

BYLAWS OF THE  
**WILLIAMSON COUNTY ASSOCIATION OF REALTORS, INC.**

**ARTICLE I - NAME**

Section 1. Name. The name of this organization shall be the Williamson County Association of REALTORS, Incorporated, hereinafter referred to as the "Association."

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

**ARTICLE II - OBJECTIVES**

The objectives of the Association are:

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

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

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

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

Section 5. To unite those engaged in the real estate profession in this community with the TEXAS ASSOCIATION OF REALTORS and the NATIONAL ASSOCIATION OF REALTORS, thereby furthering their own objectives throughout the state and nation, and obtaining the benefits and privileges of membership therein.

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

Section 7. To elevate the professional conduct of persons engaged in the real estate business.

**ARTICLE III - JURISDICTION**

Section 1. The territorial jurisdiction of the Association as a Member of the NATIONAL ASSOCIATION OF REALTORS is: All of Williamson County in the State of Texas.

Section 2. Territorial jurisdiction is defined to mean: The right and duty to control the use of the terms REALTOR and REALTORS, subject to the conditions set forth in these Bylaws and those of the NATIONAL ASSOCIATION OF REALTORS, in return for which the Association agrees to protect and safeguard the property rights of the National Association in the terms.

#### **ARTICLE IV - MEMBERSHIP**

There shall be six (6) classes of Members, defined as follows:

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

(a) Individuals who, as sole proprietors, partners, corporate officers, or branch office managers, are engaged actively in the real estate profession, including buying, selling, exchanging, renting or leasing, managing, appraising for others for compensation, counseling, building, developing or subdividing real estate, and who maintain or are associated with an established real estate office in the State of Texas or a state contiguous thereto. All persons who are partners in a partnership, or all officers in a corporation, who are actively engaged in the real estate profession within the state or a state contiguous thereto shall qualify for REALTOR Membership only, and each is required to hold REALTOR Membership (except as provided in the following paragraph) in an Association/Board of REALTORS within the state or a state contiguous thereto unless otherwise qualified for Institute Affiliate membership as described in Section 1(b) of Article IV.

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

(b) Individuals who are engaged in the real estate profession other than as sole proprietors, partners, corporate officers, or branch office managers, and are associated with a REALTOR member and meet the qualifications set out in Article V.

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

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

(e) Designated REALTOR Members. Each firm (or office in the case of firms with multiple office locations) shall designate in writing one (1) REALTOR Member who shall be responsible for all duties and obligations of Membership including the obligation to arbitrate pursuant to Article 17 of the Code of Ethics and the payment of Association dues as established in Article X of the Bylaws. The "Designated REALTOR" must be a sole proprietor, partner, corporate officer or branch office manager acting on behalf of the firm's principal(s) and must meet all other qualifications for REALTOR Membership established in Article V, Section 2, of the Bylaws.

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

(3) Affiliate Members. Affiliate Members shall be real estate owners and other individuals or firms who, while not engaged in the real estate profession as defined in paragraphs (a) or (b) of this Section, have interests requiring information concerning real estate, and are in sympathy with the objectives of the Association.

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

(5) Honorary Members. Honorary Members shall be individuals who have performed notable service for the real estate profession, for the Association, or for the public.

(6) Student Members. Student Members shall be individuals who are seeking an undergraduate or graduate degree with a specialization or major in real estate at institutions of higher learning, and who have completed at least two (2) years of college and at least one (1) college level course in real estate, but are not engaged in the real estate profession on their own account or not associated with an established real estate office.

## **ARTICLE V - QUALIFICATION AND ELECTION**

Section 1. Application. An application for membership shall be made in such manner and form as may be prescribed by the Board of Directors and made available to anyone requesting it. The application form shall contain among the statements to be signed by the applicant (1) that applicant agrees as a condition to membership to thoroughly familiarize himself/herself with the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS, the Constitution, Bylaws, and Rules and Regulations of the Association, the State and National Associations, and if elected a Member, will abide by the Constitutions and Bylaws and Rules and Regulations of the Association, State and National Associations, and if a REALTOR Member, will abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS, including the obligation to arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics, and as further specified in the Code of Ethics and Arbitration Manual of the NATIONAL ASSOCIATION OF REALTORS, as from time to time amended, and (2) that applicant consents that the Association, through its Membership Committee or otherwise, may invite and receive information and comment about applicant from any Member or other persons, and that applicant agrees that any information and comment furnished to the Association by any person in response to the invitation shall be conclusively deemed to be privileged and not form the basis of any action for slander, libel, or defamation of character. The applicant shall, with the form of application, have access to a copy of the Bylaws, Constitution, Rules and Regulations, and Code of Ethics referred to above.

## Section 2. Qualification.

(a) An applicant for REALTOR Membership who is a principal, sole proprietor, partner, corporate officer, or branch office manager of a real estate firm shall supply evidence satisfactory to the Membership Committee that he is actively engaged in the real estate profession, and maintains a current, valid real estate broker's or salesperson's license or is licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, has a place of business within the state or a state contiguous thereto (unless a secondary member), has no record of official sanctions involving unprofessional conduct\*, and agrees to complete a course of instruction covering the Bylaws and Rules and Regulations of the Association, the Bylaws of the State Association, and the Constitution and Bylaws and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS, and shall pass such reasonable and nondiscriminatory written examination thereon as may be required by the Membership Committee, and shall agree that if elected to membership, he will abide by such Constitution, Bylaws, Rules and Regulations, and Code of Ethics.

(\* ) NO RECORD OF OFFICIAL SANCTIONS INVOLVING UNPROFESSIONAL CONDUCT is intended to mean that the Association may only consider judgments within the past three (3) years of violations of (1) civil rights laws; (2) real estate license laws; (3) or other laws prohibiting unprofessional conduct against the applicant rendered by the courts or other lawful authorities.

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

(b) Individuals who are actively engaged in the real estate profession other than as principals, sole proprietors, partners, corporate officers, or branch office managers in

order to qualify for REALTOR Membership shall, at the time of application, be associated either as an employee or as an independent contractor with a Designated REALTOR Member of the Association or a Designated REALTOR Member of another Association/Board (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, shall complete a course of instruction covering the Bylaws and Rules and Regulations of the Association, the Bylaws of the State Association, and the Constitution and Bylaws and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS and shall pass such reasonable and nondiscriminatory written examinations thereon as may be required by the Committee, and shall agree in writing that if elected to membership he will abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS, and by the Constitution, Bylaws, and Rules and Regulations of the local Association, State Association and the National Association.

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

1. All final findings of Code of Ethics violations and violations of other membership duties in any other association within the past three (3) years.
2. Pending ethics complaints (or hearings).
3. Unsatisfied discipline pending
4. Pending arbitration requests (or hearings)
5. Unpaid arbitration awards or unpaid financial obligations to any other association or association MLS.
6. Any misuse of the term REALTOR or REALTORS in the name of the applicant's firm.

"Provisional" membership may be granted instances where ethics complaints or arbitration requests (or hearings) are pending in other associations or where the applicant for membership has unsatisfied discipline pending in another association (provided all other qualifications for membership have been satisfied). Associations may reconsider the membership status of such individuals when all pending ethics and arbitration matters (and related discipline) have been resolved or if such matters are not resolved within six (6) months from the date that provisional membership is approved. Provisional members shall be considered REALTORS and shall be subject to all of the same privileges and obligations of REALTOR membership.

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

(d) The new member shall be properly installed by an Officer or Director. At such time, the new member shall pledge himself/herself to abide by the Constitution and Bylaws of the Williamson County Association, the Texas Association, and the NATIONAL ASSOCIATION OF REALTORS; agree to submit controversies to the

Code of Ethics and Arbitration and abide by the decisions made.

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

(a) Applicants for REALTOR membership shall be granted provisional membership immediately upon submission of a completed application form and remittance of applicable association dues and any application fee. Provisional members shall be considered REALTORS and shall be subject to all of the same privileges and obligations of membership. Provisional membership is granted subject to subsequent review of the application by the Board of Directors. If the Board of Directors determines that the individual does not meet all of the qualifications for membership as established in the association's bylaws, or, if the individual does not satisfy all of the requirements of membership (for example, completion of a mandatory orientation program) within one hundred and twenty (120) calendar days from the association's receipt of their application, membership may, at the discretion of the Board of Directors, be terminated.

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

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

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

Section 4. New Member Code of Ethics Orientation. Applicants for REALTOR membership and provisional REALTOR members (where applicable) shall complete an orientation program on the Code of Ethics of not less than two (2) hours and thirty minutes (30) of instructional time. This requirement does not apply to applicants for REALTOR® membership or provisional members who have completed comparable orientation in another association, provided that REALTOR membership has been continuous, or that any break in membership is for one (1) year or less.

Failure to satisfy this requirement within one hundred and twenty (120) calendar days of the date of application (or, alternatively, the date that provisional membership was granted), will result in denial of the membership application or termination of provisional membership.

**NOTE:** Orientation programs must meet the learning objectives and minimum criteria established from time to time by the NATIONAL ASSOCIATION OF REALTORS.

Section 5. Continuing Member Code of Ethics Training. Effective January 1, 2001, through December 31, 2004, and for successive four (4)-year periods thereafter, each REALTOR member of the association shall be required to complete quadrennial ethics training of not less than two (2) hours and thirty (30) minutes of instructional time. This requirement will be satisfied upon presentation of documentation that the member has completed a course of instruction conducted by this or another association, the State Association of REALTORS, the NATIONAL ASSOCIATION OF REALTORS, or any other recognized educational institution or provider which meets the learning objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTORS from time to time. REALTOR members who have completed training as a requirement of membership in another association and REALTOR members who have completed the New Member Code of Ethics Orientation during any four (4)-year cycle shall not be required to complete additional ethics training until a new four (4)-year cycle commences.

Failure to satisfy this requirement shall be considered a violation of a membership duty for which REALTOR membership shall be suspended until such time as the training is completed.

Members suspended for failing to meet the requirement for the first four (4)-year cycle (2001 through 2004) will have until December 31, 2005 to meet the requirement. Failure to meet the requirement by that time will result in automatic termination of membership. Failure to meet the requirement for the second (2005 through 2008) cycle and subsequent four (4)-year cycles will result in suspension of membership for the first two (2) months (January and February) of the year following the end of any four (4)-year cycle or until the requirement is met, whichever occurs sooner. On March 1<sup>st</sup> of that year, the membership of a member who is still suspended as of that date will be automatically terminated.

Section 6. Status Changes.

(a) A REALTOR who changes the conditions under which he/she holds membership shall be required to provide written notification to the Association within thirty (30) calendar days. A REALTOR (non-principal) who becomes a principal in the firm with which he/she has been licensed or, alternatively, becomes a principal in a new firm which will be comprised of REALTOR principals may be required to satisfy any previously unsatisfied membership requirements applicable to REALTOR (principal) Members but shall, during the period of transition from one status of membership to another, be subject to all of the privileges and obligations of a REALTOR (principal). If the REALTOR (non-principal) does not satisfy the requirements established in these Bylaws for the category of membership to which he/she has transferred within thirty

(30) calendar days of the date they advised the Association of their change in status, their new membership application will terminate automatically unless otherwise so directed by the Board of Directors.

A REALTOR who is transferring his/her license from one firm comprised of REALTOR principals to another firm comprised of REALTOR principals shall be subject to all of the privileges and obligations of membership during the period of transition. If the transfer is not completed within thirty (30) calendar days of the date the board is advised of the disaffiliation with the current firm, membership will terminate automatically unless otherwise so directed by the Board of Directors.

(b) Dues shall be prorated from the first day of the quarter in which the member is notified of election by the Board of Directors and shall be based on the new membership status for the remainder of the year.

## **ARTICLE VI - PRIVILEGES AND OBLIGATIONS**

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

Section 2. Any Member of the Association may be reprimanded, fined, placed on probation, suspended, or expelled by the Board of Directors for a violation of these Bylaws and Association Rules and Regulations not inconsistent with these Bylaws, after a hearing as provided in the Code of Ethics and Arbitration Manual of the National Association of REALTORS. Although Members other than REALTORS are neither subject to the Code of Ethics nor its enforcement by the Association, such Members are encouraged to abide by the principles established in the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS and conduct their business and professional practices accordingly. Further, Members other than REALTORS may, upon recommendation of the Membership Committee, or upon recommendation by a hearing panel of the Professional Standards Committee, be subject to discipline as described above, for any conduct which in the opinion of the Board of Directors, applied on a nondiscriminatory basis, reflects adversely on the terms REALTOR or REALTORS and the real estate industry, or for the conduct that is inconsistent with or adverse to the objectives and purposes of the local Association, the State Association and the NATIONAL ASSOCIATION OF REALTORS.

Section 3. Any REALTOR Member of the Association may be disciplined by the Board of Directors for violations of the Code of Ethics or other duties of the membership, after a hearing as described in the Code of Ethics and Arbitration Manual of the National Association, provided that the discipline imposed is consistent with the discipline authorized by the Professional Standards Committee of the NATIONAL ASSOCIATION OF REALTORS as set forth in the Code of Ethics and Arbitration Manual of the National Association.

Section 4. Resignations of Members shall become effective when received in writing by the Board of Directors, provided, however, that if any Member submitting the resignation is

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

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

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

Section 6. REALTOR Members. REALTOR Members in good standing whose financial obligations to the Association are paid in full and whose office resides within the territorial jurisdiction of the board shall be entitled to vote and hold elective office in the Association; may use the terms REALTOR and REALTORS which use shall be subject to the provisions of Article VIII; and have the primary responsibility to safeguard and promote the standards, interest, and welfare of the Association and the Real Estate Profession.

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

as independent contractors with the disciplined Member shall suspend or terminate during the period of suspension of the disciplined Member or until readmission of the disciplined Member or until connection of the disciplined Member with the firm, partnership or corporation is severed, or management control is relinquished or unless the REALTOR Member (non-principal) elects to sever his/her connection with the REALTOR and affiliate with REALTOR Member in good standing in the Association, whichever may apply.

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

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

NOTE: Local associations establish the rights and privileges to be conferred on Institute Affiliate Members except that no Institute Affiliate Member may be granted the right to use the term REALTOR, or the REALTOR logo; to serve as President of the local association; or to be a participant in the local association's Multiple Listing Service.

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

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

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

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

**Section 12. Certification by REALTOR.** "Designated" REALTOR Members of the Association shall certify to the Association during the month of January, on a form provided by the Association, a complete listing of all individuals licensed or certified in the REALTOR's office(s) and shall designate a primary Association/Board for each individual who holds membership. Designated REALTORS shall also identify any non-member licensees in the REALTOR's office(s) and if Designated REALTORS Dues have been paid to another Association/Board based on said non-member licensees, the Designated REALTOR shall identify the Association/Board to which dues have been remitted. These declarations shall be used for purposes of calculating dues under Article X, Section 2(a) of the Bylaws. Designated REALTOR Members shall also notify the Association of any additional individual(s) licenses or certified with the firm(s) within ten (10) calendar days of the date of affiliation or severance of the individual.

**Section 13. Harassment.** Any member of the association may be reprimanded, placed on probation suspended or expelled for harassment of an association or MLS employee or

Association Officer or Director after an investigation in accordance with the 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 contact, or threats to do the same, or any other conduct with the purpose or effect of unreasonably interfering with an individual's work performance by creating a hostile, intimidating or offensive work environment. The decision of the appropriate disciplinary action to be taken shall be made by the investigatory team comprised of the President, and Vice-President/President-Elect and one (1) member of the Board of Directors selected by the highest ranking officer not named in the complaint, upon consultation with legal counsel for the association. Disciplinary action may include any sanction authorized in the association's Code of Ethics and Arbitration Manual. If the complaint names the President or Vice-President/President-Elect, 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.

## **ARTICLE VII - PROFESSIONAL STANDARDS AND ARBITRATION**

Section 1. The responsibility of the Association and of Association Members relating to the enforcement of the Code of Ethics, the disciplining of Members, and the arbitration of disputes, and the organization and procedures incident thereto shall be governed by the Code of Ethics and Arbitration Manual of the National Association of REALTORS, as from time to time amended, which by this reference is made a part of these Bylaws, provided, however, that any provision deemed inconsistent with the state law shall be deleted or amended to comply with state law.

Section 2. It shall be the duty and responsibility of every REALTOR Member of this Association to abide by the Constitution and Bylaws and the Rules and Regulations of the Association, the Constitution and Bylaws of the State Association and the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS, and to abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS, including the duty to arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics, and as further defined and in accordance with the procedures set forth in the Code of Ethics and Arbitration Manual of the National Association as from time to time amended.

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

## **ARTICLE VIII - USE OF THE TERMS REALTOR AND REALTORS**

Section 1. Use of the terms REALTOR and REALTORS by Members shall at all times be subject to the provisions of the Constitution and Bylaws of the NATIONAL ASSOCIATION

OF REALTORS and to the Rules and Regulations prescribed by its Board of Directors. The Association shall have the authority to control, jointly and in full cooperation with the NATIONAL ASSOCIATION OF REALTORS, use of the terms within its jurisdiction. Any misuse of the terms by members is a violation of a membership duty and may subject members to disciplinary action by the Board of Directors after a hearing as provided for in the associations Code of Ethics and Arbitration Manual.

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

Section 3. A REALTOR Member who is a principal of a real estate firm, partnership, or corporation may use the terms REALTOR and REALTORS only if all of the principals of such firm, partnership, or corporation who are actively engaged in the real estate profession within the State or a state contiguous thereto are REALTOR Members of the Association or Institute Affiliate Members as described in Section 1(b) of Article IV.

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

Section 4. Institute Affiliate Members shall not use the terms REALTOR or REALTORS, or the imprint of the emblem seal of the NATIONAL ASSOCIATION OF REALTORS.

## **ARTICLE IX - STATE AND NATIONAL MEMBERSHIP**

Section 1. The Association shall be a Member of the NATIONAL ASSOCIATION OF REALTORS and the TEXAS ASSOCIATION OF REALTORS. By reason of the Association's Membership, each REALTOR Member of the Member Association shall be entitled to membership in the NATIONAL ASSOCIATION OF REALTORS and the TEXAS ASSOCIATION OF REALTORS without further payment of dues. The Association shall continue as a Member of the State and National Associations, unless by a majority vote of all of its REALTOR Members, decision is made to withdraw, in which case the State and National Associations shall be notified at least one (1) month in advance of the date designated for the termination of such membership.

Section 2. The Association recognizes the exclusive property rights of the NATIONAL ASSOCIATION OF REALTORS in the terms REALTOR and REALTORS. The Association shall discontinue use of the terms in any form in its name, upon ceasing to be a Member of the National Association, or upon a determination by the Board of Directors of the

National Association that it has violated the conditions imposed upon the terms.

Section 3. The Association adopts the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS and agrees to enforce the Code among its REALTOR Members. The Association and all of its Members agree to abide by the Constitution, Bylaws, Rules and Regulations, and policies of the National Association and the Texas Association of REALTORS.

## **ARTICLE X - DUES, FEES AND FINANCES**

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

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

(a) REALTOR Members. The annual dues of each Designated REALTOR Member shall be in such amount as established annually by the Board of Directors, plus an additional amount to be established annually by the Board of Directors, times the number of real estate salespersons and licensed or certified appraisers who (1) are employed by or affiliated as independent contractors, or who are otherwise directly or indirectly licensed with such REALTOR member and (2) are not REALTOR Members of any Board in the state or a state contiguous thereto or Institute Affiliate Members of the Board. In calculating the dues payable to the Board by a Designated REALTOR Member, non-member licensees as defined in (1) and (2) of this paragraph shall not be included in the computation of dues if the Designated REALTOR has paid dues based on said non-member licensees in another Board in the state or a state contiguous thereto, provided the Designated REALTOR notifies the Board in writing of the identity of the Board to which dues have been remitted. In the case of a Designated REALTOR Member in a firm, partnership, or corporation whose business activity is substantially all commercial, any assessments for non-member licensees shall be limited to licensees affiliated with the Designated REALTOR (as defined in (1) and (2) of this paragraph) in the office where the Designated REALTOR holds membership, and any other offices of the firm located within the jurisdiction of this board.

For the purpose of this Section, a REALTOR Member of a Member Board shall be held to be any Member who has a place or places of business within the state or a state contiguous thereto and who, as a principal, partner, corporate officer, or branch office manager of a real estate firm, partnership, or corporation, is actively engaged in the real estate profession as defined in Article III, Section 1, of the Constitution of the NATIONAL ASSOCIATION OF REALTORS. An individual shall be deemed to be

licensed with a REALTOR if the license of the individual is held by the REALTOR, or by any broker who is licensed with the REALTOR, or by any entity in which the REALTOR has a direct or indirect ownership interest and which is engaged in other aspects of the real estate business (except as provided for in Section 2(a) (1) hereof) provided that such licensee is not otherwise included in the computation of dues payable by the principal, partner, corporate officer, or branch office manager of the entity.

A REALTOR with a direct or indirect ownership interest in an entity engaged exclusively in soliciting and/or referring clients and customers to the REALTOR for consideration on a substantially exclusive basis shall annually file with the association on a form approved by the association a list of the licensees affiliated with that entity and shall certify that all of the licensees affiliated with the entity are solely engaged in referring clients and customers and are not engaged in listing, selling, leasing, managing, counseling or appraising real property. The individuals disclosed on such form shall not be deemed to be licensed with the REALTOR filing the form for purposes of this Section and shall not be included in calculating the annual dues of the Designated REALTOR.

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

(b) The annual dues of each REALTOR Member other than the Designated REALTOR shall be set by the Directors of the Association.

(c) Affiliate Members. The annual dues shall be established by the Directors.

(d) Public Service Members. The annual dues shall be established by the Directors.

(e) Student Members. The annual dues payable, if any, shall be at the discretion of the Board of Directors.

(f) Honorary Members. No dues are required. Dues payable, if any shall be at the discretion of the Board of Directors.

(g) The annual dues of each Institute Affiliate Member shall as established in Article II of the Bylaws of the NATIONAL ASSOCIATION OF REALTORS.

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

service packages to which Institute Affiliate Members may voluntarily subscribe.

Section 3. Dues Payable. Dues payable for all members shall be payable annually. They are due on December 15th. Dues for new members shall be computed from the date of application and granting of provisional membership.

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

Section 4. Nonpayment of Financial Obligations. If dues, fees, fines, or other assessments including amounts owed to the Association or the Association's Multiple Listing Service are not paid within one (1) month after the due date, the nonpaying Member is subject to suspension at the discretion of the Board of Directors and a reinstatement fee to be determined by the Board of Directors. Two (2) months after the due date, membership of the nonpaying Member may be terminated at the discretion of the Board of Directors. Three (3) months after the due date, membership of the nonpaying Members shall automatically terminate unless within that time the amount due is paid. However, no action shall be taken to suspend or expel a Member for nonpayment of disputed amounts until the accuracy of the amount owed has been confirmed by the Board of Directors. A former Member who has had his/her membership terminated for nonpayment of dues, fees, fines, or other assessments duly levied in accordance with the provisions of these Bylaws or the provisions of other Rules and Regulations of the Association or any of its services, departments, divisions, or subsidiaries may apply for reinstatement in a manner prescribed for new applicants for membership, after making payment in full of all accounts due as of the date of termination.

Section 5. Expenditures. The Directors shall administer the finances of the Association. All finances and property of the Association shall be in charge of the Directors who shall designate depositories for the Association funds and may make such investments as are deemed advisable.

Section 6. Notice of Dues, Fees, Fines, Assessments, and Other Financial Obligations of Members. All dues, fees, fines, assessments, or other financial obligations to the Association shall be notice to the delinquent Association Member in writing setting forth the amount owed and due date.

Section 7. The Directors shall have the power to collect, through its Treasurer, such dues and assessments as are established by the Board of Directors.

## **ARTICLE XI - OFFICERS AND DIRECTORS**

Section 1. Officers. The elective officers of the Association shall be a President, Vice-

President/President-Elect, a Secretary, and a Treasurer. The Executive Committee of the Association shall consist of the elective officers and the immediate Past President of the Association.

(a) With the exception of the office of President, the membership of the Association shall elect its officers from those elected directors who have served at least one (1) full year on the Board of Directors. Any REALTOR Member of the Association shall be eligible for the office of President provided he/she shall have served two (2) full years on the Board of Directors.

(b) Each office shall be elected for a term on one (1) year. Each officer may succeed himself/herself. Each officer is a member of the Board of Directors.

Section 2. Duties of Officers. The duties of the officers shall be such as their titles, by general usage would indicate and such as may be assigned to them by the Directors. It shall be the particular duty of the Secretary to keep the records of the Association and to carry on all necessary correspondence with the NATIONAL ASSOCIATION OF REALTORS and the TEXAS ASSOCIATION OF REALTORS.

(a) The President shall preside at all meetings of the Association and of the Executive Committee and shall perform all duties usually pertaining to that office. The President shall appoint, with the approval of the Executive Committee, all committees in accordance with Section 1 and 2 of Article XIII, COMMITTEES. The President may cast the deciding vote in case of a tie.

(b) The Vice-President is the President-Elect, who shall preside in case of the President's absence or inability to serve and in such instances shall perform all the duties of the President. The Vice-President/President-Elect shall succeed to the office upon completion of his/her elected year. In the event the President fails to complete his/her term of office for any reason, the Vice-President/President-Elect shall fill the unexpired term of the President and in addition, shall then succeed to the office of President for his/her elected term.

(c) The Secretary is responsible for all official records, correspondence, and minutes of the Board of Directors meetings.

(d) The Treasurer is responsible for monitoring the collection and disbursements of all funds subject to the policies established by the Board of Directors.

Section 3. Election of Officers and Directors.

(a) A Nominating Committee Chairperson shall be appointed by the President with the approval of the Board of Directors.

(b) No later than August 1<sup>st</sup> of each year, a Nominating Committee consisting of the most recent Past President capable of serving, two (2) Board members who are not eligible for nomination and six (6) REALTOR Members, who are not currently

serving on the Board, will be selected by the Nominating Committee Chairperson and approved by the Board of Directors. The Nominating Committee may not conduct business in the absence of a majority of committee members present.

(c) It shall be the duty of each Committee member to solicit and /or recommend candidates for officer and/or Director positions.

(d) Nominations for a Director position shall be limited to REALTOR members in good standing who shall have been members of the Association for at least twenty-four (24) months prior to taking office, have submitted a professional biography, and agreed in writing to the responsibilities of the position.

(e) The Nominating Committee shall nominate one (1) candidate for each office and one (1) candidate for each Director position.

(f) Timeline:

1. The Nominating Committee will meet between September 1<sup>st</sup> and September 25<sup>th</sup> of each year to interview and select a slate of nominees to be presented to the Association Executive no later than October 1<sup>st</sup>.
2. Any member wishing to run from the floor at the annual meeting, may file a nomination by petition that is signed by at least ten (10) percent of the REALTOR members eligible to vote. The petition shall be filled with the Secretary at least fourteen (14) days before the annual election. The Secretary shall send notice of such additional nominations to all members eligible to vote, no later than seven (7) calendar days prior to the election.
3. The election of officers and directors shall be held at the annual business meeting.
4. The term of Officers and Directors shall begin on January 1<sup>st</sup> following the annual election.

Section 4. Board of Directors. The governing body of the Association shall be the Board of Directors consisting of eight (8) REALTOR Members elected by the Active REALTOR Membership, the current Officers and the retiring President, and a non-voting affiliate member appointed by the President. They are elected to conduct the business of the Association. The elected Directors shall serve for terms of three (3) years. The three (3)-year term, whether an Officer or Director, shall run concurrently. It is further understood that should the retiring President be re-elected to serve in the capacity of President, that the Board of Directors shall appoint a REALTOR Member to serve the one (1)-year term normally occupied by the retiring President. As many Directors shall be elected each year as are required to fill vacancies.

No Director shall serve for more than two (2) consecutive three (3)-year terms.

Section 5. Duties of Directors.

(a) The quorum of the Board of Directors shall consist of a majority of the Directors. Each Director shall be notified of all regular and special called meetings. Whenever practicable, Directors shall be advised in advance by the President or Vice-President/President-Elect of the matters to be considered at any meeting.

(b) The Directors may employ officers, who shall have such title as may be assigned to him/her, or them, and who shall have such duties and powers as the Directors may define. The Directors may also retain legal counsel and may employ such other persons as are necessary to the proper conduct of the Association's business. The Directors shall designate an address as the official headquarters and office of the Association.

(c) No Director or Officer, acting by himself/herself, shall have authority to bind the Association to debts in any manner, or to make contracts or other obligations, oral or written.

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

Section 7. Removal of Officers and Directors. In the event that an Officer or Director is deemed to be incapable of fulfilling the duties for which elected, but will not resign from office voluntarily, the Officer or Director may be removed from office under the following procedure:

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

(b) Upon receipt of the petition, and 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 Member. Provided a quorum is present, a three-fourths vote of Members present and voting shall be required for removal from office.

**ARTICLE XII - MEETINGS**

Section 1. Annual Meeting. The annual business meeting of the Association shall be held once a year and the date, place and hour to be designated by the Board of Directors. A quorum for transaction of business shall consist of the REALTOR Members present and eligible to vote.

Section 2. Meeting of Directors. The Board of Directors shall designate a regular time and place of meetings. Absence from three (3) regular meetings of the Board of Directors shall be construed as a resignation of their position.

Section 3. Other Meetings and Voting. Meeting of the members may be held at such other times as the President or the Directors may determine, or upon the written request of a least fifteen percent (15%) of the REALTOR Members. These meetings may be called only after notification by written notice ten (10) calendar days prior to the calling of such meeting.

Section 4. Notice of Meetings. The President, or any three (3) Directors, may call special business meetings of the Directors by giving a minimum of twelve (12) hours notice in advance of the time of the meeting. Such notice shall state the purpose of the meeting and subjects to be acted upon, and no other business shall be considered or acted upon.

### **ARTICLE XIII - COMMITTEES**

Section 1. Standing Committees. There shall be the following standing committees of the Association of REALTORS, each of which shall consist of no less than six (6) members who shall serve a one (1)-year term, however; at least two (2) members shall be replaced each year. All committee chairpersons shall be primary members of the Williamson County Association of Realtors. Appointments to the Professional Standards Committee and Grievance Committee shall be consistent with the cooperative professional standards enforcement agreement of the Board.

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Bylaws and Policy

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

Section 3. Organization. All committees shall be of such size and shall have duties, functions, and powers as assigned by the President or the Board of Directors except as otherwise provided in the Bylaws.

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

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

Both the fiscal and elective year shall be the calendar year.

## **ARTICLE XV - RULES OF ORDER**

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

## **ARTICLE XVI - AMENDMENTS**

Section 1. These Bylaws may be amended by a majority vote of the members present or by the majority vote via e-mail sent to members qualified to vote at any meeting. The substance of such proposed amendment or amendments shall be plainly stated in the call for the meeting or e-mail. The Board of Directors may, at any regular or special meeting of the Board of Directors, approve amendments to the Bylaws which are mandated by NAR policy.

Section 2. Notice of all meetings at which amendments are to be considered shall be emailed to every member eligible to vote at least ten (10) calendar days prior to the meeting.

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

## **ARTICLE XVII**

### **DEFENSE AND INDEMNIFICATION OF OFFICERS, DIRECTORS AND EMPLOYEES.**

In the event of suits or claims in which one or more current or past officers, directors or employees of the Association are named as a result of their status as such or decisions or actions taken in good faith and reasonably understood to be within the scope of their authority or employment during their term as such, the Association shall, directly or through insurance secured for the benefit of such officers, directors or employees, secure counsel to act on behalf of and provide a defense for such officers, directors or employees; pay reasonable defense expenses incurred in advance of final disposition of such case; and indemnify such officers, directors or employees with respect to any liability assessed or incurred as a result of

any such claim, suit or action.

### **ARTICLE XVIII - DISSOLUTION**

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

### **ARTICLE XIX - MULTIPLE LISTING SERVICE**

The Williamson County Association of REALTORS does not own its own Multiple Listing System (MLS). The Austin Board of REALTORS maintains an open MLS for the use of the Williamson County Association of REALTORS®.