetings as possible since most of the important discussions take place at this level.

Most of the NAR Committees/forums mail or e-mail information to members in advance of the meetings. Directors should read the information thoroughly, PRIOR to leaving for the NAR meeting. This practice will enable each Director to play an active role at NAR

NAR Board of Directors Meetings

All NAR Directors must attend the NAR Board of Directors meetings to represent the views of Washington State. Issues to come before the Directors should be studied in advance to assure a knowledgeable vote by each Director. As much as possible, issues will be discussed in the Washington Caucus. Directors should plan to stay for the entire Board Meeting.

WR Committee Service

Each NAR Director may be assigned as a liaison between a similar WR and NAR Committee/forums. As a liaison, the Director will give a brief update at each of the committee/forum meetings and lead the discussion on matters decided by the NAR Board of Directors that affect WR. Through participation in the WR committees, each NAR Director will be better able to represent the membership of the Washington REALTORS®.

WR Board of Directors Meetings

NAR Directors shall attend the two regularly scheduled meetings of the WR Board of Directors as well as the annual Legislative Day scheduled in January, and actively participate in the discussion of issues. The NAR Directors must be able to carry the views of the State Association to NAR

NAR Director Orientation

New NAR Directors will be required to attend an annual NAR Director orientation. Continuing NAR Directors are strongly encouraged to attend the orientation.

Region XII Caucus

The NAR Directors shall attend the Regional Caucus and participate in the discussions. They should be knowledgeable and prepared to discuss the matters that come before the caucus. The purpose of the Region XII Caucus is:

1. To receive an update from committee/forum members and NAR Leadership on issues and programs that are being discussed in the various committees/forums that will come to the floor of the NAR Board of Directors; and
2. To allow the Regional Vice President and the State Presidents to give an update on issues and programs of their respective Associations.

Written Reports

Following each of the NAR meetings, each NAR Director will submit a brief written report of the meetings which they attended. The report should highlight significant points of discussion of that committee/forum as well as referencing materials handed out that may be of interest to other Directors or the WR staff.

The report should be filed with the WR staff within thirty (30) days of the meeting and must be submitted before the stipend will be paid for that meeting.

Attendance Policy

NAR Directors are required to attend all National Association and Washington Association meetings. NAR Directors are also expected to attend the Region 12 meeting held outside of the national and state meetings. Any Director who misses two (2) or more of the meetings or assigned committee/forum meetings will be contacted by the NAR Directors Forum Chair and asked if they intend to fulfill their commitment. If appropriate, it may be recommended to the NAR that the Director be removed from office and replaced with another REALTOR® recommended by the President, subject to ratification by the WR Board of Directors.

While at the two NAR meetings each Director shall advise the Forum Chair if he/she is unable to attend the Region 12 Caucus or state caucuses. Requests for an excused absence will be reviewed and approved at the discretion of the President.

Scheduling/Social Expectations

Each NAR Director should schedule their time at NAR meetings to allow attendance at the WR Caucus meetings and social events. As representatives of WR, Directors should be on hand to share their views and listen to those of others. At least three (3) weeks prior to each NAR meeting the WR staff will send a schedule of planned WR Caucus meetings and social events to each Director to assist them in scheduling their time. All NAR Directors are expected to participate in hospitality events sponsored by the Washington REALTORS®.

Stipends

The Washington REALTORS® provides stipends to defray part of the expenses of each NAR Director attending the NAR meetings. It is not the intent that WR pay for all of the expenses of each Director.

Stipend Amount

Each NAR Director [National Director-At-Large, Large Board National Directors, Large Firm National Directors, as well as REALTORS® serving as a chair or vice chair of a NAR committee] will be paid a stipend to attend each of the two NAR meetings: Midyear, and the Annual Convention. NAR Directors will be reimbursed up to \$2,000 plus reasonable airfare (defined as coach fare booked a minimum of 14-days in advance) per Director, for each of the NAR national meetings, upon submission of appropriate expense and/or mileage reports and actual expense receipts. Any costs over this amount will be paid by the Director. The amount of the stipend will be specified in the annual budget. In addition, the NAR Director Presidential Appointee to the Executive Committee will be paid a stipend to attend Executive Committee Meetings. The NAR Director Presidential Appointee to the Executive Committee will be reimbursed up to \$750, to attend Executive Committee meetings, upon submission of appropriate expense and/or mileage reports and actual expense receipts. Any costs over this amount will be paid by the NAR Director Presidential Appointee to the Executive Committee. NAR Directors will receive a stipend to attend the annual Region 12 meeting. This stipend will be established on an annual basis during the WR budget planning cycle and will be based on the location of the following year's Region 12 meeting.

Stipends, for NAR Directors, are to be paid after each regularly scheduled NAR meeting, if a Director attended the meeting in accordance with the NAR Directors policy.

Airfare

Airfare will be reimbursed at actual cost of an economy/coach ticket at the time the Director submits the request for reimbursement with receipts.

Distinguished Service Award Recipients (DSA)

Any REALTOR® from Washington who is or becomes a recipient of the NAR Distinguished Service Award (DSA) is automatically a NAR Director for life. WR will pay that person a stipend PROVIDED that he/she participates as a NAR Director and agrees to abide by the policies in effect.

NAR Committee/Forum Chairs

In the event that a REALTOR® from Washington is appointed to vice chair or chair a NAR committee/forum, they shall receive the same stipend as a NAR Director, provided they agree to perform the same duties as the other NAR Directors.

Election of NAR Directors

NAR Directors will be elected by the WR Board of Directors. Election for NAR Director positions will be via electronic means. The WR Executive Committee will determine the date, time, and format for the election. Elected candidates will begin their term the following year (e.g. candidates elected in 2023 will begin their term in 2024). Qualified member candidates must submit a complete NAR application to the WR Nominations Committee. Candidates must self-certify that they meet the qualifications and will comply with the requirements established by NAR. The WR Nominations Committee may not require additional (or less) qualifications but will only verify that the candidate's application is complete. By September 15th of each year, WR will submit the names of newly elected Directors, who will take office the following year, to NAR.

State Director allocations are determined using a formula based on the NAR membership count as of July 31st (the "State Allocated Directors") of each year. The annual NAR count may change the number of State Allocated Directors as membership numbers fluctuate.

In addition to the State Allocated Directors, WR will also be allotted one Director from a Small Association (defined as having between 1 – 499 members, "The Small Association Director") and one Director from a Mid-size Association (defined as having between 500 – 1999 members, "The Mid-Size Association Director"). The election process to elect Directors to these positions is governed by policies in this section.

Each election may include all three categories of NAR Director as described above depending on vacancies.

State Allocated Directors: Shall serve a three-year term.

The Small Association Director: Shall serve a two-year term.

The Mid-Size Association Director: Shall serve a two-year term.

Notice of NAR Director vacancies shall be posted on the WR website with instructions pertaining to the application process and the date of the election.

The WR Nominations Committee establishes campaign guidelines and will post them on the WR website.

Qualified NAR Director candidates who wish to run in an election must submit their name, the NAR self-certification of qualifications and notice of “willing to serve” to the Nominations Committee no later than the conclusion of the Nominations Committee meeting, two days prior to Election Day. The names of all qualified NAR Director candidates shall be placed on the ballot.

Election of NAR Directors shall be by electronic means. Each credentialed WR director will vote in the election in the following manner:

1. Only state directors from small-sized associations will be eligible to vote for the Small Association Director.
2. Only state directors from mid-sized associations will be eligible to vote for the Mid-Sized Association Director.
3. All state directors will be eligible to vote for State Allocated Directors.

Each Director shall cast only one vote for any one candidate on any single ballot. Candidates who receive a majority of the votes cast shall be declared elected. Recognizing the fact that the number of candidates who receive a majority vote may not be the same number as positions which are open, the following procedures address the various possibilities which may occur, and a procedure for dealing with each possibility.

1. If more candidates receive a majority vote than positions available, those with the highest number of votes will be declared elected to fill the proper number of open positions. If a tie vote exists for the last position(s) to be filled, (examples: 3 positions are open and candidates #3 and #4 tie, or, 3 positions open and candidates 2, 3, and 4 all tie with a vote which is a majority of the votes cast) the candidates who have a majority vote which is greater than that of the tied candidates shall be declared elected and a new ballot shall be issued naming only those candidates which tied, from which the last position(s) will be filled.
2. If fewer candidates receive a majority vote than positions are open, but at least one candidate on the ballot does receive a majority vote, those who have received a majority will be declared elected. The remaining candidates who did not receive a majority shall then have their name put on a new ballot. Each credentialed WR Director voting as outlined above shall then be given the number of votes equal to the remaining unfilled positions. Each WR Director shall cast no more than one vote for any one candidate on this ballot. If more candidates on this ballot receive a majority than positions are available, see "1" above. If fewer candidates receive a majority than there are remaining positions, those who receive a majority of the votes is declared elected, and another ballot shall be cast for the remaining positions(s) as governed by this paragraph.

3. In the event that no candidate receives a majority of votes cast on the most recent ballot, the candidate who received the fewest number of votes on that ballot shall be eliminated from the list of candidates, and a new ballot shall be issued with the eliminated candidate not named, and voting shall be as prescribed in previous paragraphs.
4. In the event that a candidate receives a majority of the votes cast and then withdraws his/her name prior to being declared elected, no candidates shall be declared elected, that ballot shall be voided, and a new ballot shall be issued with all of the remaining candidates named thereon and with only the withdrawing candidate eliminated from the ballot. All the previous conditions of this section shall then govern the election.
5. If any nominee or elected NAR Director resigns as a NAR Director or should an appointed replacement Director resign at any time, a vacancy shall occur resulting that action. Such vacancies will be filled by a recommendation of the WR President, according to the association size as elected, who shall confer with the President-Elect in that recommendation. The recommendation must be confirmed by the WR Board of Directors at the next regularly scheduled meeting of that body, or, if a NAR meeting will occur before the next regularly scheduled WR meeting, the WR Executive Committee is authorized to confirm the appointment on behalf of the Board of Directors. The name of the appointee will then be submitted to NAR as a recommendation to fill the vacancy.

Replacement of NAR Directors/Second Position

When a National (NAR) Director is elected or appointed to a position that entitles them to a second NAR directorship, the Director would be required to step out of their originally elected term for the period that the second directorship would overlap. At their option, the NAR Director may choose to resign their entire, original elected term. Any NAR Director who is elected or appointed to such a position that entitles them to a second directorship, shall notify the WR President within two (2) weeks of such appointment or knowledge that the appointment will occur.

SECTION 2: COMMITTEE / TASK FORCE POLICIES

2.1 *Standing Rules of Committees and Task Forces*

RULE I: AUTHORIZATION

Section 1. The Standing Committees, Board of Directors or President may authorize Special Committees or Task Forces. However, no Committee or Task Force shall be authorized or appointed which would have the intent of subverting a Member Association function.

Section 2. Committees and Task Forces may be abolished by the authorizing body.

RULE II: CHARGES

Section 1. Annually the charges of the standing committees will be reviewed and approved by the Board of Directors. Each standing committee will prepare its work plan based on the strategic plan and submit the plan and budget to the Executive Committee and Board for approval at the September meeting. In emergency situations the President may assign a charge until such time as the Board can consider its approval.

Section 2. Special committees shall receive their charges from the appropriate Committee. (Note: Said charge shall not go beyond the parameters of the "parent committee" charges.)

RULE III: APPROVAL

Section 1: The President, the President-Elect, and the VP elected to serve in the appropriate area will review for approval all committee recommendations of significant strategic importance to the organization. In deciding whether to approve committee actions, these officers shall give substantial deference to the committee's views.

RULE IIII: COMMITTEE RECRUITMENT/TERMS/SELECTION PROCESS

Section 1.

RECRUITMENT OF MEMBERS:

1. WR will provide members with Committee Request Forms at all Business Conferences for the following year, with a centrally located "drop box" for turning in requests.
2. A cutoff date of October 15th will be put on the Committee Request form to avoid confusion as to when they need to be submitted, and the problem with last minute submissions. (With the exception that forms will be accepted from those attending the annual Leadership Conference in October.)
3. WR will provide members with Applications for Officer & NAR Director positions along with a description of the position.

COMMITTEE TERMS:

1. Service on a committee (other than REALTOR® PAC Trustees) shall be limited to two consecutive two- year terms or four consecutive one-year terms without a break in service of one year. Service on a special committee or advisory work group shall be limited to four consecutive one-year terms without a break in service of one year. The foregoing shall not apply to the Legislative Steering Committee, which shall be limited to three – three-year terms without a break in service of one year. The incoming Vice President, Chair and Treasurer shall select six (6) at-large members each year.
2. A member may serve on up to two committees at the same time, provided that only one of the two committees is a core committee. There shall be no limitation on the number of subcommittees, special committees, or advisory work groups on which a member may serve.

COMMITTEE SELECTION PROCESS:

1. All Committee Request forms must be submitted by October 15th.
2. Staff will compile the request forms and create a matrix to send to the incoming Vice Presidents and Chairs and the incoming Treasurer.
3. Committee Matrix will include:
 - a. Entire list of those requesting a committee, and will show their 1st, 2nd, and 3rd choice.
4. Staff will only screen committee applications where individuals are applying for committees that have restrictions (i.e. REALTOR® PAC, Finance, Professional Standards) and indicate which individuals would not be eligible for that committee.
5. Staff will send to incoming Vice Presidents and Chairs and incoming Treasurer by October 31st:
 - a. Committee Request Matrix
 - b. A copy of the Committee Roster, with member terms (those with expiring terms will not be included)
 - c. Minimum number of committee members for the committee, along with a recommendation from the staff liaison as to what the top number of members on that committee should be. (This is only a recommendation; the total desired number is at the discretion of the incoming Vice Presidents and the incoming Treasurer.)
 - d. Contact information for all incoming Vice Presidents and Chairs and the incoming Treasurer.
 - e. Current committee rosters showing expiration dates of members.
6. Incoming Vice Presidents and the incoming Treasurer will respond to their staff committee liaison by November 15th.
 - a. Response will include the list of individuals they have selected to serve on a committee.
 - b. Response will include the list of individuals not selected for a committee, but who wish to serve on a task force.
 - c. Response will include the list of individuals not selected for either the committee or a task force.
7. Recruitment by incoming Vice Presidents and incoming Treasurer.
 - a. If the incoming Vice Presidents and incoming Treasurer are unable to fill the number of committee positions available, with the names given on the matrix, he/she shall be responsible for the recruitment of additional committee members.
 - b. The incoming Vice Presidents and the incoming Treasurer may contact each other to discuss potential members listed on the matrix, but who may not have requested their specific committee.
 - c. The incoming Vice Presidents and incoming Treasurer may contact individuals listed on the matrix directly, to see if they would be interested in serving on a committee other than requested.
8. Invitations to serve on Standing Committees will be emailed to the member's email address of record by November 30th:
9. Staff will send the lists provided to them by the incoming Vice Presidents and the incoming Treasurer, to the WR President-elect for approval as soon as possible. (Prior to November 30th deadline.)

10. Staff will prepare and mail letters to members to confirm committee/task force assignments and their term.
11. Staff will send a letter to those NOT selected to serve, to encourage their continued participation at the meetings.
12. Staff will compile the list of members not selected and send it to the incoming Vice Presidents and incoming Treasurer for possible future needs. (ie. to fill vacancies, task forces)
13. Communication of committee selections:
 - a. Staff will mail the list of committee rosters to the local association Executive Officers upon completion, and prior to the January meetings.

Section 2. For all appointments, appointee nominations will be solicited from Officers, State Directors, Standing Committee Chairs and members, member Board Presidents, Members, Affiliate Members and Executive Officers. Non-association members may serve on task forces.

Section 3. The incoming President shall appoint the Nominations Committee. The Nominations Committee will serve from May 1 to the following April 30. Invitations to serve on the Nominations Committee will be emailed to the member's email address of record by November 30. The incoming President shall also appoint two (2) "at-large" members and one (1) ex-officio member of the Executive Committee. The Executive Committee appointees will serve for the calendar year the incoming President holds office. The incoming President and the incoming Vice President of Government Affairs will appoint the chair and vice chair of the Legislative Steering Committee and for two-year terms the chair, vice chair, and treasurer of the REALTOR® PAC Trustees. The chair and vice chair of the Legislative Steering Committee will appoint the Legislative Steering committee members. REALTOR® PAC Trustee nominations are made by local associations in every WR District with confirmation of the appointments by the President-elect and the incoming Vice President of Government Affairs. Legislative Steering and REALTOR® PAC Trustee vacancies are appointed by the current President and the Vice President of Government Affairs.

The incoming President will select the chair for the Legal Affairs Committee, taking into consideration recommendations from the Committee. A Candidate who has served on this committee the prior year is preferred, although this is not mandatory. The incoming President-Elect will select the vice chair, with concurrence from the incoming President. Committee members will be selected by the incoming President-elect, with input from the chair and the vice chair and shall be appointed for three-year terms, except for appointment to fill vacancies in un-expired terms, which appointments shall be for the unexpired term of the vacancy. The appointed chair will select and fill any committee vacancies with confirmation from the incoming President.

Except with regard to the area of Government Affairs, the Standing Committee Vice President, which is an elected position, will serve as chair for each of the Standing Committees. The chair and vice chair will appoint the committee members, and other special committees, subcommittee and task force members unless otherwise provided in the bylaws or policy manual. Except for the area of Government Affairs, the Standing Committee vice

president-elect, which is an elected position, will serve as vice chair for each of the Standing Committees.

RULE IV: PARTICIPATION

Section 1. Continuity of committee membership is desirable whenever possible and the President, Vice Presidents and Chairs and Vice Chairs, in making appointments, shall endeavor to provide continuity.

Each standing committee shall attempt to have at least one representative from each of the five (5) WR Regions, as listed below:

Central Washington

Grant County
Kittitas County
Lower Yakima Valley
Mid-Columbia
Moses Lake-Othello
North Central Washington
Tri-City
Yakima

Eastern Washington

Lewis-Clark
Northeast Washington
Spokane
Walla Walla
Whitman County

Southwest Washington

Clark County
Lower Columbia
Mason County
Thurston County

Northwest Washington

Jefferson County
Kitsap County
North Puget Sound
Port Angeles
Sequim
Whatcom County
Whidbey Island

Central Puget Sound

Tacoma-Pierce County
Seattle-King County
Snohomish County
Washington State Commercial Association

Section 2. Chairs of committees must be REALTOR® Members. Unless otherwise provided for in the policy manual, committee members must be REALTOR® Members, Individual REALTOR® Members, Institute Affiliate Members, Affiliate Members, or association staff.

Section 3. Any Committee Chair or Committee Member becoming inactive in the real estate, or real estate affiliated profession, as outlined above, or no longer holding REALTOR® membership shall automatically be disqualified and replaced.

RULE V: REPORTS AND RECOMMENDATIONS

Section 1. Committee Chairs shall, when appropriate, make regular reports to the Executive Committee.

Section 2. Committee reports shall be received as filed or referred back to the Committee as needed.

Section 3. Committee recommendations which include requests for un-appropriated funds shall be submitted to the Finance Committee for their recommendation before going on to the Executive Committee and Board of Directors. However, the Finance Committee cannot preclude a Committee recommendation from going forward to the Executive Committee and/or Board of Directors without a Finance Committee recommendation.

Section 4. Committee recommendations, which include proposed policy changes, shall be reported to the Executive Committee for their recommendation before going on to the Board of Directors. However, the Executive Committee cannot preclude a Committee recommendation from going forward to the Board of Directors for action, without an Executive Committee recommendation.

Section 5. Committee recommendations shall be subject to review by the Executive Committee. Recommendations may be considered individually or collectively and will be placed on file, referred back, amended (leaving the original recommendation as a part of the record), adopted or rejected.

Section 6. Committee reports should not be amended by the receiving body without the approval of the Committee, Task Force, or PAG.

RULE VI: FINANCES

Section 1. Committee budget allocations, within the constraints of the Annual Budget, may be authorized and adjusted by the Executive Committee, provided new line items do not exceed one (1) percent of the total operating budget and the operating reserves of the association are not reduced below the prescribed 6 months reserve, without approval of the Board of Directors.

Section 2. Task Force or PAG appropriations, within the constraints of the Annual Budget, may be authorized by the President subject to Executive Committee approval at the next meeting. The President shall consult with the Treasurer regarding such appropriations.

Section 3. Appropriations and disbursements shall be subject to adopted financial management policies.

Section 4. The Chair of Committees, Task Forces, Advisory Work Groups and the Chief Executive Officer shall be responsible to the Treasurer and Board of Directors for assuring that the program of their group is carried out within the constraints of their authorized original or adjusted annual appropriation.

RULE VII: MEETING LOGISTICS

Section 1. WR staff will maintain a master calendar of all association committee meetings. The calendar will be used when setting meeting dates to avoid overlapping meetings as much as possible.

Section 2. Meeting dates for Real Estate Conferences will be set sufficiently in advance for committee members to be notified as least twenty-one (21) days before the meeting. Notice of such meetings will be posted at www.warealtor.org at least ten (10) days prior to each meeting, except in cases of an emergency as approved by the President.

Section 3. Meeting dates for special committees, task forces and advisory work groups will be set sufficiently in advance for the members to receive at least 10 days' notice of the meeting.

Section 4. To safeguard our members and the liability of the WR, members are prohibited from participating on conference calls when driving a motor vehicle.

RULE VIII: OPEN / CLOSED MEETING POLICY

Section 1. Unless there are exceptional reasons for confidentiality, all meetings of the Association are open to any members.

RULE IX: COMMITTEE ATTENDANCE POLICY

Section 1. VICE PRESIDENTS AND VICE PRESIDENTS-ELECT: Accept the responsibility for carrying out the purpose, goals, and objectives of their committees when elected. A written request for absence in advance for one meeting would be reasonable; however, should two meetings be missed during the calendar year of committee service, the interest in serving as a leader of this committee would be questioned by the elected leadership of the Association, and the individual would be subject to replacement. In the event a Vice President or Vice President-elect misses two successive committee meetings without being excused by the Committee, the Vice President or Vice President-elect's office shall be declared vacated.

Section 2. COMMITTEE/TASK FORCE/PAG MEMBERS: Each year every effort is made to balance committees to represent a cross section of our membership. It is, therefore, important that each individual accepting an appointment to a committee also commit to attending the meetings. One written request for absence received by the Committee Chair

ten (10) days in advance of the meeting is reasonable. Two (2) or more absences during a calendar year would seem to indicate a lack of interest, and continued membership on the committee would be questionable. In such cases, the committee member would be responsible for showing cause as to why he or she should not be replaced. In the event a member misses two successive meetings without being excused by the Chair, the member's position shall be declared vacated.

RULE X: RECORDS

Section 1. Each Standing Committee, Task Force and PAG shall keep a memorandum in the nature of minutes of all its meetings and the Chair or his/her designee shall file a copy of the minutes with the WR office within fifteen (15) days of any meeting.

RULE XI: OFFICER LIAISON

Section 1. Each Standing Committee may be assigned an officer and/or an NAR Director, as determined by the President, to be an ex-officio member who will serve as the liaison between the Standing Committee and the Executive Committee.

RULE XII: STAFF

Section 1. Each standing committee, PAG, task force and advisory work group shall be assigned staff support as determined by the Chief Executive Officer.

RULE XIII: AMENDMENTS, DELETIONS, ADDITIONS OR SUSPENSION

Section 1. These Standing Rules may be amended, deleted, added to or suspended at a regular or special meeting of the Board of Directors by a majority vote of those present and voting.

2.2 Selection Criteria for Chair

It shall be the policy of the Washington REALTORS® that committee, task force and advisory work group chairs and vice-chairs be carefully selected according to an established set of criteria. These established criteria shall be in effect unless other specific requirements for selection of chairs are specifically mentioned in WR's bylaws or policy manual.

The selection of committee, task force and advisory work group chairs shall be based on the following items:

1. The candidate shall display the ability to communicate. Effective communication is a prime ingredient not only with the committee, but also with other committees, the Board of Directors, and related groups.
2. The candidate shall have a record of active participation and interest in WR's activities, committees and objectives.

3. The candidate shall display a willingness to listen. He/she should be open minded so is to encourage free expression of ideas, opinions and recommendations by his/her committee or task force members.
4. The candidate shall display the ability to command attention and inspire.
5. The candidate shall display the ability to control without dominating.
6. The candidate shall maintain an acceptable understanding of parliamentary procedure.
7. The candidate shall have a proven record of being a person with initiative.
8. The candidate shall have the respect of his/her peers in the industry.
9. The candidate shall display an understanding of the power relationships within the committee or task force and his/her group's relationship with other committees and task forces.
10. The candidates shall display knowledge in the particular subject area in which the committee will function.
11. The candidate shall be able to think and act in terms of WR's overall goals and objectives.
12. The candidate shall display the ability to create the right atmosphere for productive committee or task force action.
13. The candidate shall indicate his/her availability to carry out the responsibilities involved. This includes time and, in some instances, resources.
14. The candidate shall indicate a clear understanding of the position and role of WR's management staff and a need for a close working relationship.

2.3 Responsibilities of Chair

1. The work of a chair shall always encompass the missions and goals of the Washington REALTORS® and shall never be influenced by self aims and personal objectives and shall avoid self-dealings in any matters relating to WR.
2. Before each meeting, consult with WR staff and other key members of the committee in planning the committee's task force's objectives and activities. The entire program of work should be thoroughly reviewed so that individual committee/task force and PAG assignments can be effectively made.
3. Direct the committee in reviewing and achieving the committee's objectives. Be responsible for stimulating group thinking, encourage and channel discussion, weigh the value of expressed ideas and suggestions, summarize constructive suggestions and seek out decisions.

4. In coordination with staff, insure that accurate minutes are kept, motions recorded, necessary reports prepared and a record of committee work maintained.
5. Remain constantly informed regarding the progress of individual committee/task force/advisory work group and PAG members' assignments.
6. Motivate the members of the committee/task force/advisory work group and PAGs toward active participation and involvement. With WR and the committee objectives in mind, channel the interests and talents of individual members into productive efforts and insure the necessary follow-up action.
7. Have a thorough knowledge of WR's policies.
8. Select Special Committee chairs, as directed by committee policy and provide them with the Special Committee charge.
9. Be familiar with the events of other committees so as to avoid duplication.
10. Continually review and evaluate the committee's business plans and their progress.
11. Accept all responsibilities as assigned by the President and the Executive Committee.

2.4 Selection Criteria for Committee Members

The composition of certain committees is mandated in the bylaws and/or policy manual of WR. Other committees are stated to have such size and composition as is necessary to accomplish the objectives of the committee. When such is the case, members will be appointed to committees with the following general guidelines:

1. Individuals who display an interest in the activities of WR as well as demonstrate a capacity or aptitude for the tasks of a particular committee.
2. In order to ensure a representation from all segments of the membership, consideration will be given for representation from different areas of the state, sizes of firms, and/or areas of expertise so as to generate different viewpoints and achieve a well-rounded group.
3. To insure continuity, it is valuable to retain certain members who have previously served on the particular committee, while at the same time, avoiding a permanent clique.

2.5 Responsibilities of Committee Members

While the duties of the individual committee member may vary, there are certain basic responsibilities when he/she accepts an appointment.

1. The work of a member shall always encompass the missions and goals of the Washington REALTORS® and shall never be influenced by self-aims and personal objectives and shall avoid self-dealings in any matter relating to WR.
2. Acknowledge immediately all communications regarding committee work.
3. Determine their availability for committee meetings and inform the chair or staff as soon as possible.
4. Insure that their organization's superiors are fully aware of their responsibilities and commitments for meetings.
5. Become acquainted with committee members early in the year.
6. Thoroughly review all pertinent background material and the agenda before coming to meetings.
7. Take an active part in all discussions.
8. Seek to understand and have respect for others' ideas and conflicting viewpoints.
9. Consider all problems objectively and impersonally.
10. Seek clarification on any point or problem not fully understood.
11. Follow through on accepted assignments as requested by the chair or committee.

2.6 Committee Reports

Final committee reports recommending a course of action or conveying information to the Executive Committee and Board of Directors shall be given in person unless excused by the president, at which time it can be given in writing or by a substitute chosen by the committee chair. Reports to the Finance Committee, Executive Committee and Board of Directors shall be required of the committees as follows:

1. A committee report requesting an interpretation of Board policy shall be referred to the Executive Committee and Board of Directors.
2. A committee report requesting the approval of a publication, project or program not requiring financial support shall be referred to the Executive Committee and the Board of Directors, as appropriate. If the request involves the need for an appropriation, it shall first be referred to the Finance Committee.
3. A committee report requesting the approval of a new policy, or for a change in existing policy, shall be referred to the Executive Committee and the Board of Directors.

4. A committee report requesting an emergency action to adopt policy shall be referred to the president and Executive Committee, subject to ratification by the Board of Directors.
5. A committee report consisting of information, and not action, shall be referred to the Board of Directors.

2.7 Role of Committee Staff

An important consideration is to understand the role of the staff and its relationship to committees. The staff should render all possible assistance but should never assume the committee's prerogative. The staff representative is involved so as to answer questions, offer suggestions or raise questions when appropriate. They are expected to be knowledgeable on Association policy, committee scope, and the subject under discussion. They are not, however, to serve as accomplishers of the committee's tasks.

The control of internal operating activities and procedures of WR rests with the Chief Executive Officer. Staff allocation remains the responsibility of the CEO.

2.8 Executive Committee

Purpose: To conduct the affairs of the Association in accordance with the policies and instructions of the Board of Directors and to make recommendations concerning any policy changes of the Association to the Board of Directors.

The chair is empowered to form special committees, task forces, work groups, advisory work groups and Presidential Advisory Groups (PAGs) to accomplish the objectives of the strategic plan and to address issues, programs and activities within the adopted policies and budget.

The Executive Committee is responsible for ensuring that the Association's overall goals are met. The Executive Committee's agenda should focus on WR's strategic initiatives and oversight of allocation processes and results. The Committee shall review all standing committee actions.

Composition: The Executive Committee shall consist of the President, President-Elect, Treasurer, Treasurer-elect, Immediate Past President, the three elected Vice Presidents, the three elected Vice Presidents-elect, regional representatives selected by each of the regions, and a commercial/industrial practitioner, and a NAR Director, subject to approval of the Board of Directors. In addition, the Association's Chief Executive Officer and one Local Association executive officer shall serve in an ex-officio, non-voting capacity.

Areas of Responsibility:

1. Prepare the annual association business plan with input from each of the vice presidents and their respective standing committees, the Regional Round Tables and other stakeholders such as the NAR Directors, Association Executives, etc. The business plan approved by the Executive Committee will be submitted to the Board

for approval.

2. Regularly review the actions and status of all committees and approve the committee actions when necessary. Give direction to committees as necessary based on the Association's strategic plan.
3. Make budget adjustments as necessary and as recommended provided they do not exceed one percent (1%) of the annual budget or reduce the operating reserve below that required by the financial policies.
4. Provide budget oversight of all programs as outlined in the budget policies.
5. In collaboration with the Chief Executive Officer, manage the affairs of the Association.
6. Establish a process for hiring the Chief Executive Officer, enter into an employment agreement as appropriate, and approve extensions to such agreement as specified in the agreement.
7. An annual evaluation is conducted by an Evaluation Committee comprised of the current President, the President-elect, the First Vice President, the Treasurer, and either the Immediate Past President or the Treasurer-elect, at the option of the President. The Executive Committee shall make a recommendation on the hiring and termination of the CEO.
8. Update the Board of Directors as soon as possible following the meeting and ensure that all Executive Committee minutes are published within thirty (30) days of each Executive Committee meeting.
9. Receive the recommendations of the Nominations Committee for the position of Real Estate Commissioner and approve the final recommendation to be forwarded to the Governor.
10. Review the annual budget as submitted by the Finance Committee and make recommendations on a draft budget to be presented to the Board for approval.
11. Meet a minimum of four (4) times per year.

Qualifications:

Members are required to complete the following training:

- 1) At Home with Diversity – a course to help real estate professionals work successfully in an increasingly diverse marketplace.
- 2) Fairhaven – an online fair housing simulation.
- 3) Bias Override: Overcoming Barriers to Fair Housing - a course to help real estate professionals identify and interrupt stereotypical thinking to avoid fair housing pitfalls.

The requirements are phased in:

- a.) Committee Members serving in 2024 will be required to complete the three programs as a performance expectation by May 1, 2024.
- b.) In 2025, completion of the programs will be a qualification for serving on the Executive Committee.

Committee Procedures:

Meetings shall be held at the call of a petition from a simple majority of the Executive Committee, or the Board of Directors, or the President.

Meetings shall be chaired by the President and conducted in accordance with the Bylaws and the intent of Standing Rules for the Board of Directors.

Agenda items should be presented to the President and the Chief Executive Officer at least ten (10) days prior to a meeting whenever possible.

The Committee, acting within its delegated authority, may take action between meetings of the Board of Directors as necessary to satisfy its responsibilities and conduct the affairs of the Association. This includes, but is not limited to, the authority delegated to the committee in the Washington REALTOR® Policy Manual and actions for which the Committee has been designated the “decision maker” in the Washington REALTOR® Decision Matrix. In addition, the Committee shall review progress of the Association, including work of standing and special committees, task forces, administration and periodically report its findings, conclusions, and recommendations.

Committees have the authority to change their internal procedures at any time, so long as those changes are consistent with Board policy.

2.9 Nominations Committee

Purpose: To provide recommendations for nomination and election of Officers and Directors.

Composition: The committee shall consist of the immediate past president, who shall serve as chair, ten (10) state directors, two from each Region and three (3) members-at-large. Nominations Committee members who choose to run for an elected office shall excuse themselves from the Nominations Committee.

Areas of Responsibility:

1. Provide notice to all member associations prior to any meeting where elections are held, of all elective positions to be filled and request recommendations.
2. Encourage and instruct member associations to caucus with other member associations and their candidates.
3. Organize the procedure for receiving nominations and interviewing candidates prior to elections.

4. Conduct and provide a report on the results of all elections.
5. Review qualification criteria for the National Association director-at-large nominees from Washington State.
6. Review the qualifications for all elected officers and director positions and prepare recommendations for the Board of Directors.
7. Provide at least three (3) nominees for Real Estate Commission vacancies to the Executive Committee prior to July 15th.

Committee Procedures:

Committees have the authority to change their internal procedures at any time, so long as those changes are consistent with Board policy.

2.10 Finance Committee

Purpose: To serve as an advisory committee concerning budgeting and planning utilization and control of financial resources.

Composition: The Committee shall be comprised of fifteen (15) members or more who shall serve for three-year rotating terms, the Treasurer, who shall serve as chair, the Treasurer-elect, who shall serve as vice chair, the immediate Past Treasurer, and the President- Elect. No more than two (2) members will be selected from any one (1) Local Association. Ex-Officio members shall be the President, an Association Executive Representative, and the Vice-Presidents- Elect of Membership and Operations.

Areas of Responsibility:

1. Prepare future income and expenditure projection estimates with the Chief Executive Officer.
2. Prepare the proposed annual income and expenditure budget(s) with the Chief Executive Officer.
3. Review adjustments made in the budget(s) with the Chief Executive Officer.
4. Review all proposals affecting financial condition with the Chief Executive Officer.
5. Review the financial status with the Chief Executive Officer at regular and special meetings of the committee.
6. Annually, review and evaluate the process of planning, utilization, and control of Association financial resources.
7. Review cash resources investment practices with the Chief Executive Officer.
8. Review the annual financial review, compilation, or audit with the Chief Executive Officer.

9. Report as necessary on all of the above to the President, Executive Committee and Board of Directors.
10. Submit proposed annual budget to the Executive committee for review and recommendation to Board of Directors for final approval.
11. Oversee REALTOR® Building, including appropriate insurance amounts.

Committee Procedures:

Committees have the authority to change their internal procedures at any time, so long as those changes are consistent with Board policy.

2.12 Regional Roundtable Guidelines

1. Before the Regional Roundtable meetings at each conference, the President-elect will meet with the Regional Representatives to discuss items that will come before committees and the Board of Directors and ask that the information be included for discussion at their regional meetings.
2. The Regional Representatives (as Executive Committee members) will bring to the Executive Committee any grassroots feedback and issues that may rise to the level of a strategic initiative.
3. As a conduit between members and leadership, the Regional Representatives will be given a greater responsibility to bring forth grassroots feedback to the Finance and Executive Committees.
4. Recommendations from the Regional Roundtable meetings will be considered in the planning process to help develop the strategic initiatives and priorities of the Association.

2.13 Diversity, Equity, and Inclusion Committee

Purpose: Assure a commitment to Diversity, Equity and Inclusion in the association and industry by developing and promoting strategies, programs and member engagement. The Committee will provide input to the Executive Committee consistent with the WR strategic plan.

Composition: The Committee shall be comprised of a Chair and Vice Chair plus fifteen (15) members or more who shall serve for full two-year staggered terms. The Chair will be appointed by the Incoming President.

Term: The Chair shall serve a term of one year and shall not be eligible to serve a second successive term.

Areas of Responsibility: Oversee and be responsible for promoting Diversity, Equity and Inclusion within the Association, including member engagement, education, mentorship, and community engagement. Develop a business plan and budget for these areas of responsibility.

Qualifications:

Members are required to complete the following training:

- 1) At Home with Diversity – a course to help real estate professionals work successfully in an increasingly diverse marketplace.
- 2) Fairhaven – an online fair housing simulation
- 3) Bias Override: Overcoming Barriers to Fair Housing - a course to help real estate professionals identify and interrupt stereotypical thinking to avoid fair housing pitfalls.

The requirements are phased in:

- a.) Members serving in 2024 will be required to complete the three programs as a performance expectation by May 1, 2024.
- b.) In 2025, completion of these programs will be a qualification for serving as a member.

Committee Procedures: Committees have the authority to change their internal procedures at any time, so long as those changes are consistent with Board policy.

2.14 Operations Committee

Purpose: Assure a stable, but flexible structure of governance to keep the Association focused on the needs of the members.

The Chair is empowered to form special committees, task forces, and advisory work groups to accomplish the objectives of the strategic plan and to address issues, programs and activities within the adopted policies and budget.

The Committee will be held responsible for providing input consistent with the Strategic Plan as directed by the Executive Committee.

Composition: The Committee will consist of at least six (6) at-large members and the chairs and vice chairs of the special committees in this core area as well as the chairs of the advisory work groups plus the Vice President of Operations, who will serve as chair, and the vice president-elect, who will serve as vice chair. At-large members will serve staggered one (1) and two (2) year terms in 2016 and two (2) year terms thereafter. Special committee and advisory group members will serve one (1) year terms.

Areas of Responsibility: Internal operational areas of the Association, including governance, governing documents, leadership development and training, Diversity, Equity, and Inclusion and global business, Young Professionals Network and Professional Standards. Ensure that all governing documents are updated after each change has been approved by the Board of Directors. Develop a business plan and budget for this area of responsibility.

Committee Procedures:

Committees have the authority to change their internal procedures at any time, so long as those changes are consistent with Board policy.

2.15 Membership Committee

Purpose: Address strategies, programs, and basic capacities of Association business practices through its own direct action or by the creation of special committees, task forces and advisory work groups.

The Chair is empowered to form special committees, task forces, workgroups, and advisory work groups to accomplish the objectives of the strategic plan and to address issues, programs and activities within the adopted policies and budget.

The Committee will be held responsible for providing input consistent with the shared focus as directed by the Executive Committee.

Composition: The Committee will consist of six (6) at-large members and the chairs and vice chairs of the special committees in this core area as well as the chairs of the advisory work groups plus the vice president of Membership, who will serve as chair and the vice president-elect, who will serve as vice chair.

At-large members will serve staggered one (1) and two (2) year terms in 2016 and two (2) year terms thereafter. Special committee and advisory group members will serve one (1) year terms.

Areas of Responsibility: Oversee and be responsible for the committee operations that relate to the Association's relationship with its members, including recruitment, member engagement, member services and benefits (including Education), and research and communications. Develop a business plan and budget for these areas of responsibility.

Committee Procedures: Committees have the authority to change their internal procedures at any time, so long as those changes are consistent with Board policy.

2.16 Professional Standards Committee

Purpose: Address strategies, programs and issues regarding the enforcement of the Code of Ethics, and maintain policy and procedures as outlined in the *Code of Ethics and Arbitration Manual* of the National Association of REALTORS®.

Composition: The Professional Standards Committee is a standing committee within the Operations core subject area composed of at least fifteen (15) members plus a Chair and Vice Chair who will be appointed by the Vice President of Operations, with approval of the President. Committee members shall be selected by the Professional Standards Committee Chair, with approval by the Vice President of Operations, from a list of members who currently serve, or have served, within the last three (3) years as local association Professional Standards and/or Grievance Committee members, or be a qualified Regional Professional Standards Panel member, or serve as a local association Executive Officer. Regional Professional Standards Instructors and WR representatives serving on the NAR Professional Standards Committee will serve as ex-officio members of the Committee. The Professional Standards Committee Chair shall attempt to establish rotating three-year terms for committee members so that five (5) new members are selected each year.

Qualifications:

- 1) Must have served, or be serving on, a local association Grievance or Professional Standards Committee, or be endorsed by their local Board of Directors.
- 2) Chair will select a balance of Designated Brokers and Brokers to serve on the committee.
- 3) Chair will utilize the balance of recommendations outlined under “Qualification for Tribunal” in the Code of Ethics and Arbitration Manual.

Areas of Responsibilities: Recommend policy amendments to comply with NAR requirements and changes to the NAR *Code of Ethics and Arbitration Manual*, coordinate training opportunities/programs, address issues and concerns pertaining to the enforcement of the Code of Ethics and respond and/or communicate with NAR with state concerns as deemed appropriate, enforcement of the Code of Ethics policy and procedures as outlined in the *Code of Ethics and Arbitration Manual* and the *Washington Regional Professional Standards Agreement*. Develop a business plan and budget for these areas of responsibility.

Committee Procedures:

Committees have the authority to change their internal procedures at any time, so long as those changes are consistent with Board policy.

Grievance Committee

Purpose: There will be a standing committee, known as the Grievance Committee, of at least five (5) Board Members, in good standing, of whom at least a majority shall be Realtors®. The Chair and Vice Chair of the committee shall be appointed by the Vice President of Operations with the approval of the President for staggered three (3) year terms. The committee members shall be selected by the Chair with approval by the Vice President of Operations. The Grievance Committee will hold regularly scheduled meetings and/or review complaints/arbitration requests not later than forty-five (45) days after receipt of the complaint/arbitration request. A quorum shall be three (3) members, including at least one Designated REALTOR®.

Qualifications:

- 1) Chair will select a balance of brokers and agents to serve on the committee.
 - 2) Chair will utilize the balance of recommendations outlined under “Qualification for Tribunal” in the Code of Ethics and Arbitration Manual.
- Members of the Grievance Committee shall not serve simultaneously on the Professional Standards hearing panels.

2.17 Government Affairs

Standing Committee Information:

- Three (3) Committees:
 - REALTOR® PAC/Political Action Committee (24 Members)
 - Legislative Steering Committee (17 Members)
 - Legal Affairs (12 Members)
- Members appointed by WR incoming President and Vice President-elect of Government Affairs

The Committee will be held responsible for providing input consistent with the Strategic Plan as directed by the Executive Committee.

Basic Capacities:

- Identify and prioritize legislative issues relating to private property rights and the real estate industry.
- Develop and implement strategies for dealing with the identified legislation
- Defend against detrimental legislation
- Promote and encourage REALTOR® involvement in the political process to assist in achieving a successful legislative agenda.
- Oversee the activities of REALTOR® PAC fundraising and candidate interviews/endorsements.
- Find and support the filing of high-quality litigation that addresses major industry issues.

2.18 Legislative Steering Committee

Purpose: To coordinate and promote legislation consistent with the Association's Statement of Policy which recognizes private property rights and the interests of the real estate industry, and to defend against legislation which is detrimental to said rights and industry interests.

Composition: The Committee shall consist of at least fifteen (15) members experienced and knowledgeable in REALTOR® issues and the political process, plus a chair and vice chair. The chair and vice chair are appointed by the incoming President and the incoming Vice President of Government Affairs. The members will serve for three-year rotating terms. WR's president, president-elect, vice president of Government Affairs, immediate past Legislative Steering Committee chair, and the chair of the REALTORS® Political Action Council shall serve as ex-officio members.

Areas of Responsibility:

1. Review, prioritize, monitor, and draft legislation; direct lobbying efforts in both promoting and opposing issues and analyze new issues and make recommendations of action and positions.
 2. Identify and prioritize legislative issues relating to private property rights and the real estate industry.
 3. Develop and implement strategies for dealing with the identified legislation.
 4. Serve as the focal point for the development and continuation of discussions regarding the Association's Statement of Policy.
 5. Serve as the official decision-making body on legislative issues that are addressed in the WR Position Statement booklet during such time as the
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Washington State Legislature is in session and neither the WR Board of Directors nor the Executive Committee are scheduled to meet.

6. Serve as the Issues Political Action Committee (IPAC) Board for the Association, operating within the approved guidelines for each committee.
7. License Law
8. Real Estate Commission
9. Develop a business plan and budget for these areas of responsibility.

Committee Procedures:

Committees have the authority to change their internal procedures at any time, so long as those changes are consistent with Board policy.

2.19 REALTORS® Political Action Committee

Purpose: To coordinate the political affairs and REALTOR® PAC functions of the Association. The Committee is empowered to form special committees, task forces, and work groups to accomplish the objectives of the strategic plan and to address issues, programs and activities within the adopted policies and budget.

Composition: The Committee shall consist of a chair and vice chair appointed by the incoming President and incoming Vice President of Government Affairs, for two-year terms which shall correspond with the legislative election cycle, and up to 24 voting members, including one (1) member representing the Washington State Commercial Association of REALTORS®, who are politically experienced and active with a demonstrated track record, shall serve for rotating two-year terms with each district having two (2) representatives with staggered terms. The WR president, president-elect, vice president of Government Affairs, Legislative Steering Committee chair, NAR Political Involvement Committee representative, immediate Past REALTOR® PAC Chair and Vice President of the Information Systems Standing Committee and Education shall serve as ex-officio members.

Areas of Responsibility:

1. Promote and encourage REALTOR® involvement in government affairs; PAC funds, candidate interview and endorsements; and develop and present political education programs at state and local association meetings.
2. Encourage REALTORS® to take a more active role in political issues by developing and presenting political education programs at state/local association meetings.
3. Implement all rules, regulations, and activities of the REALTORS® Political Action Committee Policies and Procedures and Candidate Interview/Endorsement Policies, including assisting local associations with candidate interviews, endorsement, and support activities.

4. Promote election or appointment of qualified REALTORS® to government and political positions.
5. Establish and carry out all policies and activities of REALTOR® PAC.
6. Supervise and control Candidates Political Action Committee.
7. Approve contributions to state candidates.
8. Make recommendations to NAR REALTOR® PAC for contributions to federal candidates.
9. Arbitrate the disputes between local associations regarding candidate contributions.
10. Develop a business plan and budget for these areas of responsibility.

Committee Procedures:

Committees have the authority to change their internal procedures at any time, so long as those changes are consistent with Board policy.

2.20 Legal Affairs Committee

Purpose: To carry out the purposes of the Legal Affairs program which are to:

1. Defray all or a portion of the costs and legal fees incurred in initiating, defending, intervening in, or forestalling litigation where the Washington REALTORS® or one or more Members or Member Associations, or the public is involved and where the legal issues are of substantial significance to the real estate industry, as determined by the Legal Affairs Committee.
2. Support the representation of Members and Member Associations threatened by litigation that presents an opportunity for a clarifying precedent or legal issue of significance to a substantial portion of the membership, as determined by the Legal Affairs Committee.
3. Defray the costs of and fees charged to the Legal Affairs Committee, including costs and expenses of the committee and committee members' attendance at special meetings, in connection with its involvement and participation in the Legal Affairs Program in furtherance of these purposes.

Composition: The Legal Affairs Committee shall consist of ten (10) members, three (3) of which are real estate attorneys, plus a chair and vice chair. The incoming President will select the chair for the Legal Affairs Committee, taking into consideration recommendations from the Committee. A Candidate who has served on this committee the prior year is preferred, although this is not mandatory. The incoming President-Elect will select the vice chair, with concurrence from the incoming President. Committee members will be selected by the incoming President-elect, with input from the chair and the vice chair and shall be appointed for three-year terms, except for appointment to fill vacancies in un-expired terms,

which appointments shall be for the unexpired term of the vacancy. The appointed chair will select and fill any committee vacancies with confirmation from the incoming President. Meetings shall be at the call of the President or chair of the Committee. Non-voting members may be added by the chair and the President of the Association.

Areas of Responsibility: The Legal Affairs Committee - and through it the Legal Affairs Fund - will be used primarily in a proactive role, finding and supporting the filing of high-quality litigation that addresses major industry issues, rather than reacting to cases which benefit only a small segment of the real estate community. Supporting litigation of statewide significance is designed to assist the Washington REALTORS® in eliminating, reducing, or modifying laws and administrative decisions which adversely affect the real estate industry and the right to buy and sell real property. Develop a business plan and budget for these areas of responsibility.

Committee Procedures:

Committees have the authority to change their internal procedures at any time, so long as those changes are consistent with Board policy.

Requirements for Funding Assistance

1. Submission of Requests.

All requests for support from the Legal Affairs Fund should be made in writing on forms supplied by the state association. Formal requests not received at least thirty (30) days prior to the next scheduled meeting of the Legal Affairs Committee will be deferred for consideration to the following scheduled meeting.

- a. If the request is from a REALTOR® member, it must be supported by the member's board or association by a written resolution of the board/association's Board of Directors. The extent to which the REALTOR® member and his or her board/association provides monetary support will weigh heavily in the decision of the Legal Affairs Committee to participate.
- b. If the request is from a member board/association, the board/association's Board of Directors must approve the request by a written resolution and should provide funding in its own behalf.
- c. If the request is from a committee of the state association, it must be in writing, supported by a polled, majority vote of the committee, and approved in writing by the Chief Executive Officer.
- d. If the request is from the state association itself (not a specific committee), it should be in writing and be approved and presented by the state association president.
- e. If the request is from outside the state association, it must be in writing and approved by a member board/association, a committee of the association and oversight officer, or the president of the association.

- f. The Legal Affairs Committee may, of its own volition, institute action for funding assistance or participation in litigation without a formal request in those cases where no REALTOR® member, member board/association, or the state association may be involved, but where the outcome will have a meaningful effect on the industry and/or profession.

2. Use of Requested Funds

Legal Affairs Funding is intended only for legal costs and fees of the party supported and may not in any case be used to pay judgments for damages or fines, or to pay any settlement amount, whether before or after trial, or to pay any costs or fees of opposing counsel (unless directed to do so by the court when the state association is a party to the litigation), or to any other party.

In the instance of request for financial support of cases to be litigated, payment will only be based upon:

- a. Submission of billing(s) direct from counsel with direct payment to follow.
- b. Submission of copies of billing(s) from counsel accompanied by proof of payment satisfactory to the State association.

No funds will be disbursed to compensate or reimburse for:

- c. Fund raising.
- d. Holding by another organization to meet future fees, costs, or expenses.
- e. Administrative or other purposes of any kind other than those of the Legal Affairs Committee.

3. Appearances by Requestors

The requesting and supporting/approving parties shall appear before the Legal Affairs Committee and provide:

- a. The justification and detail needed regarding the subject of the request.
- b. The amount of funds expended to date and the amount still readily available for use.
- c. The availability of other avenues of possible assistance whether providing assistance or not.
- d. Their own and their attorney's judgment regarding the possibility of prevailing; the substantial precedential value to be gained; and the rationale utilized in reaching these two opinions.

Requesting parties' attorneys are highly encouraged to accompany requestors, but their attendance is not required.

Requestors and supporting/approving parties not appearing before the Legal Affairs Committee will have their request postponed until the next scheduled meeting.

4. Conditions of Support

The Legal Affairs Committee shall condition its support upon requestors agreeing to the following:

- a. Retaining that counsel, which the committee deems most experienced in the issues and controversies presented
- b. Providing information regarding the extent of funding assistance already incurred or anticipated to be the obligation by and/or of the REALTOR® member, the Member Board/Association, or the private individual.
- c. Regular and continuing progress reports from the requestor/supporter/attorney.
- d. Consultation with the committee concerning decisions relating to the litigation being supported, including, but not limited to, the theories and strategies of the case, the procedural steps to be taken, the parties to the litigation, the issues to be raised, the timing and scope of discovery, motions, and other matters, and the nature and scope of research to be performed.
- e. Reimbursing the Legal Affairs Fund any funds, which were expended by the Legal Affairs Committee for costs, expenses, and/or attorney fees, which are covered by insurance or court ordered awards and/or settlements.
- f. Other prerequisites determined by the committee following its review of the submitted request.
- g. Submission of a fully completed and appropriately approved Request For Funding Support Form.

5. Failure to Meet Committee Conditions

Failure to meet the established conditions, or other conditions applied to any approved request, or other failure to cooperate with the Legal Affairs Committee, shall, upon a finding of such failure or lack of cooperation by the committee, result in the immediate termination of all support or continuation of support unless the requestor/supporter/attorney justifies such failure or otherwise satisfied the Committee, in its sole discretion, that support should be approved or continued.

Exception to Requirements

The above Requirements may, on rare occasions, be difficult to meet because of highly unusual circumstances. The purpose of the Legal Affairs Program suggests a desire for responsiveness to the needs of the membership and a commitment to secure favorable

precedential determinations. To provide the flexibility that may be necessary to meet the purpose of the Program, the Legal Affairs Chair may, after reviewing the circumstances and seeking appropriate advice, waive one or more of the requirements with the exception of **Use of Requested Funds** and **Conditions of Support**.

Procedure

1. When a requestor concludes that a legal situation meets the Purpose and the General Requirements of the Legal Affairs Program for Legal Affairs Funding, the requestor may contact the WASHINGTON REALTOR® Staff Executive for Legal Affairs and secure a Request for Funding Support Form.
2. Upon receipt of such contact, the staff executive shall explain, as necessary, the Legal Affairs Program to the requestor and forward to the requestor a Request For Funding Support Form accompanied by this Statement of Purpose and Procedure.
3. Requestors must secure the approval and support of others as described in the **Requirements for Funding Assistance** *prior* to submitting the Request For Funding Support Form.
4. The Request for Funding Support Form must be completed and submitted in conformance with the **Requirements for Funding Assistance** presented earlier in this document. A written narrative which sets forth a chronology of events relating the legal situation plus copies of all existing formal documents dealing with the case must accompany the Request for Funding Support Form.
5. Request for Funding Support Forms and accompanying documents should be received by the staff director thirty (30) days prior to the next schedule meeting of the Legal Affairs Committee in order to provide adequate preparation, mailing, and review time for committee members and counsel to read the submissions prior the meeting date.
6. Upon receipt of the Request for Funding Support Form and accompanying documents, the staff executive shall arrange for copies of all documents to be forwarded to members of the Legal Affairs Committee and counsel.
7. The staff executive shall notify the requestor and supporting/approving parties of the date, time, and location of the Legal Affairs Committee meeting and confirm their attendance. The requestor should bring to the meeting sufficient copies for committee members and counsel of any documents prepared after the date of submission of the original request for funding support. Attendance by requestor's attorney is highly encouraged, but not required.
8. Normally, the Legal Affairs Committee will make a determination, during or near the end of the meeting, regarding those requests heard at the meeting. On occasion, the committee may go into Executive Session for consideration of cases. If additional information or investigation is deemed necessary, the committee's determination will be delayed until the information is secured, or the investigation is completed.

9. Monies in this fund will be approved as follows:
- A. Requests for five thousand (\$5,000) dollars or less may be authorized with the approval of the Legal Affairs Chair and the Chief Executive Officer.
 - B. Requests for funding between \$5,000 and \$25,000 may be authorized with the approval of the President, the Legal Affairs Chair, the Chief Executive Officer, and the Government Affairs Director.
 - C. Requests for funding between \$25,000 dollars and \$50,000 dollars may be authorized by the Legal Affairs Committee and the Chief Executive Officer.
 - D. Requests over fifty thousand (\$50,000) dollars may be authorized with the approval of the Board of Directors; or Executive Committee if it would not be practical to wait for a Board meeting*.
- * *NOTE: When an issue is of time-sensitive nature, the Legal Affairs Committee can hold a special meeting or meet by conference call and take one of the actions outlined in 10. A – F below. If Executive Committee action is necessary, this body can conference call, meet, or in an emergency, be polled by telephone.*

Funding of legal actions.

The Legal Affairs Committee shall be informed in a timely manner of any legal affairs funding decision taken by less than the full Legal Affairs committee.

The Legal Affairs Committee shall update the Executive Committee at the Executive Committee's regular meetings on the status of cases funded by the Legal Affairs Committee.

10. Upon receipt of a funding request, the appropriate body or persons (see above) should take one of the following actions:
- A. Grant funding request in full;
 - B. Grant a portion of funding request;
 - C. Deny funding request;
 - D. Provide funding if certain conditions are met (as required by the appropriate body or persons);
 - E. Postpone a decision until the appropriate body or persons receive more definitive information;
 - F. Refer request to a higher approving body.

11. If the request has been approved, the staff executive will explain how the payment of monies will occur and what submissions are necessary to confirm costs, expenses, and fees for reimbursement.

2.21 Litigation Management and Notification

Notification of Legal Matters

The CEO shall notify the President, Executive Committee, and Legal Affairs Committee upon receipt of either (1) a complaint or summons naming Washington REALTORS® as a defendant; or (2) a written communication from a government agency stating that Washington REALTORS® may be in violation of law or is subject to an investigation. The CEO shall also notify the President, Executive Committee, and Legal Affairs Committee prior to filing any litigation relating to the operations, management, or other internal functions of Washington REALTORS®. The President, Executive Committee, and Legal Affairs Committee shall be notified at regular committee meetings of the status of legal matters subject to the notice provisions of this section.

Litigation Management Team from Executive Committee and Legal Affairs Committee– Convening and Composition

As soon as practicable after such notification by the CEO, the Executive Committee shall review the nature of the legal matter and upon advice of legal counsel, may convene a Litigation Management Team (LMT). However, the Executive Committee shall not convene the LMT for legal matters relating to human resources unless a complaint has been filed and only after consulting with legal counsel. The Litigation Management Team shall consist of 5 or 7 members selected by the Executive Committee, plus the CEO. At least two members of the LMT must be members of the Legal Affairs Committee, plus the Chair of the Legal Affairs Committee, and at least two members of the LMT must be members of the Executive Committee. The LMT may include individuals who are not members of the Executive Committee, the Legal Affairs Committee, or of Washington REALTORS®, if such individuals have education or expertise relevant to the subject matter of the legal matter to be considered by the LMT.

Litigation Management Team – Determination of Authority by Executive Committee

If the Executive Committee determines that the LMT should be convened, the Executive Committee, after consulting with legal counsel, shall approve by motion, the specific role of the LMT and the extent of authority delegated to the LMT, including but not limited to whether the LMT is acting in an advisory role to the Executive Committee or whether the LMT has authority to approve settlements or actions binding on Washington REALTORS®. All members of the LMT will have equal authority, regardless of whether a member of the LMT is a member of Washington REALTORS®. The Executive Committee, after consultation with legal counsel, shall approve by motion, what actions and processes will be followed by the Executive Committee and LMT to protect attorney-client and work-product privileges.

Consultation to Litigation Management Team

The Executive Committee or LMT, after consulting with legal counsel, may seek the advice

and input of the Legal Affairs Committee in a manner that protects attorney-client and work-product privileges.

Notification and Approval of Settlements

The Board of Directors shall be notified of the settlement of any legal matter subject to the notification provisions of this section if the amount of the settlement, including penalties or fines, excluding attorney fees and costs, exceeds \$25,000, subject to the terms of the settlement. If such settlement relates to human resources matters, the notification will be limited to the fact of the settlement but will not include the details of the settlement.

The Executive Committee has full authority to approve the settlement of any legal matter in which the settlement amount, excluding attorney fees and costs, does not exceed \$1,000,000. This authority may be delegated to the LMT. The settlement of any legal matter in which the settlement amount, regardless of the source, including penalties or fines, excluding attorney fees and costs exceeds \$1,000,000 shall be approved, at the discretion of the Board of Directors, by either the Executive Committee or by a settlement committee to be jointly appointed by the President and Chair of Legal Affairs, with input from the CEO and legal counsel, and ratified by the Board of Directors. If circumstances require, the settlement authority of the Executive Committee or settlement committee may be delegated to a smaller sub-group consisting of members of the committee with settlement authority.

SECTION 3: FINANCIAL POLICIES

PREFACE

It is recognized that committees need latitude in implementing policies established by the Board. Accordingly, it is recognized that the following policies shall serve as guidelines. Committees have authority to change administrative procedures at any time, following a full discussion by the Committee, as long as such changes are consistent with existing Board policy. Any committee member in attendance who construes a committee action as policy-making in nature can move that the committee action be sent to the Executive Committee and Board of Directors for approval. If at least 25% of the committee members in attendance vote in favor of that motion, then the committee action shall be sent to the Executive Committee and the Board of Directors for approval. Nothing in this paragraph should be construed to permit any Committee to make changes to the Decision Matrix, which may only be changed by the Board of Directors.

3.1 Budget Process

Business plans should state whether the designated funds are expected to be spent and if so, how they will be spent.

The Treasurer is responsible for preparing the Budget in a program format. The Chief Executive Officer and staff do most of the actual work of assembling the data and placing it in proper form. Once assembled the Finance Committee provides the detailed review and approval prior to submission to the Executive Committee and Board of Directors.

An annual budget will be prepared for each fiscal year and will include a projected budget for the following two (2) fiscal years. The annual budget cycle will commence in the prior

year, after the Vice Presidents who will serve the following year have been elected. No later than April 30th the Treasurer will issue a budget call to each of the elected Vice Presidents, Officers, and staff which will include a list of the fixed and discretionary funds allocated the previous year.

Each Vice President will work with their committee(s) to prepare an initial draft budget that is based on the goals and objectives of the Strategic Plan and specific business plans for the following year. The Core committees should meet to define the business plan. The staff executive and Vice President will meet following this meeting to prepare estimated costs and resource needs to carry out the plan. It is the responsibility of each Vice President and the staff executive to keep the Chief Executive Officer informed of this process.

If during the course of the year, a special committee recommends a program or activity that is within the approved budget, the full committee can approve the recommendation from the special committee; or, the full committee may delegate authority to a special committee to spend funds on ongoing programs (i.e., Membership Committee develops business plan and budget that includes Education; Education special committee then can administer that budget with the Education Director).

If necessary, the Core committees will meet to review the next budget draft and make appropriate modifications. The draft will then be forwarded to the Finance Committee. The Finance Committee will meet to review the draft budgets from each of the Vice Presidents. It is the responsibility of the Finance Committee to present one overall budget to the Executive Committee.

Since it is the responsibility of the Executive Committee to approve the final business plans for each program, it is also their responsibility to prepare the final draft of the budget. The Executive Committee will make the necessary policy and political decisions to the proposed business plans and program budgets.

The final draft of the budget, as recommended by the Executive Committee, will be sent to the Board of Directors at least one (1) week in advance of their meeting. The Board of Directors may amend the proposed budget, if necessary, prior to final approval.

The association President-Elect and Treasurer-Elect should be an integral part of the budget process throughout their term of office and should attend as many of the Finance Committee meetings as possible.

3.2 Annual Budget Timeline

January/February: The Finance Committee conducts a training session for leadership covering the budget process and development.

April: The Treasurer issues a budget call for the next fiscal year to each of the elected Vice Presidents, Officers and Staff. Committees will incorporate budget requests in their proposed Business Plans.

May: Each Vice President will work with their Committee(s) to prepare an initial draft budget that is based on the goals and objectives of the Strategic Plan and specific business plans for the following year. The Core Committees meet to define the business plan for the next fiscal year.

May/June: The Vice President and staff executive meet after the Core Committee meeting to prepare estimated costs and resources needed to carry out the plan.

June: If necessary, the Core Committees will meet to review the next budget draft and make appropriate modifications.

June/July: Committee budgets and Business Plans are forwarded to the Finance and Executive Committees. The Executive Committee will prioritize Business Plans and forward these priorities to the Core Committees. The Executive Committee will allow Core Committees to appeal the initial priorities. The Executive Committee will then make a final prioritization and forward these to the Finance Committee for budget development.

July/August: The Finance Committee will review the draft budgets from each of the Vice Presidents then, based on the Executive Committee's prioritization, merge them into one comprehensive program based budget for presentation to the Executive Committee and Board of Directors.

September: The final draft will be sent to the Board of Directors at least one (1) week in advance of their meeting. The Board of Directors may amend the proposed budget if necessary, prior to final approval at the meeting.

December: Budget cycle commences.

3.3 *General Financial Operating Guidelines*

The following shall serve as guidelines concerning financial management:

990 Review:

Upon completion of the annual 990 Form, the Executive Committee will serve as the review body on behalf of the Washington REALTORS® prior to filing.

Strategic Plan:

It is the policy of the Board of Directors that the general objectives and strategic recommendations contained in the Plan and the annual business plans updates shall provide the recommended basis upon which the Finance Committee shall make its recommendations with regard to the annual budgeting process.

CEO Compensation:

An annual evaluation is conducted by an Evaluation Committee comprised of the current President, the President-elect, the First Vice President, the Treasurer, and either the Immediate Past President or the Treasurer-elect, at the option of the President.

Salary increases, bonuses and benefit enhancements shall be considered annually, at which time WR shall take into consideration the CEOs' performance, time in the position, and independent studies of appropriate data for similar organizations, including but not necessarily limited to studies by the Washington Society of Association Executives, the American Society of Association Executives and NAR. The final decision on whether any salary increases, bonuses or benefit enhancements will be given to the CEO shall be within the sole discretion of WR Executive Committee.

Administrators:

The following individuals shall have certain financial management responsibilities:

- President (see Bylaws, Roles and Responsibilities and Policies)
- President-Elect (see Bylaws, Roles and Responsibilities and Policies)
- Treasurer (see Bylaws, Roles and Responsibilities and Policies)
- Chief Executive Officer (see Bylaws, Employment Agreement, Roles and Responsibilities, Policies and Administrative Procedures, Employee Handbook and Standard Operating Procedures)
- Controller (see Roles and Responsibilities, Administrative Procedures and Standard Operating Procedures)

Fiscal Year:

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

Records Retention Policy:

The Washington REALTORS® shall retain records for the period of their immediate or current use, unless longer retention is necessary for historical reference or to comply with contractual or legal requirements. Records and documents outlined in this policy include paper, electronic files (including emails) and voice mail records.

In accordance with 18 USC §1519 and the Sarbanes Oxley Act, the Association shall not knowingly destroy a document with the intent to obstruct or influence an investigation or proper administration of any matter within the proper jurisdiction of the United States. If an official investigation is anticipated or underway, document purging will stop. Further, to eliminate accidental or innocent destruction, the Association follows a Records Retention Schedule as set forth below.

Description (alphabetically)	Retention Period
Accident Reports and Claims (settled cases)	7 years

Accounting records, other than Accounts payable ledgers and schedules and Accounts receivable ledgers and schedules	7 years
Accounts payable ledgers and schedules	7 years
Accounts receivable ledgers and schedules	7 years
Audit reports of accountants	permanently
Bank reconciliations	2 years
Capital stock and bond records; ledgers, transfer registers, stubs showing issues, record of interest coupons, options, etc.	permanently
Charts of accounts	permanently
Checks (canceled but see exception below)	7 years
Checks (canceled for important payments, i.e., taxes, purchases of property, special contracts, etc. [checks should be filed with the papers pertaining to the underlying transaction])	permanently
Contracts and leases (expired)	7 years
Contracts and leases still in effect	permanently
Correspondence (routine) with members, customers, or vendors	2 years
Correspondence (general)	3 years
Correspondence (legal and important matters only)	permanently
Deeds, mortgages, and bill of sale	permanently
Depreciation schedules	permanently
Duplicate deposit slips	2 years
Employee personnel records (after termination)	7 years
Employment applications	3 years
Expense analyses and expense distribution schedules	7 years
Financial statements (end-of-year, other months optional)	permanently
Forms, Superseded	7 years
General and private ledgers (and end-of-year trial balances)	permanently
Insurance policies (expired)	3 years
Insurance records, current accident reports, claims, policies, etc.	permanently
Internal reports (miscellaneous)	3 years
Registration materials for conferences and education courses, including rosters and class materials	3 years

Destruction of Sensitive Financial Information of Members:

Certain records described in the Records Retention Schedule above may contain sensitive financial information of Members, such as banking and/or credit card account information. Notwithstanding the above Records Retention Schedule, the Association may redact or remove such sensitive financial information of Members from any Association record or destroy it as long as the Association retains evidence of the transaction for which the sensitive financial information was used; except that any sensitive financial information of Members that is the subject of a government investigation or is subject to a litigation hold must be preserved.

Reports:

The Treasurer and the Chief Executive Officer shall present a financial status report, a budget status report, and such other reports as deemed appropriate to the Finance Committee, Executive Committee and Board of Directors at each scheduled meeting.

Monthly financial status reports will be sent to the Finance Committee, Executive Committee and a summary to all WR committee chairs.

The Treasurer and the Chief Executive Officer shall present a financial audit or review annually to the Finance Committee, Executive Committee and Board of Directors at the conclusion of each fiscal year. The scope of the audit shall be the responsibility of the Auditor(s) to embrace areas of special interest or concern.

Dues/Assessments:

The level of dues and any assessments shall be established as described in the bylaws and/or policy. The frequency of dues or assessment collection shall be established in the bylaws and/or policy guidelines. The method of collection processing and recording of dues and/or assessment receipts shall be determined by the Chief Executive Officer with the exception that dues will be prorated for new members on a monthly basis. Dues shall not be refundable.

Fidelity Bond:

The President, Treasurer, Chief Executive Officer, all employees, the Chair and Treasurer of REALTOR® PAC-WA, and the Chair of IPAC shall be bonded by the position. The bonding limits shall be reviewed by the Chief Executive Officer and the Treasurer annually. The Treasurer shall recommend to the Executive Committee any necessary changes in the bond amount.

Insurance:

The levels and limits of all association insurance protection plans shall be reviewed by the Chief Executive Officer and the Treasurer annually and approved by the Executive Committee.

Accounting/Bookkeeping:

The accounting and bookkeeping procedures shall be determined by the Chief Executive Officer.

Building Maintenance:

Ordinary and necessary repairs/maintenance to building and grounds that do not enhance property value shall be paid from the building repair and maintenance account within the annual operating budget.

Cash Depositories and Management:

Cash Depositories (checking, savings, and investment accounts) shall be authorized by Board of Directors' corporate resolution of authority with completion of appropriate signature cards.

Transfers between checking, savings or other interest earning accounts shall be authorized by the Chief Executive Officer or designee.

A record of all cash depositories made shall be provided to the Treasurer, Chief Executive Officer and permanent office file. All cash and investment assets of the Association shall be accurately reflected on the monthly Balance Sheet and shall be audited annually.

Authorized check signers are the Chief Executive Officer, the Chief Operating Officer, , and the Executive Assistant to the CEO. Check signers have no access to check stock until prepared by the accounting staff. Accounting staff has no check signing authority. Checks to be signed must have authorized invoices or check requests attached.

Checks requested by an authorized check signer should be signed by someone other than the person who made the request. All checks for \$50,000 or more shall be signed by two check signers, with the exception of those made to transfer funds to Washington REALTORS®' investment account(s) and those approved by the Board of Directors or the Executive Committee, provided the corresponding minutes are attached documenting the authorization. Any time either of these procedures is not feasible due to time constraints, a limited number of check signers available or the confidential nature of the request, the disbursement should be approved by the Controller before it is mailed. It is understood that there will be rare instances when there are time constraints and no other authorized personnel available that will necessitate a post-disbursement approval in order to not hinder the association operations.

The Association's checking account is with Olympia Federal Savings (421 Capitol Way S.) in Olympia. No more than the FDIC insured balance of \$250,000.00 shall reside in the checking account at any time. Excess funds shall be transferred immediately to Morgan Stanley to maintain FDIC coverage and meet current cash needs.

The Association's short and long-term investments are with Morgan Stanley (724 Columbia St.) in Olympia. The Association has a US Government Money Funds account, and the rest of the funds shall be invested in jumbo CD's. The Money Funds account shall be targeted to have the minimum amount necessary to fund the Association's short-term cash needs and the policy requirement that \$375,000 of the Operating Reserves be in liquid assets. The Association's Controller shall communicate investment decisions to Morgan Stanley in consultation with the Treasurer, Chief Executive Officer and the account manager. The jumbo CD's shall be bought for an amount less than \$250,000.00 that will allow accrued interest to maintain FDIC protection. Morgan Stanley will search nationwide for the best CD rate from high rated banks when directed to purchase.

Dues dollars for the current fiscal year shall be invested in CD's with staggered maturity dates based on the best interest rates available and the Association's cash flow needs.

Operating Reserves and Designated Fund balances shall be invested in a staggered mix of jumbo CD's with a maximum five-year maturity. The goal is to have an equal dollar amount of CD's maturing each year to maintain liquidity while staggering CD purchases to constantly maintain current market returns through dollar cost averaging.

The Association shall maintain an account at Fidelity Investments with Tremper and Roper Financial to invest no more than 12.5% (1/8th) of the Association's Operating Reserves and Designated Fund balances in a Russell Life Points Balanced Strategy Mutual Funds. The goal is to expose a small part of the Association's long-term investments to the opportunities of the stock market and well managed fund returns.

The overall investment objective is income growth and the preservation of capital with the highest possible return given the constraints of safety and liquidity. It is acknowledged that some losses are acceptable under an overall objective for long-term growth.

Loss Parameters for investments will be no more than 20% in any given year or more than 10% loss over three years. These parameters are the same as currently utilized by NAR.

The Finance Committee shall meet with Morgan Stanley and Tremper and Roper advisors annually (usually at the June meeting) to review returns, balances, and market conditions.

Lending/Borrowing:

The Board of Directors shall have the sole authority to authorize the lending or borrowing of funds.

Staff Compensation:

The Chief Executive Officer's compensation shall be determined between the Chief Executive Officer and the Executive Committee. Individual staff salaries shall be determined by the Chief Executive Officer, subject to the Annual Budget.

Budget Disbursement/Adjustments:

The Chief Executive Officer or designee shall authorize the disbursement or transfer of any funds in accordance with the adopted budgets or other policies.

Budget appropriation adjustments within a Department may be authorized by the Chief Executive Officer, as long as such adjustments are reported to the Treasurer and do not include member reimbursements, program cost overruns, non-budgeted programs, and do not affect the total amount of the department appropriation.

Budget appropriation adjustments between Departments may be authorized by the Chief Executive Officer with the approval of the Treasurer as long as such adjustments are reported to the Finance Committee and Executive Committee and do not affect the amount of the total budget appropriation.

Budget adjustments to the Education Cost Center to add or delete classes may be made by the Chief Executive Officer with the approval of the Treasurer. While such adjustments will affect the total income and expense of the cost center, they will not be made if they cause the overall WR budget (after allowance of up to \$1.00/member from the Education Designated Fund, if needed) to be at a greater expense than income than in the budget approved by the Board of Directors. All adjustments shall be sent to the Treasurer within fifteen (15) days of approval.

The Finance Committee will review the operating budget at each meeting as to whether budget adjustments are needed. Adjustments will be referred to the Executive Committee and Board of Directors for approval.

The Executive Committee may approve new budgetary line items not to exceed (one) 1% of total operating budget as long as operating reserves do not fall below six (6) months reserve policy.

Unexpended Funds Balances:

Fiscal year-end balances shall be handled in the following manner:

1. Any reserve (over and above \$375,000 the Designated Operating Reserve), will be considered undesignated, undifferentiated reserve for unknown contingencies / opportunities, without eliminating current dues dollars allocations, i.e., without eliminating current Designated Funds.
2. The Designated Operating Reserve will be fully funded at \$1,250,000; thus, any year-end surplus should first be allocated to the Designated Operating Reserve until that account is fully funded at \$1,250,000. Note: The Designated Operating Reserve Policy is \$750,000 with \$375,000 in cash and \$375,000 in assets. (ie. WR building)

A minimum of 50% of any remaining year-end surplus will be allocated to the Undesignated Operating Reserve, also known as excess operating reserves

The \$375,000 in the Designated Operating Reserve will be restricted as per current policy (and subject to all existing limitations on its use)

The Finance Committee is charged with developing policies and procedures for administering the Undesignated Reserve.

- a. Purpose of the Undesignated Reserve: to provide funding for unanticipated expenses, contingencies, or opportunities or for worthwhile programs for which funds were not available when the then-current budget was adopted.
- b. Control of the Undesignated Reserve: is vested in the Executive Committee (up to certain spending limits—see below) which is charged with overseeing the Association's annual business plan and allocating resources during the course of the budget year.
 - i. Disbursements: will be made according to the model currently used:
 1. Requests up to \$10,000 may be authorized with the approval of three of the following: The President, the President-elect, the Chief Executive Officer, or the Treasurer. Total not to exceed \$30,000 annually.
 2. Requests over \$10,000 and up to \$25,000 may be authorized by the Executive Committee.
 3. Requests over \$25,000 may be authorized by the Board of Directors; or the Executive Committee if it would not be practical to wait for a Board meeting.

Committee Budgets:

Budget allocations for individual committee programs will be considered as part of the annual budgeting program of the Association.

Committee budget submissions should be as detailed as possible indicating what the request is for, and when it is needed. All requests must include a statement showing the relationship to the Strategic Plan and business plan.

Travel, meals and lodging shall be provided to committee members, if specifically provided for in the budget. Such expenses may be paid for only "out of the ordinary" committee work. There shall be no reimbursement for out-of-state travel unless specifically provided for in the budget.

The committee chair, with the concurrence of the Chief Executive Officer or designee, shall be authorized to approve expenditures of funds within the "committee program" line items of the budget. Such funds will only be used for the specific purposes for which they were approved unless otherwise approved by the Finance and Executive Committees.

Employee Pension Plan:

It is the policy of the Association to maintain a defined contribution pension plan for the benefit of the employees. Any modifications and/or administrative arrangement adjustments shall be made only with the authorization of the Executive Committee. Any forfeited funds shall be used as a credit against WR's contribution during the year it's available.

In the absence of any other determination by the Board of Directors, the "Designated Fiduciary" in the employee pension program/plan adopted by the Association shall be the Washington REALTORS®.

The Chief Executive Officer and the Treasurer shall annually report to the Executive Committee and Board of Directors on the status of any such program/plan.

3.4 Contract Guidelines

The development of contracts should be coordinated with the Chief Executive Officer and/or general counsel. Any deviation from the provision of this procedure requires, at least, the approval of the Chief Executive Officer.

If there is any doubt as to the determination or whether a particular situation requires a contract, the Chief Executive Officer will provide guidance.

Contracts shall be signed by the President or the Treasurer and the Chief Executive Officer, except that the Chief Executive Officer may sign contracts for budgeted items, provided said contract does not exceed a term of one (1) year and are to be processed in accordance with the provisions of the procedure.

Elements:

The specific terms of contracts covered by this procedure may vary depending on such factors as the goods or services to be provided, the particular contractor, the risk to the Association, etc. Therefore, it is not possible to specify a model contract. There are, however, basic elements, which should be included in all contracts.

These are:

- The parties to the contract must be specifically named.
- Scope of work or services should adequately specify the work to be performed.
- Cost and payment schedule (specifying that payments will not exceed the percentage of the work performed).
- Term of the contract.
- Frequency and type of reports to be provided.
- Cancellation clause.
- Federal tax identification number.

In addition, clauses covering the following shall be incorporated:

- Indemnification.
- Ownership of discoveries and patents.
- Testimony before courts and governmental agencies.
- Modification procedure for contract changes.

Depending on the subject of the contract and other factors, other clauses may be added on an individual basis.

In order to avoid problems which will impede the negotiation process, requests for proposals should include a list of those clauses the Association will require in a given contract. In order to assure the inclusion of all appropriate clauses, the Chief Executive Officer should be consulted prior to the release of requests for proposals.

Copies of draft or final contracts shall not be disseminated outside the Association without prior review by the Chief Executive Officer and/or general counsel. Further, no employee, officer or member, other than those specifically authorized to do so, shall make oral commitments on behalf of the Association.

Processing Procedures:

The originator shall submit proposed contract documents to the Chief Executive Officer for the appropriate signature. In addition to the contract, summary sheet and covering memorandum, a complete contract document should include sufficient back-up data to permit adequate review. This back-up data should explain the problem to be solved, how its solution will benefit the Association, the anticipated results from the contract and how the

service or product(s) will contribute to the solution of the problem. A cost breakdown of direct labor, overhead, materials and fees is also to be included.

Normally, only two (2) copies of a contract are signed. Exceptions will be made only when there are more than two (2) parties to the contract or where some other requirements (such as with government) must be met. Exceptions are to be noted on the covering memorandum.

An original of the completed contract is to be returned to the Chief Executive Officer or his/her designee for retention and filing. Upon receipt of the executed contract, the Chief Executive Officer's office will provide the appropriate designee with an approved contract summary sheet. No payments will be made to any contractor until the Chief Executive Officer or his/her designee has received an executed copy of the contract.

3.5 Purchase Guidelines

The following shall serve as guidelines concerning purchases:

1. All purchases shall require prior authorization by the Board of Directors unless the necessary funds were appropriated in the annual operating budget or expenditures authorized by the Finance Committee from the Building and Equipment Designated funds.
2. All purchases authorized by the Board of Directors through appropriations in the annual operating budget and the Designated funds shall be in accordance with the following:
 - A) Purchases Under \$5,000
 - All Purchases Requisitions shall be approved by the Chief Executive Officer or his/her designee.
 - B) Purchases over \$5,000
 - All purchases in excess of five thousand (\$5,000) dollars will be on a competitive written bid basis. If a competitive bid is required, at least three vendors will be contacted for bids. The order will be issued to the low bidder, provided he/she is consistent with quality and service.
 - The Chief Executive Officer or his/her designee may elect to obtain competitive bids on purchases under five thousand (\$5,000) dollars or to combine several requisitions into one order.
 - The Chief Executive Officer may authorize non-competitive bid purchases where there is a compelling reason to use a negotiated price method.
 - Emergency purchases may be verbally authorized by the Chief Executive Officer.
 - C) Account Coding
 - All account coding is to be placed on the invoices.

- D) Equipment and Capital Improvements Capitalization Policy
- The threshold for capitalization of fixed asset expenditures is \$5,000.00 on a per item basis. All individual items greater than this limit would be capitalized and purchases less than this limit would be expensed through current operations.

3.6 Expense & Travel Reimbursement for Elected and Appointed Positions

The Association is not to pay any expenses incurred by the following individuals in addition to an established stipend unless otherwise budgeted. Stipends for NAR Directors, officers, elected vice presidents, vice presidents-elect, the regional representatives appointed to the Executive Committee and the Commercial/Industrial practitioner appointed to the Executive Committee to be based upon actual expenses and mileage incurred up to the approved reimbursement amounts reflected in each year's Operating Budget. Expense reports and mileage requests, supported by appropriate receipts, will be paid monthly. Expense reports and mileage requests must be submitted no later than the end of the following quarter for payment.

Stipend provisions shall be as follows:

President

The President's stipend will be recommended by the Finance Committee. Once approved by the Board of Directors, this amount will be the total stipend for the President. Any costs incurred over the amount will be paid by the President. The President will also receive the same stipend as a NAR Director provided that he/she agrees to abide by the NAR Directors' Policies and Procedures.

First Vice President

The First Vice President's stipend will be recommended by the Finance Committee. Once approved by the Board of Directors, this amount will be the total stipend for the First Vice President. Any costs incurred over this amount will be paid by the First Vice President.

President-Elect

The President-Elect's stipend will be recommended by the Finance Committee. Once approved by the Board of Directors, this amount will be the total stipend for the President-Elect. Any costs incurred over this amount will be paid by the President-Elect.

Immediate Past President:

The Immediate Past President's stipend will be recommended by the Finance Committee. Once approved by the Board of Directors, this amount will be the total stipend for the Immediate Past President. Any costs incurred over this amount will be paid by the Immediate Past President.

Regional Representatives and Commercial/Industrial Practitioner on the Executive Committee:

The Regional Representatives and Commercial/Industrial practitioner stipends will be recommended by the Finance Committee. Once approved by the Board of Directors, this amount will be the total stipend for the Regional Representatives and Commercial/Industrial

practitioner. Any costs incurred over this amount will be paid by the Regional Representatives and Commercial/Industrial practitioner.

Elected NAR Directors, Vice Presidents, Vice Presidents-elect, Treasurer, Treasurer-elect, Regional Representatives on the Executive Committee and Commercial/Industrial practitioner on the Executive Committee:

The stipend of the NAR Directors, Vice Presidents, Vice Presidents-elect, Treasurer, Treasurer-elect, the Regional Representatives appointed to the Executive Committee and the Commercial/Industrial practitioner appointed to the Executive Committee will be recommended by the Finance Committee. Once approved by the Board of Directors, this amount will be the total stipend for the NAR Directors, Vice Presidents, Vice Presidents-elect, Treasurer, Treasurer-elect, the Regional Representatives appointed to the Executive Committee and the Commercial/Industrial practitioner appointed to the Executive Committee. Any costs incurred over this amount will be paid by the NAR Directors, Vice Presidents, Vice Presidents-elect, Treasurer, Treasurer-elect, Regional Representatives appointed to the Executive Committee and the Commercial/Industrial practitioner appointed to the Executive Committee. Exclusive of the standard stipend for NAR Directors, Vice Presidents, Vice Presidents-elect, Treasurer, Treasurer-elect, Regional Representatives appointed to the Executive Committee and the Commercial/Industrial practitioner appointed to the Executive Committee, the Finance Committee will give consideration to additional reimbursement for costs exceeding those incurred by the majority of the NAR Directors, Vice Presidents, Vice Presidents-elect, Treasurer, Treasurer-elect, Regional Representatives appointed to the Executive Committee and the Commercial/Industrial practitioner appointed to the Executive Committee.

3.7 Expense Reimbursement Procedures

The following shall serve as guidelines concerning expense reimbursements:

Expense Reimbursement Approval:

Only expenses related to authorized Association business budgeted for through the Board of Directors adopted annual budgets and other policies shall be reimbursable. The Treasurer shall authorize the reimbursement of the Chief Executive Officer expenses and the Chief Executive Officer or designee shall authorize the reimbursement of the expenses of others in accordance with Board of Directors adopted policies.

Expense Recipients:

The following shall be authorized expense reimbursement recipients:

- Staff Members
- Committee Members
- Others (as authorized by policy action).

Expense Reporting and Documentation:

Expenses shall be reported on prescribed voucher forms and documented with receipts whenever possible before being reimbursed. Expenses shall be reported monthly and any expenses over three (3) months old may not be reimbursed. All expense reimbursement

requests for a particular fiscal year must be received prior to December 31 of that fiscal year.

Reimbursable Transportation Expenses:

Reimbursable modes of transportation shall be economy airfare, where available; automobile mileage at the rate allowed by the Internal Revenue Service (for driver only); airport limousine, bus and taxi. Individual staff mileage in excess of 10,000 miles per year will be paid an additional 8 cents (.08) per mile. All travel shall be accounted for as required by IRS guidelines. Reimbursement of travel expenses is for actual dollars with receipt - no reimbursement for frequent flyer miles is allowed.

Transportation reimbursement should be made on the basis of the least expensive mode available whenever possible, i.e., if an automobile mileage rate is less expensive than an airfare rate, the automobile mileage rate will be the basis of reimbursement, unless otherwise authorized by the Chief Executive Officer.

Committee member expenses related to automobile mileage while on authorized committee business shall be in accordance with adopted policy and budget if prior approval for such reimbursements is received by the Committee Chair from the President.

Reimbursable General Expenses:

Reimbursable expenses shall be Transportation (specified on the previous page); Parking (moderately priced); lodging; meals; gratuities; registration fees and other normally accepted business-related expenses authorized by the Chief Executive Officer in accordance with the adopted policies and the annual budgets.

3.8 Designated Funds

Operating Reserve Designated Fund:

The purpose of the Operating Reserve Designated Fund is to be used for working capital or budget deficit and capital investments/acquisitions/improvements.

Use of the Operating Reserve Designated Fund may be authorized by the Board of Directors upon the recommendation of the Finance Committee and the Executive Committee.

The Designated Operating Reserve Fund will be funded at \$750,000 with a minimum of \$375,000 in liquid assets.

Interest on the Designated Operating Reserve Fund account shall be accrued as income to the current year's operating budget.

Legislative Designated Funds:

Annual Contribution Formula - The annual contribution to this fund shall be the amount needed for the Fund to begin each year with a \$50,000 balance. A \$50,000 surplus for contributions to this Fund will be prioritized in the annual budget each year. Amounts budgeted for the Fund that will not be needed will accrue to the Operating Reserve. Interest

on this account shall accrue to the current year's operating budget. **Guidelines for Appropriate Expenditures** - Requests for financial assistance concerning state issues will be considered. Appropriate expenditures include ballot measure campaigns, grassroots lobbying activities, hosting educational forums, contributions to or with other lobbying organizations with respect to a common issue, issue advocacy, and data collection to assist with the development of strategies. Any consideration for support of an issue must be in concurrence with the NAR and/or Washington REALTORS® WR policies and/or positions. **Procedure to Determine Expenditure** - Funding requests will be considered at any time during the calendar year. Requests must be received in writing two weeks prior to a regularly scheduled meeting of the Legislative Steering Committee. Requests for \$5,000 or less may be authorized with the approval of the Vice President of Government Affairs and the Chief Executive Officer. Requests for funding between \$5,000 and \$25,000 may be authorized with the approval of three of the following: President, the Vice President of Government Affairs, the Chief Executive Officer, or the Government Affairs Director. Requests for funding between \$25,000 and \$50,000 may be authorized by the Legislative Steering Committee. Requests over \$50,000 may be authorized by the Board of Directors; or the Executive Committee if it would not be practical to wait for a Board meeting.

Issues Designated Fund:

Annual Contribution Formula -The annual contribution to this fund will be \$30.00 for 2013 and \$35.00 thereafter times the number of members projected for the year of allocation. A surplus of this amount will be prioritized in the annual budget each year. Interest on this Designated Fund account shall accrue to the current year's operating budget. **Guidelines for Appropriate Expenditures** - Requests for financial assistance from a Local Association concerning state issues, or local issues (**must** be matched by 10% local association funds) will be considered. Appropriate expenditures include ballot measure campaigns, grassroots lobbying activities, hosting educational forums, contributions to or with other lobbying organizations with respect to a common issue, issue advocacy, and data collection to assist with the development of strategies. Any consideration for support of an issue must be in concurrence with the NAR and/or WR adopted policies and/or positions. **Procedure to Determine Expenditure** - Funding requests will be considered at any time during the calendar year. Requests must be received in writing two weeks prior to a regularly scheduled meeting of the Legislative Steering Committee. Requests from a Local Association must also have a properly executed "Application for Funding" form included. Requests for \$5,000 or less may be authorized with the approval of the Vice President of Government Affairs and the Chief Executive Officer. Requests for funding between \$5,000 and \$25,000 may be authorized with the approval of three of the following: the President, the Vice President of Government Affairs, the Chief Executive Officer or the Government Affairs Director. Requests for funding between \$25,000 and \$50,000 may be authorized by the Legislative Steering Committee. Requests over \$50,000 may be authorized by the Board of Directors; or the Executive Committee if it would not be practical to wait for a Board meeting.

Real Estate Readiness Fund:

The Real Estate Readiness Fund is established to provide the resources necessary to successfully defend the real estate profession from policies detrimental to real estate interests. Interest on this Designated Fund account shall accrue to the current year's

operating budget. Guidelines for Appropriate Expenditures - Requests for financial assistance concerning state issues will be considered. Appropriate expenditures include ballot measure campaigns, grassroots lobbying activities, contributions to or with other lobbying organizations with respect to a common issue, issue advocacy, and data collection to assist with the development of strategies. Any consideration for support of an issue must be in concurrence with the NAR and/or WR adopted policies and/or positions. Procedure to Determine Expenditure - Funding requests will be considered at any time during the calendar year. Any request to use this fund must be authorized by the Board of Directors.

Legal Affairs Designated Fund:

The annual contribution to this fund will be \$1.00 for 2012 and \$2.00 thereafter times the number of members projected for the year of allocation. A surplus of this amount will be prioritized in the annual budget each year. Contributions to this fund are capped if the fund balance exceeds \$200,000.00 at the beginning of a fiscal year. Amounts budgeted for the Fund that will not be needed will accrue to the Operating Reserve. Interest on this Designated Fund account shall accrue to the current year's operating budget.

Procedure to Determine Expenditure - Funding requests will be considered at any time during the calendar year. Requests for \$5,000 or less may be authorized with the approval of the Legal Affairs Chair and the Chief Executive Officer. Requests for funding between \$5,000 and \$25,000 may be authorized with the approval of at least three of the four following individuals: the President, the Legal Affairs Chair, the Chief Executive Officer and the Government Affairs Director. Requests for funding between \$25,000 and \$50,000 may be authorized by the Legal Affairs Committee. Requests over \$50,000 may be authorized by the Board of Directors; or the Executive Committee, if it would not be practical to wait for a Board meeting. The Legal Affairs Committee also has authority to determine whether the association should withdraw from a lawsuit.

Building/Real Estate Acquisition Reserve Fund:

This reserve fund is to provide sufficient funds for the major repair, replacement, and/or improvements of the Association's buildings component parts, including but not limited to, the roof, heating/cooling system, carpets, plumbing fixtures, and paint. The annual contribution shall be determined by the Finance Committee as part of the annual budget. The Chief Executive Officer shall be authorized to expend the funds with the approval of the Treasurer. Interest on these funds shall accrue to the fund balance current year's operating budget.

Equipment Replacement Reserve Fund:

This reserve fund is to provide funds to replace the major equipment items owned by the Association, including but not limited to, the automobile, computer, copy machine and telephone system. The annual contribution shall be determined by the Finance Committee as part of the annual budget. The Chief Executive Officer shall be authorized to expend these funds with the approval of the Finance Committee. Interest on these funds shall accrue to the current year's operating budget.

Education Designated Fund:

The purpose of the Education Designated Fund will be to provide a source of funds to be used for the following, provided the expending of monies have a residual value for the future benefit of the membership:

1. Research and Course Development
2. Purchase of Fixed Assets needed to benefit WR Education
3. Scholarships
4. Instructor Development

Funds shall be expended through proposals prepared and approved by the Education Committee.

The following shall serve as guidelines for any disbursements from the Education Designated Fund:

1. Disbursements of three thousand (\$3,000) dollars or less may be authorized with the approval of the Education Director and the Chief Executive Officer.
2. Disbursements of over three thousand (\$3,000) dollars up to ten thousand (\$10,000) dollars may be authorized with the approval of the Education Special Committee and the Chief Executive Officer.
3. Disbursements of over ten thousand (\$10,000) dollars may be authorized with the approval of the Board of Directors.

Sources of funds shall include but are not limited to:

1. Net income from Education Cost Center.
2. Grants, allocations, and donations from private and public sources

The fund limit is \$150,000 which would provide an operating expenses reserve fund. This limit to be reviewed and adjusted annually by the Education Special Committee. Funds exceeding the limit shall be placed in the general fund.

Should the Education Cost Center generate a net loss in any given year, the amount of the loss shall be deducted from the Education Designated Fund balance.

Leadership Development Designated Fund:

Annual Contribution Formula – The annual contribution to this fund will be \$2.00 per member times the number of members projected for the year of allocation. For the year 2023, the fund shall be seeded with a \$300,000 initial transfer from the Operating Reserve Designated Fund.

Guidelines for Appropriate Expenditures – Approved uses of this fund will include, at a minimum, the WR Leadership Academy and other appropriate leadership events (i.e., Ignite, NAR L.E.A.D., etc.).

Procedure to Determine Expenditures – Funding requests will be considered any time during the budget cycle. Leadership Fund requests for \$5,000 or less may be authorized

with the approval of the Vice President of Operations and the Chief Executive Officer. Requests for funding between \$5,000 - \$25,000 may be authorized with the approval of three of the following: The President, the Vice President of Operations, the Chief Executive Officer and the Chief Operating Officer. Requests for funding greater than \$25,000 will require approval of the Executive Committee. Interest on this designated fund account shall accrue to the current year's operating budget. The Leadership Development fund shall begin each budget year with a minimum of balance of \$250,000 and a maximum balance of \$500,000.

Other Designated Funds:

From time to time it may be necessary to establish special funds for various purposes. Funds established for periods of two (2) years or less will be by motion of the Board of Directors. Funds established for longer periods will necessitate an amendment to the policy manual of the association. In the creation of any fund the Board of Directors shall specify; 1) source of funds, 2) purpose of fund, 3) authorized use of funds, 4) accrual of interest, 5) fund minimum or maximum balance, and 6) other items as necessary.

SECTION 4: GENERAL OPERATIONS POLICIES

4.1 REALTOR® Building

The Washington REALTORS® maintains a building for its operations. Since the membership of WR supports the building, it should be made available, within reasonable guidelines, for the use by member firms and REALTORS®.

Local Associations: WR office will be made available, schedule permitting, at no charge to local associations for meetings of the association's members. The association should ensure that a reservation is made. The local executive officer or a representative of the association will be held responsible for the condition of the building when it is being used during non-working hours.

Member Firms: WR office will be made available, schedule permitting, at no charge to member firms for meetings of the firm's sales associates. The firm should ensure that a reservation is made. A representative of the firm will be held responsible for the condition of the building when it is being used during non-working hours.

Individual Members: WR office shall be made available, schedule permitting, at no charge to individual members of WR provided the use of the building is industry or REALTOR®-related and not for private gain.

Non-Members: WR office will be made available to industry related non-members at the discretion of the CEO. The individual/firm desirous of using the building shall be held responsible for the condition of the building when it is being used during non-working hours.

The Washington REALTORS®, through its Chief Executive Officer, reserves the right to deny building usage when it is determined that such permission to use it would not be in its best interest of the members and/or the industry.

4.2 Media Cooperation

The media may be a means of communicating not only with various publics but also the members of WR. The position of WR is to cooperate with the media so as to accomplish the following objectives:

1. To develop cooperative relations and free exchange of communications.
2. Provide an avenue to influence various publics relating to REALTOR® issues.
3. Promote REALTOR® policies and positions.
4. Promote the professional identity of WR and its members.
5. The President shall be the official spokesperson for WR and shall delegate this responsibility whenever necessary to that member of WR or staff most capable of addressing the issue.

4.3 Cooperation with Other Associations

WR shall have a policy that an open attempt will be made to interface with other trade, professional and labor organizations when necessary, with the following intentions:

- To develop cooperative relations and open lines of communication.
- To develop avenues for political action and lobbying cooperation.
- To promote REALTOR® policies and positions.
- To promote the professional identity of the association and its members.

4.4 Public Requests for Referrals

During the course of the year, many calls come into the WR office requesting information on member firms, REALTOR® assistance or inquiries into specialized areas of the real estate industry.

It shall be the policy of WR that, upon request for information on member firms, the only information that shall be given out is the name, business address, business telephone number, name of designated broker or sales associate and the fact that they are members of the Washington REALTORS®. There shall be no qualitative statements.

Inquiries requesting expertise in relocation or specialized area of the real estate industry shall be turned over to the president for disposition.

4.5 Membership Lists

It shall be the policy of WR that lists of its members, either printed or in electronic form, may not be sold, leased, or rented in any manner by WR or its members for commercial purposes. Violations shall be enforced through any manner deemed appropriate.

It shall be the policy of WR to provide the distribution facilities of WR only in instances when the program involved is endorsed by WR or is a program of one of the institute, societies and councils of the NAR and its local affiliate. REALTOR® organizations such as NAR, WR, and WREEF would qualify.

4.6 Association Memberships

WR recognizes the need for cooperating and participating with other associations at the local, state, and national level. Such cooperation and participation is deemed to be of value to this organization as a representative of the industry. Therefore, the Washington REALTORS® shall strive to maintain membership in the following associations providing budgets available to fund such participation.

1. Better Business Bureau
2. United States Chamber of Commerce
3. Association of Washington Business
4. American Society of Association Executives

4.7 Restraint of Trade

The most important antitrust statutes relating to association activities are the Sherman Act (Section 1) and the Federal Trade Commission Act (Section 5).

Section 1 of the Sherman Act prohibits "contracts, combination, or conspiracies...in restraint of trade." The act also prohibits any understanding affecting the price of a product (or service) regardless of the purpose of the understanding.

The Sherman Act is a criminal conspiracy statute. If a member merely sits by at a meeting while other members of WR engage in an illegal discussion concerning price-fixing, he/she may be held criminally responsible, even though he/she said nothing during the discussion.

The Federal Trade Commission Act prohibits "unfair methods of competition in or affecting commerce, and unfair or deceptive acts or practices in or affecting commerce." Unlike the Sherman Act, the Federal Trade Commission Act reaches anti-competitive acts committed by single persons or companies, whether or not there is any agreement or "combination"; like the Sherman Act, it also covers joint actions.

The following shall serve as guidelines for the Washington REALTORS® concerning restraint of trade:

1. It is the intention of WR to comply fully with antitrust statutes.
2. All governance personnel, governance advisory personnel, staff, and members of the association shall refrain from any restraint of trade activities.

3. The CEO or legal counsel shall periodically update members concerning restraint of trade problems.
4. The CEO may obtain legal counsel review of all new association programs or changes in existing programs that may have potential restraint of trade implications.
5. All Board meetings shall be regularly scheduled, whenever possible.
6. The staff may obtain legal counsel review of any meeting agenda items that may have potential restraint of trade implications.
7. Any action which had the effect of rejecting a membership application or suspending or expelling a member should be reviewed by legal counsel before becoming final.
8. A record retention and disposal program shall be developed and implemented.
9. Neither governance personnel; governance advisory personnel; nor staff shall communicate with officials of the Federal Trade Commission or the Antitrust Division of the Department of Justice without prior approval of WR president and Chief Executive Officer.
10. The following topics shall be avoided at any meeting of the Washington REALTORS®:
 - a) Current or future prices
 - b) "Fair" profit levels
 - c) Increases or decreases in prices
 - d) Standardization or stabilization of prices
 - e) Pricing procedures
 - f) Cash discounts
 - g) Credit terms
 - h) Control of sales or services
 - i) Allocation of markets
 - j) Refusal to deal with a corporation because of its pricing or distribution practices,
 - k) Whether or not the pricing practices of a colleague are ethical, appropriate, unethical or constitute an unfair trade practice.

4.8 Whistle Blower Policy

The Washington REALTORS® is responsible for the stewardship of member and employee contributions and resources. In fulfilling that responsibility, the Association is committed to compliance with all laws and regulations to which it is subject. In addition to complying with the law, the Association is committed to the ethical and fair treatment of its volunteers and employees. This Policy provides an avenue for volunteers or employees, without concern that they will be subject to retaliation or reprisal, to raise concerns regarding financial wrongdoing which may include, but is not limited to:

- Questionable accounting practices;
- Fraud or deliberate errors in financial statements or recordkeeping;
- Deficiencies in accounting controls;
- Misrepresentations to the Executive Committee or Board of Directors regarding the financial condition of the Association; and
- Intentional or unintentional violations of laws or regulations.

If any volunteer or employee reports, in good faith, what the volunteer or employee believes or knows to be a violation of the law and/or financial wrongdoing to the Association, it is the Association's policy that there will be no retaliation taken against the volunteer or employee. Any volunteer or employee will be subject to discipline up to, and including, dismissal from the volunteer position or termination of employment if they, against this policy, retaliate against someone who has in good faith reported their concern. In turn, allegations made in bad faith, if proven to be unsubstantiated and made maliciously, recklessly or with the knowledge that the allegations were false, will be viewed as a serious offense and may result in discipline, up to and including dismissal from the volunteer position or termination of employment.

Any report of a known or suspected violation of the law and/or financial wrongdoing should be reported to the Chief Executive Officer and/or the current sitting president for investigation and appropriate action. In the event the charge is against the Chief Executive Officer, the report of a known or suspected violation of the law and/or financial wrongdoing should be reported to the current sitting president or immediate past president for appropriate action. To the extent possible, reports made under this policy will be kept confidential consistent with the need to conduct an adequate investigation.

4.9 Policies for State Professional Standard Hearings

CEAM refers to the Code of Ethics and Arbitration Manual of the National Association of REALTORS®.

As used herein, the term "days" shall be defined as calendar days. The term "business days" shall be defined as days when the Association office is open for its normal and regular business purposes.

The CEAM requires, in certain instances, typewritten documents and correspondence. It is not mandatory for any correspondence/documents to be typewritten.

Ethics complaints shall be subject to the calendar year's Code as was in effect at the time of the conduct leading to the complaint. Both Ethics and Arbitration shall be subject to the Manual in effect at the time of the conduct leading to the Ethics complaint or the request for Arbitration.

Mediation of Potentially Unethical Conduct: Prior to, and after the Grievance Committee has forwarded an Ethics Complaint to the Professional Standards Committee for a hearing to be scheduled, the Parties shall be advised that mediation services are available.

Use of Panels in place of Committees and Board of Directors: Any Professional Standards matter requiring ratification or further action by the Board of Directors will be decided by a panel of five (5) members of the Board of Directors or Professional Standards Subcommittee. The decision shall be final and binding and shall not be subject to further review by the Board of Directors.

Training Requirement for Service: In order to assure the highest quality of individuals who serve on these important committees, provide complete due process to all parties, and reduce potential liability for the Association, the following procedures will be followed.

- A. Proficiency. Prior to attending a Grievance Committee meeting or serving on a hearing panel, members of the Washington REALTORS® Professional Standards and Grievance Committee must meet one of the following criteria: 1) annually attend approved professional standards procedures and/or ethics training.
- B. Mediators and ombudsman shall attend mediator/ombudsman training once per year.

Grievance Review: The state Grievance Committee reviews all Ethics Complaints and Requests for Arbitration to determine if a state hearing should be held. Anonymous complaints are prohibited. The state Grievance Committee will not request a response prior to determining whether a case should be forwarded to the Professional Standards Committee for a hearing.

Expedited Hearing Process: Washington REALTORS® adopts the Expedited ethics administration procedures as outlined in the CEAM.

Panel Review: The complaint and response (if any) shall be provided to the Hearing Panel seven (7) days prior to the hearing electronically.

Documents: No documents, including Legal Hotline responses, should be removed from the complaint or response. Where evidence is questionable, the Chair should caution the committee or panel members to weigh the evidence accordingly.

Recording of the Hearing: The Washington REALTORS® utilizes digital recordings of hearings. Parties are not permitted to make their own recording.

Ratifications: Ethics decisions presented to the Directors for ratification will not include the names of the parties.

State Appeal Requests: All appeals must be in writing and accompanied by a deposit in the amount of \$250.00.

Administration Fee: Respondents found in violation of the Code of Ethics, at a state Professional Standards Hearing, be charged a \$100.00 Administration Fee. (This is a flat rate and is separate from any sanction imposed.)

Director Review of Appeal of Grievance Tribunal Dismissal of Complaint: The Professional Standards Administrator may appoint a panel of Directors, acting on behalf of the Board of Directors to hear the appeal. Any appeal panel so appointed must be

composed of at least five (5) Directors or a quorum of the Board of Directors, whichever is less.

Appeal of Ethics Hearing Panel Decisions: The Professional Standards Administrator may appoint a panel of Directors, acting on behalf of the Board of Directors to hear the appeal. Any appeal panel so appointed must be composed of at least five (5) Directors or a quorum of the Board of Directors, whichever is less.

Legal Counsel: WR may utilize legal counsel at hearings when parties to a hearing provide notice of their intention to have legal counsel present.

State Arbitration Requests: Require a \$500.00 deposit from both parties. The prevailing party will receive their deposit back following the end of the appeal period.

Voluntary arbitration will be provided as a service.

Mandatory Mediation Policy: Prior to an arbitration hearing being scheduled, Washington REALTOR® members are required to attempt mediation. If mediation is successful, the \$500 deposit will be refunded to both parties.

Washington REALTORS will operate as an Option #3 association pertaining to the handling of arbitrations. Option #3 as outlined in the CEAM is: In the event the respondent fails or refuses to sign the Response and Agreement Form (Part Thirteen, Form #A-4), fails or refuses to make the required deposit, or fails or refuses to take part in the arbitration hearing, the arbitration hearing may be scheduled and conducted in the absence of the respondent.

Appeals from the Decision of the Grievance Tribunal Related to a Request for Arbitration: The Professional Standards Administrator may appoint a panel of Directors, acting on behalf of the Board of Directors to hear the appeal. Any appeal panel so appointed must be composed of at least five (5) Directors or a quorum of the Board of Directors, whichever is less.

Appeals from the Decision of the Hearing Panel Related to a Request for Arbitration: The Professional Standards Administrator may appoint a panel of Directors, acting on behalf of the Board of Directors to hear the appeal. Any appeal panel so appointed must be composed of at least five (5) Directors or a quorum of the Board of Directors, whichever is less.

Requests for Procedural Review: All requests for procedural review must be in writing and accompanied by a deposit in the amount of \$250.00.

Request for Procedural Review by Directors: The Professional Standards Administrator may appoint a panel of Directors, acting on behalf of the Board of Directors, to hear the appeal. Any appeal panel so appointed must be composed of at least five (5) Directors or a quorum of the Board of Directors, whichever is less.

Postponement Requests: Postponement requests from parties will be reviewed and ruled on by the panel chairperson. If a panel chairperson has not been appointed, the Professional Standards Committee Chairperson shall rule on the request.

NOTE: Unless otherwise stipulated in this document, the procedures to be followed shall be those recommended by the National Association of REALTORS® in the *Code of Ethics and Arbitration Manual*.

4.9a Ombudsman Policies and Procedures

Role of Ombudsmen: The Ombudsman's role is primarily one of communication and conciliation, not adjudication. Ombudsmen do not determine whether ethics violations have occurred; rather, they anticipate, identify, and resolve misunderstandings and disagreements before matters ripen into disputes and possible charges of unethical conduct.

Qualification and criteria for Ombudsmen: At a minimum, Ombudsmen should be thoroughly familiar with the Realtor® Code of Ethics, state real estate regulations, and current real estate practice. Ombudsmen are experienced Realtor® members acting on behalf of WR with a minimum of ten years' experience as a Realtor®. Ombudsmen will attend a mandatory training yearly. Ombudsmen will be appointed by the Professional Standards Subcommittee Chairperson with approval by the Vice President of Business Practices.

Involving the Ombudsman: There is considerable latitude in determining how and when Ombudsmen will be utilized. For example, Ombudsmen can field and respond to a wide variety of inquiries and complaints, including general questions about real estate practice, transaction details, ethical practice, and enforcement issues. Ombudsmen can also receive and respond to questions and complaints about members; can contact members to inform them that a client or customer has raised a question or issue; and can contact members to obtain information necessary to provide an informed response.

In cases where an Ombudsman believes that a failure of communication is the basis for a question or complaint, the Ombudsman can arrange a teleconference meeting of the parties and assist in facilitating a mutually acceptable resolution.

Where a written ethics complaint in the appropriate form is received by WR, it can be initially referred to the Ombudsman who will attempt to resolve the matter.

Participation in the Ombudsman Program ("the Program") is entirely voluntary. Your participation shall mean that you agree to the terms of the Program described below: No liability of Ombudsman or WR; subpoenas and testimony.

Neither the Realtors® acting as Ombudsmen or WR, shall be civilly liable in tort, contract, or otherwise, for any act or omission done or made while engaged in efforts to assist or facilitate a resolution under the Program.

Neither the Realtors® acting as Ombudsmen nor WR shall be civilly liable for the disclosure of any confidential information or communication, whether written or oral, unless there is clear and convincing evidence that the disclosure was made in bad faith, with malicious

intent, or in a manner exhibiting a willful, wanton disregard of the rights, safety or property of another.

The participants in the Program understand and agree that all documents of any nature submitted or otherwise developed during the Program will be permanently destroyed upon the conclusion of the matter in dispute. Notwithstanding the preceding, neither the Ombudsman or WR shall be required to submit to subpoena, deposition, or other judicial, administrative, or regulatory requirement to appear and give testimony or provide documents relating to any matters occurring during the Program.

The above limitations and immunities shall apply to the officers, directors, employees, agents, representatives and attorneys of the brokerage company of the Realtor® acting as Ombudsman, and to the officers, directors, employees, agents, representatives and attorneys of WR.

Confidentiality of written or oral communications: All communications made to the Ombudsman or WR under the Program, whether written or oral, shall be confidential and may not be disclosed to any other person for any reason. Statements, memoranda, work product, documents and other materials, otherwise subject to discovery in any legal action, mediation, or arbitration, that was prepared for, or during participation in the Program, shall be absolutely confidential and may not be disclosed to any other person through subpoena, deposition, or other such judicial or quasi-judicial or administrative proceeding.

Admissibility and disclosure of communications and agreements in subsequent adjudicatory proceedings; exceptions: Written or oral communications that are confidential under the Program shall not be admissible as evidence in any adjudicatory proceeding, whether in court, arbitration, administrative and regulatory, including but not limited to any arbitration or ethics hearings administrated by WR or any Washington State Department of Licensing proceeding.

Nothing contained in these procedures shall be construed to prohibit the parties from jointly agreeing to the disclosure or admissibility of documents or information that is otherwise deemed confidential. Additionally, any party, Realtor® or the company with which they are associated, the Ombudsman, or WR, may use confidential information in any adjudicatory proceeding, whether in court, arbitration, administrative and regulatory, including but not limited to any arbitration or ethics hearings administrated by WR or any Washington State Department of Licensing proceeding, in defending of any action or claim brought against them that relates to any of the services, functions, or other events arising during the Program, to the extent necessary to defend themselves.

Right to decline Ombudsman services: The Administrator shall determine whether a complaint may be appropriate for the Program. If so determined, the person filing a complaint, or inquiring about the process for filing an ethics complaint, will be advised that Ombudsman services are available to attempt to informally resolve their complaint. Such persons will also be advised that they may decline Ombudsman services and may have their complaint considered by the Grievance Committee, and at a formal ethics hearing when appropriate.

Resolution of complaints: If a matter complained of is resolved to the satisfaction of the complainant through the efforts of an Ombudsman, the original formal ethics complaint [if any] will continue to be processed until withdrawn by the complainant.

Failure to comply with agreed upon resolution: Failure or refusal of a member to comply with the terms of a mutually agreed on resolution shall entitle the complaining party to resubmit the original complaint or, where a formal complaint in the appropriate form had not been filed, to file an ethics complaint. The time the matter was originally brought to WR's attention will be considered the filing date for purposes of determining whether an ethics complaint is timely filed.

Referrals to the Grievance Committee or to state regulatory bodies: Ombudsmen cannot refer concerns they have regarding the conduct of any party utilizing their services to the Grievance Committee, to the Washington State Department of Licensing, or to any other regulatory body. The prohibition is intended to ensure impartiality and avoid the possible appearance of bias. Ombudsmen are, however, authorized to refer concerns that the public trust may have been violated to the Grievance Committee.

Suspension of filing deadlines: If the Board's informal dispute resolution processes (e.g., ombudsman, mediation, etc.) are invoked or initiated by a complainant (or potential complainant) with respect to conduct that becomes the subject of a subsequent ethics complaint, the one hundred eighty (180) day filing deadline shall be temporarily suspended beginning with the date of the complainant's (or potential complainant's) request for informal dispute resolution service or assistance and shall resume when the informal dispute resolution procedures are concluded or terminated. Upon completion of the ombuds communication with the complainant, ombuds will email WR's Professional Standards Administrator a status report, indicating whether there was a resolution to the matter or if the complainant was referred back to WR's Professional Standard Administrator for further options. WR's Professional Standards Administrator is responsible for maintaining a record of the "suspended" time frame and assuring that "time frame suspension" is reflected on any subsequent complaints that may be submitted by the complainant. Questions about when information dispute resolution began or ended will be determined by the Board President or the President's designee.

4.9b Mediation Policies and Procedures

Purpose of Mediation Policy: The purpose of mediation is to resolve disputes, promote amicable resolutions, and reduce the number of cases requiring the more formal and complex arbitration procedures of the Board, thus reducing the time and effort required of Board Members serving on Professional Standard Committees.

Mediation – Ethics: WR will offer Ethics Mediation as a resolution to an ethics complaint.

Appointment of mediators: The chair of the Professional Standards Committee and/or the Board President will select one or more ethics mediators to act on behalf of the committee. Mediators should be thoroughly familiar with the Code of Ethics, state real estate regulations, and current real estate practice.

Complaints that may be mediated: Complaints brought by the public or by other REAL TORS® may be mediated under these procedures. Complaints brought by the Grievance Committee may not be mediated.

Initiation of ethics mediation procedures: The ethics mediation process can be initiated in two ways. First, through filing a written ethics complaint. Second, through a personal, telephone, or written inquiry or complaint generally alleging potentially unethical conduct but which (a) is not filed on the appropriate form or (b) is not specific as to which Article(s) may have been violated.

Where a written ethics complaint in the appropriate form is received, it will be reviewed by the Grievance Committee so a determination can be made whether a possible violation may have occurred or, alternatively, whether the complaint should be dismissed as not requiring a hearing.

Where an informal inquiry or general letter of complaint is received, it will not be reviewed by the Grievance Committee, but will be referred to an ethics mediator.

Participation in ethics mediation is voluntary: Persons inquiring about the process for filing ethics complaints will be advised that ethics mediation is available as an alternative to a formal ethics hearing provided that all parties agree to participate, and also be advised they may decline or withdraw from mediation and have their complaint considered at a formal ethics hearing. Similarly, REAL TORS® complained about have the right to decline or withdraw from mediation and to have complaints against them considered at a formal ethics hearing.

Referral of complaints to the mediator: When either a written ethics complaint in the appropriate form is reviewed by the Grievance Committee and the Grievance Committee concludes that a hearing is warranted, or when a general letter of inquiry or complaint is received, the materials received will be referred to the ethics mediator who will contact the parties to schedule a meeting at a mutually agreeable time.

During the mediation session the mediator will encourage all parties to openly and candidly discuss all issues and concerns giving rise to the inquiry or complaint, and to develop a resolution acceptable to all of the parties.

Nature of the mediated resolution: The mediator and the parties have considerable latitude in fashioning a mutually acceptable resolution. Resolutions can include, but are not limited to, payment of disputed funds, repairs or restoration of property, written or oral apology, or acknowledgement of a violation of the Code of Ethics. In cases where a REAL TOR® acknowledges that the Code has been violated, that admission may be sufficient to resolve the matter or, alternatively, the parties may agree that discipline should be imposed. The discipline may, at the agreement of all parties, include any of the forms of discipline established in the Code of Ethics and Arbitration Manual and may also include payment of monies to the complainant or to a third party. Also, the parties may agree that the complainant will withdraw a complaint or agree not to file a formal, written ethics complaint in return for the respondent's action or acknowledgment. Again, any discipline imposed must be agreed to by all of the parties.

Referrals to the Grievance Committee or to state regulatory bodies: Ethics mediators cannot refer concerns they have regarding the conduct of any party to mediation to the Grievance Committee, to the state real estate licensing authority, or to any other regulatory body. This prohibition is intended to ensure impartiality and avoid the possible appearance of bias.

Refusal to comply with agreed upon discipline: Failure or refusal of a respondent to comply with the terms of any mutually agreed on resolution shall entitle the complaining party to resubmit the original complaint or, where a formal complaint in the appropriate form had not been filed, to file an ethics complaint. The time the matter was originally brought to the board or association's attention shall be considered the filing date for purposes of determining whether an ethics complaint is timely filed.

Associations will continue to process filed ethics complaints until withdrawn by the complainant.

Confidentiality of mediation process: The allegations, discussions, and decisions rendered in ethics mediation proceedings are confidential and shall not be reported or published by the board, any member of a tribunal, or any party under any circumstances except those established in the Code of Ethics and Arbitration Manual of the National Association as from time to time amended.

4.9c Citation Policy and Procedures

As an option for the Grievance Committee, an ethics complaint may be eligible for the citation program if there is an alleged violation, identified under the Model Citation Schedule, provided the complaint does not also include articles which are not included in the citation program. If the Grievance Committee determines that the complaint should be forwarded for a hearing, the Grievance Committee will first forward the complaint to the Association's Citation Panel to determine if it includes allegations covered by the Citation Schedule, i.e., if it is a "citable offense."

I. Preliminary Procedures/Review by Grievance Committee

- A. Information about the Ethics Citation program, including the Citation Schedule, will be provided as part of the information sent to all potential complainants who are considering filing complaints through the Washington REALTORS® Professional Standards Program.
- B. When a Grievance Panel receives a complaint, it shall review the complaint to determine if it includes allegations that are covered by the Citation Schedule. A Grievance Panel has the right to amend the complaint, adding or deleting Articles and/or Respondents, when appropriate.
 1. If the Grievance Panel, after reviewing the information presented in the complaint and, taking all information in the complaint as true on its face, determines there is not a potential violation of any Article, the complaint shall be dismissed according to the usual terms of the Code of Ethics and Arbitration Manual, preserving the complainant's right to appeal the dismissal.

2. If the complaint does not allege a violation of an Article covered by the Citation Schedule, the complaint shall be processed according to the usual terms of the Code of Ethics and Arbitration Manual.
3. If the complaint solely alleges the violation of an Article(s) covered by the Citation Schedule, the Grievance Panel will review the information presented in the complaint and, taking all information in the complaint as true on its face, shall determine if there is a potential violation of the Code of Ethics. If the Grievance Panel finds a potential violation, it shall have the option to offer a citation to the respondent pursuant to Section II, below, which shall include the fine(s) and education class as established by the Citation Schedule. Or, in the alternative, the complaint may be processed according to the usual terms of the Code of Ethics and Arbitration Manual.
4. If the complaint jointly alleges the violation of an Article(s) covered by the Citation Schedule **and** the violation of an Article(s) not covered by the Citation Schedule, the Grievance Panel will review the information presented in the complaint and, taking all information in the complaint as true on its face, shall determine if there is a potential violations of the Code of Ethics.
 - a. If the Grievance Panel solely finds a potential violation of an Article(s) covered by the Citation Schedule, it shall have the option to offer a citation to the respondent pursuant to Section II, below, which shall include the fine(s) and education class as established by the Citation Schedule, but only after expiration of complainant's time for appeal of the dismissed Article(s). Or, in the alternative, the complaint may be processed according to the usual terms of the Code of Ethics and Arbitration Manual.
 - b. If the Grievance Panel solely finds a potential violation of an Article(s) not covered by the Citation Schedule, the complaint shall be processed according to the usual terms of the Code of Ethics and Arbitration Manual.

If the Grievance Panel finds a potential violation of **both** an Article(s) covered by the Citation Schedule and an Article(s) not covered by the Citation Schedule, the complaint shall be processed according to the usual terms of the Code of Ethics and Arbitration Manual.

II. Issuance of Citations

- A. The citation will be sent to the respondent, as well as to the REALTOR® Principal of the respondent's office. Notice of the citation will not be sent to the Complainant until after the citation has been satisfied.
 1. A copy of the complaint will be sent to the respondent within five (5) days of receipt by Washington REALTORS®.
- B. The respondent will have fifteen (15) days from transmission of the citation to provide notice as to whether the respondent will accept the citation, pay the fine,

and complete the sanctioned education class, or whether the respondent requests ethics mediation or a full hearing on the complaint.

1. If the respondent does not reply within fifteen (15) days of transmission of the citation, the hearing process will automatically be started.
2. Acceptance of the citation by the respondent, including education for the first offense, shall be deemed to be a final resolution of the complaint, which shall not be appealable or subject to any further review.
3. Payment, and proof of completion of the sanctioned class, must be received by Washington REALTORS® within thirty (30) days of the date of respondent's acceptance.
 - a. Upon receipt of payment and proof of completion of the sanctioned class, the case will be deemed to be closed. Notice will be provided to the complainant that the citation(s) has been issued and paid in full.
 - b. Failure to pay the citation amount and provide proof of completion of the sanctioned class within thirty (30) days will result in the suspension of association membership(s) and MLS privileges until such time as the citation has been paid in full.

III. Limitations

- A. Any individual REALTOR® is limited in the number and type of citations that he/she may receive, according to the following rules:
 1. No more than one (1) citation within a consecutive twelve (12) month period, starting with the date the first complaint was filed.
 2. No more than three (3) citations within a consecutive sixty (60) month period, starting with the date the **first complaint** was filed.
 3. No more than three (3) citations for the same Article violated at any time.
 4. No additional citations are permitted where the cumulative fine for the citation if issued would be more than \$1750.
- B. Should an individual respondent exceed the limits in subsection A, above, any further complaints will be processed as a regular complaint without the opportunity to participate in the citation program. The Program Administrator will review the citation history of a respondent to determine eligibility, and if the respondent is not eligible to receive a citation, the complaint will be forwarded to the Grievance Panel with a notation that the complaint is not covered by the Citation Schedule. In such an instance, the Grievance Panel will not be told any specifics of why the complaint is not eligible.
- C. To preserve an unbiased panel, prior to or during a hearing, the fact that a respondent has previously been issued a citation for any violation – whether or not it was paid – shall not be admissible in any ethics or arbitration hearing, including a hearing for a complaint where the respondent rejected a citation.

- D. Citation sanctions will remain with the respondent's file indefinitely.
- E. After a Hearing Panel has found a violation of the Code of Ethics, then it may consider past citations paid by the respondent in establishing a sanction only if the citation was for the same violation at issue in the hearing.
- F. The Program Administrator will track the number of citations issued, the number of citations paid, and the violations for which citations were issued. This information may be provided in the aggregate but will not include details about the complaints nor identify the complainants or respondents.

IV. Citation Schedule

- A. The following violations are covered by the ethics citation program:

	Applicable Article and Standard of Practice
Article 1	
Failure to fully disclose and obtain consent from both parties when representing both the seller/landlord and buyer/tenant in the same transaction.	Article 1, supported by Standard of Practice 1-5
Failure to submit offers and counter-offers objectively and as quickly as possible.	Article 1, supported by Standard of Practice 1-6
Failure on the part of a listing broker to provide, as soon as practical, written affirmation that an offer was presented or written notification that the seller/landlord has waived the obligation to have the offer presented, upon written request of a cooperating broker submitting an offer.	Article 1, supported by Standard of Practice 1-7
Failure on the part of a buyer's/tenant's broker to provide, as soon as practical, a written affirmation to the listing broker stating that the counter-offer has been submitted to the buyers/tenants, or a written notification that the buyers/tenants have waived the obligation to have the counter-offer presented.	Article 1, supported by Standard of Practice 1-8
Failure to advise sellers/landlords of information specified in Standard of Practice 1-12 prior to entering into a listing contract.	Article 1, supported by Standard of Practice 1-12
Failure to advise buyers/tenants of information specified in Standard of Practice 1-13 prior to entering into a buyer/tenant agreement.	Article 1, supported by Standard of Practice 1-13
Accessing or using, or allowing others to access or use, a property managed or listed on terms other than those authorized by the owner or seller.	Article 1, supported by Standard of Practice 1-16
Article 3	

Failure to communicate a change in compensation for cooperative services prior to the time that REALTOR® submits an offer to purchase/lease the property.	Article 3, supported by Standard of Practice 3-2
As a listing broker, attempting to unilaterally modify the offered compensation with respect to a cooperative transaction after a REALTOR® has submitted an offer to purchase or lease that property.	Article 3, supported by Standard of Practice 3-2
Failing to disclose existence of dual or variable rate commission arrangements.	Article 3, supported by Standard of Practice 3-4
Failure to disclose to cooperating brokers differential that would result in dual or variable rate commission arrangement if sale/lease results through efforts of seller/landlord.	Article 3, supported by Standard of Practice 3-4
Failing to disclose existence of accepted offers, including offers with unresolved contingencies, to cooperating brokers.	Article 3, supported by Standard of Practice 3-6
Misrepresenting the availability of access to show or inspect a listed property.	Article 3, supported by Standard of Practice 3-8
Providing access to listed property on terms other than those established by the owner or the listing broker.	Article 3, supported by Standard of Practice 3-9
Article 4	
Failing to disclose REALTOR®'s ownership or other interest in writing to the purchaser or their representative.	Article 4 (second sentence)
Article 5	
Providing professional services without disclosing REALTOR®'s present interest in property.	Article 5 (limited to present interest, not contemplated)
Article 6	
Accepting any commission, rebate, or profit on expenditures without client's knowledge or consent	Article 6 (first paragraph)
Failure to disclose to a client or customer REALTOR®'s financial benefits or fees received as a direct result of recommending real estate products or services.	Article 6 (second paragraph)
Failure to disclose REALTOR®'s direct interest in an organization or business entity when recommending to a client or customer that they use the services of that organization or business entity.	Article 6, supported by Standard of Practice 6-1
Article 12	
Failing to present a true picture in real estate communications and advertising.	Article 12
Failing to disclose status as real estate professional in advertising and other representations.	Article 12
Representing brokerage services to a client or customer as free or available at no cost when the REALTOR® receives compensation from any source for those services.	Article 12, supported by Standard of Practice 12-1

Failure to exercise care and candor when communicating the terms and conditions of premiums, prizes, merchandise discounts or other inducements to list, sell, purchase, or lease.	Article 12, supported by Standard of Practice 12-3
Advertising property for sale/lease without authority of owner or listing broker.	Article 12, supported by Standard of Practice 12-4
Failing to disclose name of firm in advertisement for listed property.	Article 12, supported by Standard of Practice 12-5
Failing to disclose status as both owner/landlord and REALTOR® or licensee when advertising property in which REALTOR® has ownership interest.	Article 12, supported by Standard of Practice 12-6
Falsely claiming to have “sold” property.	Article 12, supported by Standard of Practice 12-7
Failure to take corrective action when it becomes apparent that information on a REALTOR®’s website is no longer current or accurate.	Article 12, supported by second sentence of Standard of Practice 12-8
Failure to disclose firm name and state of licensure on REALTOR® firm website.	Article 12, supported by Standard of Practice 12-9
Misleading consumers through deceptive framing, manipulating content, deceptively diverting internet traffic, presenting other’s content without attribution or permission, or using misleading images.	Article 12, supported by Standard of Practice 12-10
Registering or using of deceptive URL or domain name.	Article 12, supported by Standard of Practice 12-12
Representing that the REALTOR® has a designation, certification, or other credential they are not entitled to use.	Article 12, supported by Standard of Practice 12-13
Article 14	
Failing to cooperate in a professional standards proceeding or investigation in circumstances when cooperation has been demanded by the association and association has advised REALTOR® failure to cooperate could result in an allegation of a violation of Article 14.	Article 14
Article 16	
Conditioning submission of a buyer’s offer on additional compensation from a listing broker.	Article 16, supported by Standard of Practice 16-16
Placing for sale/lease sign on property without permission of seller/landlord.	Article 16, supported by Standard of Practice 16-19

B. Citations may contain violations of 1 or more of the covered Articles but for the purposes of fines, they shall be considered a single Citation.

C. Fines for citations to be completed within sixty (60) days shall be as follows:

1. For the first Citation, a fee of \$100. In addition, a three (3) hour education class commensurate with each Article violated.
 - a. Class to be taught by online or live instruction with proof of completion.

2. For the second Citation, a fee of \$500.
3. For the third and subsequent Citations, a fee of \$1,000.

4.10 Harassment

Revised: June, 2009

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

Complaint Procedure

Any Association or MLS employee or Association Officer or Director who believes that he/she has suffered harassment by any member of the Washington REALTORS® must bring the problem to the attention of the President or Chief Executive Officer. If the complaint involves either the President or the Chief Executive Officer, it may be brought to the President-elect or Treasurer. The complaint does not have to be in writing; however, it is helpful if details of dates, times, places and witnesses, if any, to the harassment alleged can be provided. The person receiving the complaint shall promptly bring it to the attention of the investigative team described below.

The decision of the appropriate disciplinary action to be taken shall be made by the investigatory team comprised of the President, President-elect and/or Vice President and one member of the Board of Directors selected by the highest ranking officer not named in the complaint, upon consultation with legal counsel for the Association. If the complaint involves the President, President-Elect or Vice President, they may not participate in the proceedings and shall be replaced by the Immediate Past President or, alternatively, by another member of the Board of Directors selected by the highest ranking officer not named in the complaint.

The investigation will be confidential except to the extent that disclosure is necessary for a thorough investigation or the implementation of remedial action.

Documents and records collected or prepared in the investigation shall be used to further the legitimate objectives of the investigation and/or to respond to any claims, lawsuits or legal challenges and shall not be used for other purposes. Such documents or records shall be stored in locked files maintained by the CEO when not in use.

Disciplinary action may consist of any sanction authorized in the Association's Code of Ethics and Arbitration Manual.

It is contrary to the policy of WR to retaliate against any employee or member who files a charge of harassment. All possible steps will be taken to eliminate the possibility of retaliation resulting from the filing of a complaint. Any member of the Washington REALTORS® found to have engaged in retaliation will be subject to appropriate disciplinary action.

Professional Standards Document Retention Policy

RETENTION OF PROFESSIONAL STANDARDS ETHICS & ARBITRATION COMPLAINT FILES.	RECORD RETENTION
Grievance Committee Dismissal	Destroy file after one (1) year appeal period.
Ethics case (If respondent is found not in violation of the Code of Ethics)	Destroy the file after the decision's adoption by the Professional Standards panel responsible for ratification.
Ethics case (If respondent is found in violation of the Code of Ethics)	Records relative to the rest of the ethics file should be retained for one (1) year after any discipline has been complied with absent a threat of litigation. (A copy of the decision will remain in the member's personal file at the association office).
Arbitration case	Destroy after one (1) year review period has been completed and award has been paid.
Ethics cases withdrawn as a result of a WR Mediation Agreement	One (1) year after Mediation Agreement is reached.

4.11 WR Life Service Award Guidelines

Pursuant to Article II, Section 9, WR Bylaws, "life service award" status (waiver of state dues) is granted to members who meet the following requirements:

- A. Must have a minimum of 25 years of membership in WR.
- B. Must have held core committee, standing committee, or special committee positions for a minimum of 10 cumulative years in state association and be in good standing with Washington REALTORS®.
- C. Must have a valid real estate license as a broker or salesperson and be currently active in the real estate industry.

State "Life Service Award" Nominating Guidelines:

- 1) Nominations for the Life Membership Award must come from either the local or state association.
- 2) All local associations will be notified of the guidelines and provided with the appropriate form/application(s).
- 3) The application and criteria for the state award will be the same as used by NAR for the DSA Membership, with the exception of years served. (WR only requires 20 years of service, whereas NAR requires 25.)
- 4) Application for the state "Life Membership Award" will be reviewed by the state "Awards Committee" and a points system will be used to select the awardees.
- 5) Members receiving the "Life Membership Award" will be recognized at the annual Awards event.
- 6) WR will use the same criteria as NAR in limiting the number of recipients in any given year to, "...no more than 2 selected in any given year."

4.12 NAR's "Distinguished Service Award" (DSA) Nominating Guidelines:

- 1) Nominations for DSA must come from either the local or state association.
- 2) All local associations will be notified of the guidelines and provided with the appropriate form/application(s).
- 3) Application for "DSA" will be reviewed by the state "NAR Directors" and, in the event of a tie, applications will be reviewed and be based on a points system.
- 4) The applicant meeting NAR's criteria, (and in the case of a tie, the applicant with the highest points) will be passed forward to NAR.

4.13 NAR's "Federal Political Coordinator (FPC) Meritorious Service Award" Nominating Guidelines:

- 1) Nominations for FPC must come from either the local or state association.
- 2) All local associations will be notified of the guidelines and provided with the appropriate form/application(s).
- 3) Application for "FPC Meritorious Service" will be reviewed by the state "NAR Directors" and, in the event of a tie, applications will be reviewed and be based on a points system.
- 4) The applicant meeting NAR's criteria, (and in the case of a tie, the applicant with the highest points) will be passed forward to NAR.

4.14 Region 12 Regional Vice President Candidate Endorsement:

The NAR Directors shall review the qualifications of any REALTOR® member who wishes to run for the position of Region 12 Regional Vice President and shall be authorized to grant an endorsement to a qualified candidate on behalf of Washington REALTORS®.

4.15 CEO E-Mail Account

The Washington REALTOR® CEO email account must not be used for solicitation for non-real estate related matters but must be used solely for Washington REALTOR® business.