In accordance with Article 17 of the Association's Bylaws, the proposed changes to BRR's bylaws are below and were presented to the membership for review 10 days before online voting begins on Thursday, August 25, 2022, and concludes at 11:59 p.m. on September 7th, 2022. Results will be announced at the Annual Membership Meeting.

The Annual Membership will be held in conjunction with BRR's Member Expo, Thursday, September 8, 2022, at 9:00 a.m. MT, at the Galaxy Event Center, 1385 S Blue Marlin Ln, Meridian, ID 83642. If you haven't registered for the Expo, <u>please do so here</u>.

The purpose of the proposed changes is to ensure our bylaws are in alignment with provisions recommended by the National Association of REALTORS®, to correct unclear language around nominating and election processes, and to move procedural language to the association's general policy manual, which is reviewed and approved annually by BRR's Board of Directors.

A summary of the changes is below, and the current bylaws can be accessed here.

• Section 4.1 — Removes outdated language. BRR currently has seven classes of members, so removing this allows for adjustments in the future without making additional changes the bylaws:

4.1 Membership Classes. There shall be six (6) classes of Membership, as follows:

• Sections 5.2-5.3 — Changes to these sections reflect NAR best practices:

5.2 Qualification.

(a) An applicant for REALTOR® Membership who is a sole proprietor, partner, corporate officer, or branch office manager of a real estate firm, and who will serve as the Designated REALTOR®, shall supply evidence satisfactory to the Association that he or she is actively engaged in the real estate profession, and maintains a current, valid real estate broker's or salesperson's license or is licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, has a place of business within the state of Idaho or a state contiguous thereto (unless a secondary Member), has no record of efficial sanctions involving unprofessional conduct civil judgements*, agrees to review materials or complete a course of instruction covering the programs, services, Constitutions, Bylaws, Rules and Regulations, and Code of Ethics, from the local, state, and national associations, and shall agree, if elected to Membership, to abide by such Constitutions, Bylaws, Rules and Regulations, and Code of Ethics.

* The association may only consider civil judgments imposed within the past seven (7) years involving judgements of (1) civil rights laws, (2) real estate license laws, and (3) or other laws prohibiting unprofessional conduct against the applicant rendered by the courts or other lawful authorities.

NOTE 1: One or more of the requirements for REALTOR® Membership set forth above in Section 5.2(a) may be deleted at the Association's discretion. However, the Association may NOT adopt membership qualifications more rigorous than specified in the Membership Qualification Criteria for REALTOR® Membership approved by the Board of Directors of the National Association of REALTORS®.

NOTE 2: Article IV, Section 2 of the Bylaws of the National Association of REALTORS®, prohibit the Association from knowingly granting REALTOR® Membership to any applicant who has an unfulfilled sanction pending which was imposed by another association of REALTORS® for violation of the Code of Ethics.

(b) An individual who is actively engaged in the real estate profession, other than as a sole proprietor, partner, corporate officer, or branch office manager, in order to qualify for REALTOR® Membership, shall at the time of application be associated either as an employee or as an independent contractor with a Designated REALTOR® Member of the Association or a Designated REALTOR® Member of another board or association (if a secondary Member) and must maintain a current, valid real estate broker's or salesperson's license, or be licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, has no record of official sanctions involving unprofessional conduct-civil judgements *, agrees to review materials or complete a course of instruction covering the programs, services, Constitutions, Bylaws, Rules and Regulations, and Code of Ethics, from the local, state, and national associations, and shall agree, if elected to Membership, to abide by such Constitutions, Bylaws, Rules and Code of Ethics.

* No record of official sanctions involving unprofessional conduct is intended to mean that the Association may only consider judgements against the applicant within the past three (3) years of violations of civil rights laws, real estate license laws, or other laws prohibiting unprofessional conduct against the applicant rendered by the courts or other lawful authorities. The association may only consider civil judgments imposed within the past seven (7) years involving judgements of (1) civil rights laws, (2) real estate license laws, and (3) or other laws prohibiting unprofessional conduct against the applicant rendered by the courts or other laws, and (3) or other laws prohibiting unprofessional conduct against the applicant rendered by the courts or other lawful authorities.

MOVED TO NOTE 2 ABOVE: (d) These Bylaws, and Article IV, Section 2, of the Bylaws of the National Association of REALTORS®, prohibit the Association from knowingly granting REALTOR® Membership to any applicant who has an unfulfilled sanction pending which was imposed by another association of REALTORS® for violation of the Code of Ethics.

5.3 Election. The procedure for election to Membership shall be as follows:

(b) If the board of directors determines that the individual does not meet all of the qualifications for membership as established in the association's Bylaws, or, if the individual does not satisfy all of the requirements of membership (for example, completion of a mandatory association orientation program or Code of Ethics training) within sixty (60) calendar days from the association's receipt of their application, membership may, at the discretion of the board of directors, be terminated. The board of directors shall vote on the applicant's eligibility for membership. If the applicant receives a majority vote of the board of directors, he/she shall be declared elected to membership and shall be advised by written notice. MOVED TO NEW PARAGRAPH (e) BELOW: Membership dues shall be computed from the date of application and shall be non-refundable unless the Association's Board of Directors inactivates an individual's Membership in accordance with subsection (a) above. In such instances, dues shall be returned

to the individual less a prorated amount to cover the number of calendar days that the individual received Association services and any application fee.

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

• Section 6.7 — Added this new section to reflect NAR best practice:

6.7 Certification by REALTOR®. Designated REALTOR® members of the association shall certify to the association during the months of January and July on a form provided by the association, a complete listing of all individuals licensed or certified in the REALTOR®'s office(s) and shall designate a primary association for each individual who holds membership. Designated REALTORS® shall also identify any non-member licensees in the REALTOR®'s office(s) and if designated REALTOR® dues have been paid to another association based on said non-member licensees, the designated REALTOR® shall identify the association to which dues have been remitted. These declarations shall be used for purposes of calculating dues under Section 10.2(a) of these Bylaws. Designated REALTOR® members shall also notify the association of any additional individual(s) licensed or certified with the firm(s) within five (5) business days of the date of affiliation or severance of the individual.

Sections 10.2-10.3 — Changes to 10.2 simply provide clarity as to the dues obligations by membership class, while changes to 10.3 provide flexibility to the board to adjust the past dues deadline, if needed:

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

(a) <u>Designated REALTOR® Members.</u> The annual dues of each Designated REALTOR® Member shall be in such amount as established annually by the Board of Directors...

(b) REALTOR® Members. The annual dues of REALTOR® Members, including Franchise REALTOR® Members, but other than the Designated REALTOR® Members, shall be as established annually by the Board of Directors.

10.3 Dues Payable. Dues for all Members shall be payable annually in advance and shall be considered past due on the first day of January <u>a date set annually by the Board of Directors</u>. Dues shall be prorated from the first day of the month in which an individual applies for Membership and shall be prorated for the remainder of the year.

• Section 10.8 — Move language from the bylaws to BRR's Policy Manual. This change *does not* eliminate the dues policies related to Emeritus Members; it simply moves it to the proper governing document:

10.8 The dues of REALTOR® Emeriti (as recognized by the National Association of REALTORS®), past presidents and past treasurers of the National Association of REALTORS®,

or recipients of the National Association of REALTORS® Distinguished Service Award shall be as determined by the Association's Board of Directors.

NOTE: The Association's dues obligation to the National Association of REALTORS® is reduced by an amount equal to the amount which the association is assessed for a REALTOR® Member, times the number of REALTOR® Emeriti (as recognized by the National Association of REALTORS®), past presidents and past treasurers of the National Association of REALTORS®, or recipients of the National Association of REALTORS® Distinguished Service Award who are REALTOR® Members of the Association. The dues obligation of such individuals to the Association should be reduced to reflect the reduction in the Association's dues obligation to the National Association of REALTORS®. The Association may, at its option, choose to have no dues requirement for such individuals except as may be required to meet the Association's obligation to the state association with respect to such individuals. The Association should determine whether the dues payable by the Association to the state association are reduced with respect to such individuals. It should be noted that this does not affect a Designated REALTOR®'s dues obligation to the Association with respect to those licensees employed by or affiliated with the Designated REALTOR® who are not members of the Association.

• Section 11.5 — Adjust the model bylaws language approved at the April 2021 special membership meeting to clarify the intended process:

11.5 Election of Officers and Directors.

(a) At least sixty (60) calendar days before the annual election, the Nominating and Elections Committee shall select <u>at least</u> one candidate for each <u>open</u> office and <u>at least</u> one candidate for each place to be filled on the board of directors, <u>based on applications received during the annual</u> <u>call for volunteers or nominations from the committee</u>.

Sections 11.6-11.7 — Strike language and replace with model bylaws language options, retaining helpful items in policy that were created for rare or specific situations:

11.6 Vacancies.

(a) Vacancies among the Board of Directors shall be filled by a simple majority vote of the Board of Directors for the remainder of the calendar year. At a meeting of the Board of Directors, the Directors shall, by a majority vote, fill each vacancy with either a candidate proposed by the President or an eligible REALTOR® Member nominated at the meeting by another Director.

(b) Vacancies among the Board of Directors due to a Director being elected to a dual Officer/Director role in the midst of their term, as outlined below, shall be filled by a simple majority vote of the Board of Directors for the remainder of the term being vacated. The President shall propose to the Board of Directors, a REALTOR® Member to fill each vacancy, either from the pool of Director candidates who were not elected or another eligible REALTOR® Member. Should the Director that fills this interim term choose to run and win a Director position once the interim term expires, their elected term will be considered their first term.

(c) A vacancy in the office of Treasurer shall be filled by a simple majority vote of the Board of Directors for the remainder of the term being vacated. The President shall propose to the Board

of Directors, a REALTOR® Member to fill this vacancy, either from the pool of Treasurer candidates who were not elected or another eligible REALTOR® Member.

(d) A vacancy in the office of the President-Elect or Vice President shall be filled by a simple majority vote of the Board of Directors for the remainder of the calendar year, and the person that fills this vacancy shall not move on to the successive offices of President-Elect or President. The President shall propose to the Board of Directors, a REALTOR® Member to fill this vacancy, either from the pool of candidates who were not elected to these offices or another eligible REALTOR® Member.

(e) If the office of President becomes vacant, the President-Elect will fill that vacancy for the remainder of the calendar year. Completing a partial term, in the event of a vacancy in the office of President, will not affect the President-Elect's serving as President in the year for which they were elected. The Vice President would not fill the vacancy created in the President-Elect office. Instead, the vacancy shall be filled by a simple majority vote of the Board of Directors for the remainder of the calendar year, and the person that fills this vacancy shall not move on to the successive offices. The President shall propose to the Board of Directors, a REALTOR® Member to fill this vacancy, either a Past President of the Association who is still an active REALTOR® member, or another eligible REALTOR® Member.

Vacancies among the Officers and the Board of Directors shall be filled by a simple majority vote of the Board of Directors for the remainder of the vacated term.

11.7 Removal of Officers and Directors. The Members may remove one (1) or more Directors elected by them without cause, as follows:

(a) If a Director is elected by the Membership at large the Director may be removed only by the vote of the Members.

(b) A Director may be removed only if the number of votes cast to remove the Director would be sufficient to elect the Director at a meeting to elect Directors.

(c) A Director elected by Members may be removed by the Members only at a meeting called for the purpose of removing the Director and the meeting notice must state that the purpose, or one (1) of the purposes, of the meeting is removal of the Director. The special meeting shall be noticed to all voting Members at least ten (10) calendar days prior to the meeting and shall be conducted by the President of the Association unless the President's continued service in office is being considered at the meeting. In such case, the next-ranking Officer will conduct the meeting of the hearing by the Members.

(d) The entire Board of Directors of the Association may be removed under this Section 11.7.

In the event that an Officer or Director is deemed to be incapable of fulfilling the duties for which elected, but will not resign from office voluntarily, the officer or director may be removed from office under the following procedure:

(a) A petition requiring the removal of an Officer or Director and signed by not less than one-third (1/3) of the voting membership or a majority of all Directors shall be filed with the President, or if the President is the subject of the petition, with the next-ranking Officer, and shall specifically set forth the reasons the individual is deemed to be disqualified from further service.

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

(c) The special meeting shall be noticed to all voting members at least ten (10) calendar days prior to the meeting and shall be conducted by the President of the Association unless the President's continued service in office is being considered at the meeting. In such case, the next-ranking Officer will conduct the meeting of the hearing by the members. Provided a quorum is present, a three-fourths (3/4) vote of members present and voting shall be required for removal from office.

• Sections 12.8-12.9 and 13.2 — Moving this from bylaws to the policy manual simply moves it to the proper governing document; it *does not* eliminate the practices:

12.8 Voting by Proxy. Voting by proxy is prohibited under this Section 12.9 of these Bylaws; and while this prohibition pertains to meetings of the Directors, it extends to all meetings of Association committees, task forces, advisory groups, etc.

12.9 No Action without Staff Present. Unless specifically prohibited by the Association's Articles of Incorporation, the Association's Board of Directors, or any committees, tasks forces, advisory groups, etc., may not conduct official Association business without Association staff present to advise or record. The exception is if an action must be taken by the Board of Directors related to the Chief Executive Officer at which time, the Association's legal counsel should be present either in person or by electronic means.

13.2 Committee Authority. The Board of Directors grants decision-making authority to the Executive Committee, as outlined in Section 13.5 of these Bylaws; and, to the Awards Committee for the selection of the annual award recipients, in accordance with that committee's policies and procedures. As approved by the Board of Directors in the Association's strategic plan or a committee's policies and procedures, the Board may, from time-to-time, grant limited decision-making authority to a specific committee for a specific initiative. Outside of these circumstances, the Board does not grant decision-making authority to any Association committee, task force, advisory group, etc., but will review all recommendations that come from these groups.

• Articles 19 and 20 — Changes reflect updates to IMLS Bylaws, which were approved by the BRR Board in 2020, and to accommodate a second nonprofit organization founded by BRR in 2021:

ARTICLE 19 MULTIPLE LISTING SERVICE

The Association shall maintain for the use of its Members a Multiple Listing Service (MLS), which shall be a lawful corporation of the State of Idaho, all the stock of which shall be owned by this Association. Directors <u>of from the Association to</u> the MLS Board are appointed through the process outlined in the Association's Nominating and Elections Committee policies and procedures <u>MLS's bylaws</u>. To ensure the terms of Directors remain staggered, the Association's Nominating and Elections Committee by the Association's Nominating and Elections Committee may offer existing Directors appointed by the Association's Board of Directors the opportunity to be re-appointed for a one (1) year term, if such re-appointment would not extend their current term to more than five (5) years.

ARTICLE 20 CHARITABLE NON-PROFIT FOUNDATIONS

As needed to support the mission, Tthe Association shall maintain a charitable non-profit foundations (Foundation) which shall be a 501(c)(3) nonprofit organizations in the State of Idaho, all the stock of which shall be owned by this Association. Directors from the Association to the Foundation Boards are appointed through the processes outlined in the Association's Nominating and Elections Committee policies and procedures each organization's bylaws. To ensure the terms of Directors remain staggered, the Association's Nominating and Elections Committee may offer existing Directors appointed by the Association's Board of Directors the opportunity to be reappointed for a one (1) year term, if such re-appointment would not extend their current term to more than five (5) years.

• Article 21 — Added to clarify references to a Policy Manual throughout the bylaws.

ARTICLE 21 POLICY MANUAL

<u>These Bylaws are supported by a separate policy manual approved annually by the Association's</u> <u>Board of Directors.</u>

Questions about the proposed changes may be submitted to Isaac Chavez, 2022 Chair of the Bylaws Committee, at <u>isaac@isaacchavez.com</u> or 208-423-8754, or to Angela Gibson, BRR's Director of Operations, at <u>angela@boirealtors.com</u> or 208-376-0363.