

**BYLAWS - 1/08 Final****ARTICLE I - Name and Objects**

**Section 1.** The name of the organization shall be the WISCONSIN REALTORS® ASSOCIATION, INC., hereinafter referred to as the Association.

**Section 2.** The object of this Association shall be to unite local boards of REALTORS®, hereinafter referred to as Boards and their members, and individual members, in the State of Wisconsin for the purpose of serving its members and the NATIONAL ASSOCIATION OF REALTORS® in conjunction with local boards of REALTORS® by furnishing programs and services that promote an environment in which its members may successfully conduct their individual businesses while serving their clients and the public with the highest degree of professionalism; and through cooperative action, preserve and enhance the right to own, transfer and use real property.

**ARTICLE II - Membership**

**Section 1.** The members of this Association shall consist of six classes: (1) Member Boards, (2) Board Members, (3) Individual Members, (4) Institute Affiliate Members, (5) Affiliate Members, (6) Honorary Members. Board Members and Individual Members shall be Active Members of the Association.

**Section 2.** A Member Board shall be any Board within the State of Wisconsin, all the Active Members of which hold membership in this Association and in the NATIONAL ASSOCIATION OF REALTORS®.

**Section 3.** (a) A Board Member shall be any individual deemed qualified for REALTOR® membership by the local board. Each principal, partner, corporate officer or branch manager actively engaged in the real estate business within the state shall be required to become a REALTOR® Member in a Member Board or as an Individual Member if any other principal of such firm, partnership or corporation is a REALTOR® Member. (b) Board Members who hold their primary membership in a Member Board or as an Individual Member in a state other than Wisconsin may hold secondary membership in a Member Board, the WRA or both. Persons holding secondary membership in the WRA shall have the same rights and privileges and be subject to the same obligations as all other Board Members, except that they may not hold office as a Director or Officer of the WRA.

**Section 4.** An Individual Member shall be any individual engaged in the real estate business deemed qualified for REALTOR® membership by the Association whose place of business is located in an area where no local board exists. Application shall be on approved forms and processed under procedures specified by the Board of Directors. Each principal, partner, corporate officer or branch office manager actively engaged in the real estate business in the state shall be required to become a REALTOR® Member if any other principal of such firm, partnership or corporation is a

REALTOR® Member in the state. The Board of Directors may establish procedures and standards whereby salespeople affiliated with an Individual Member may become members of the Association. Secondary REALTOR® membership shall also be available to individuals who hold primary membership in a board/association in another state and who desires to obtain direct membership in the state association without holding membership in a local board/association in the state.

**Section 5.** Institute Affiliate Members shall be individuals who hold a professional designation awarded by a qualified 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 vote or hold office. Any such individual, if otherwise eligible, may elect to hold REALTOR® Membership, subject to payment of applicable dues for such membership.

**Section 6.** An Affiliate Member shall be any person who, while not qualified for REALTOR®, Institute Affiliate or Honorary membership, has interests that benefit from the work of the Association or is in sympathy with its objectives. Of those persons associated with the same business entity who are affiliated with a Member Board as other than a REALTOR®, Institute Affiliate, or Honorary Member and who are in an industry-related field (including: banks, savings banks, savings and loan associations, credit unions, mortgage bankers, and other real estate lending institutions; abstract and title companies; attorneys; appraisers; builders and developers; rental and condominium management companies; surveyors; and home inspectors), one from the principal office of the business entity in each Member Board's jurisdictional area must be an Affiliate Member. Other qualified persons may join as Affiliate Members. (NOTE: This requires one Affiliate membership in WRA from any industry-related business affiliated with a Member Board. Other qualified persons may be local affiliates, state affiliates, or both).

**Section 7.** An Honorary Member shall be an individual who has made outstanding contributions to this Association and to real estate, and who is so designated by action of this Association.

**Section 8 - Membership Meetings**

a) Annual Meetings. The WRA shall hold an annual membership meeting on the date of the January Director meeting unless another date is specified in the notice under section c). The annual membership meeting shall be at the WRA headquarters unless another location is specified in the notice under section c). At the annual meeting, an officer shall report on the activities and financial condition of the WRA.  
b) Special meetings. A special membership meeting shall be held if any of the following occurs:

(1) A special meeting is called by the board or any person authorized by the articles of incorporation or bylaws to call a special meeting.

(2) Members holding at least 25% of the voting power of the WRA membership sign, date and deliver to any officer one or more written demands for the meeting describing one or more purposes for which it is to be held.

(3) The close of business on the 30th day before delivery of the demand for a special meeting to any officer is the record date for determining if the percentage requirement of sub. (2) has been met.

(4) A special membership meeting shall be held at the WRA headquarters.  
c) Notice of meetings. Notice of membership meetings shall be given to all members in the Wisconsin REALTOR® publication. Notices shall include the place, date and time of each membership meeting not more than 60 days and not less than 10 days, or, if notice is mailed by other than first class or registered mail, 30 days, before the meeting date. Notice shall include the meeting agenda, the matters for which the meeting is called and indicating any matter that must be approved by the members, if any. Notice shall also specify any matter that a member intends to raise at the meeting if requested in writing to do so by a person entitled to call a special meeting and the request is received by the WRA secretary or president at least 10 days before the WRA gives notice of the meeting.  
d) Record date. The record date determining entitlement for notices, voting and for exercise of any rights in respect of any other lawful action shall be 60 days before the meeting or action requiring a determination of members occurs.

**ARTICLE III - Use of the Term REALTOR® and REALTORS®**

Section 1. Use of the term REALTOR® or REALTORS® by Members shall at all times be subject to the provisions of the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS® and to the rules and regulations prescribed by its Board of Directors. This Association shall have the authority to control, jointly and in full cooperation with the NATIONAL ASSOCIATION OF REALTORS®, use of the terms REALTOR and REALTORS® within those areas of Wisconsin not within the jurisdiction of a Member Board of the NATIONAL ASSOCIATION. Article III – Use of the Term REALTOR® and REALTORS® Any misuse of the terms by Members in within those areas of Wisconsin not within the jurisdiction of a Member Board of the NATIONAL ASSOCIATION is a violation of a membership duty and may subject Members to disciplinary action by the Board of Directors after a hearing as provided for in the Association's Code of Ethics and Arbitration Manual. Any misuse of the terms by Members in within those areas of Wisconsin not within the jurisdiction of a Member Board of the NATIONAL ASSOCIATION is a violation of a membership duty and may subject Members to disciplinary action by the Board of

Directors after a hearing as provided for in the Association's Code of Ethics and Arbitration Manual.

**Section 2.** Individual Members of the Association shall have the privilege of using the terms REALTOR® and REALTORS® in connection with their business so long as they remain members in good standing. Each Individual Member shall receive a certificate from the NATIONAL ASSOCIATION OF REALTORS® licensing the use of the terms REALTOR® and REALTORS®.

**Section 3.** A REALTOR of a firm, partnership or corporation may use the term REALTOR® or REALTORS® only if all of the principals of such firm, partnership, or corporation who are actively engaged in the real estate business in the state or a state contiguous thereto are REALTOR® Members.

**Section 4.** An Institute Affiliate Member shall not use the term REALTOR® or REALTORS® and shall not use the imprint of the emblem seal of the NATIONAL ASSOCIATION OF REALTORS®.

#### ARTICLE IV - Dues

**Section 1.** The annual dues of each Member Board as defined in Article II of these bylaws shall be equal to the sum of the annual dues established by the NATIONAL ASSOCIATION OF REALTORS® plus the amount established as annual state REALTOR® dues by the Board of Directors multiplied by the number of REALTOR® Members of the Member Board and the number of real estate salespersons (including broker licensees practicing as salespersons under REALTOR® Members) and licensed or certified appraisers employed by or affiliated as independent contractors or who are otherwise directly or indirectly licensed with REALTOR® members of the Board who are not themselves REALTORS® or Institute Affiliate Members, provided, that no dues for the NATIONAL ASSOCIATION OF REALTORS® shall be payable by the Member Board for any person to the extent NATIONAL ASSOCIATION dues have been paid for that person through another Member Board in which such person holds primary membership or Institute Affiliate membership.

**Section 2.** (a) The Annual Dues of each Individual Members as defined in Article II of these bylaws shall be equal to the sum of the annual dues established by the NATIONAL ASSOCIATION OF REALTORS® plus the amount established as annual state Individual Member REALTOR® dues by the Board of Directors; (b) The annual dues of each Individual Member who is the Designated REALTOR® of a firm, partnership or corporation shall include an amount equal to the annual dues of an Individual Member for each real estate salesperson (including broker licensees practicing as salespersons under the Designated REALTOR®) and licensed or certified appraiser employed by or affiliated as an independent contractor or otherwise

directly or indirectly licensed with the Designated REALTOR® who is not a REALTOR® Member of any Board in the state or a state contiguous thereto or Institute Affiliate Member of a Board or the Association. Any Individual Member(s) delinquent in payment of dues by more than 90 days may be dropped from the membership in the Association by the Board of Directors.

**Section 3.** An individual shall be deemed to be licensed with a REALTOR® if the license of the individual is held by the REALTOR®, or 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 the paragraph immediately below hereof) provided that the 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® or REALTOR-ASSOCIATE® membership in the association. However, membership dues shall not be prorated if the licensee held REALTOR® or REALTOR-ASSOCIATE® membership during the preceding calendar year.

**Section 4.** The annual dues of each Institute Affiliate Member shall be established by the Board of Directors not to exceed the allowable amounts established by the NATIONAL ASSOCIATION OF REALTORS®.

**Section 5.** Upon payment to the Association of the dues required in Section 1, 2 and 3, of this Article, each REALTOR® Member of Member Boards within the State, and each Individual Member and each Institute Affiliate Member within the State, shall be deemed a REALTOR® or Institute Affiliate Member, as the case may be, in good standing of the Association.

**Section 6.** The annual dues of each Affiliate Member shall be established by the Board of Directors.

**Section 7.** There shall be no dues for Honorary Members.

**Section 8.** Where the dues for an Active Member, any salesperson, and licensed or certified appraiser, employed by or affiliated as an independent contractor or otherwise directly or indirectly licensed with the Active Member who are not themselves REALTORS® or Institute Affiliate Members and for whom the Active Member would have been charged dues, have been paid either by a Member Board or directly if the principal place of business of the Active Member is in an unassigned area, no additional dues shall be payable under this Article by the Member Board or directly by the Active Member with respect to other places of business, provided this does not affect any obligation to pay local dues to a Board or to pay dues for those for whom dues have not been otherwise paid.

**Section 9.** On September 1 of each year the Member Board shall file with the Association, in such format as shall be determined by the Association, a list of REALTOR® Members (as defined in Article III, Section 1 (C) Constitution, NATIONAL ASSOCIATION OF REALTORS®) and real estate salespersons and licensed or certified appraisers employed by or affiliated as independent contractors or who are otherwise directly or indirectly licensed with such REALTOR® Members, Affiliate Members (as defined in Article II, Section 6 herein) and Institute Affiliate Members (as defined in Article II, Section 5 herein) who are not REALTOR® Members of any Board in the state or a state contiguous thereto or Institute Affiliate Members of the Board, certified by the Chairman of the Board board, and that Member Board shall pay dues for the succeeding calendar year on the basis of such list; provided, however, that adjustments shall be made each quarter for members enrolled by the Member Board during the preceding quarter. Payment by an Active Member shall be made through the Member Board. On a quarterly basis, the Member Board shall report to the Association the names and addresses of REALTORS®, Affiliate Members and Institute Affiliate Members dropped or enrolled during the preceding quarter. In the event that a Member Board is delinquent in payment of dues by more than ninety days, the Board of Directors may recommend to the NATIONAL ASSOCIATION OF REALTORS® that the Member Board's Charter be revoked.

**Section 10.** All dues shall be payable annually in advance of September 1. The Board of Directors may establish a differential in annual state REALTOR® dues between Members who are Designated REALTORS® of firms and other active Members. For dues purposes this status shall be determined as of the date of dues payment.

**Section 11.** Notwithstanding anything in this Article to the contrary, REALTORS® Emeritus, Distinguished Service Award recipients as recognized by the NATIONAL ASSOCIATION OF REALTORS® and past NATIONAL

ASSOCIATION OF REALTORS® Presidents shall be liable to pay only that portion of the annual membership dues which is computed on the basis of the number of real estate salespersons and licensed or certified appraisers who are employed by or affiliated as independent contractors, or who are otherwise directly or indirectly licensed with such REALTOR® Member and who are not REALTOR® Members of any Board in the state or a state contiguous thereto or Institute Affiliate members of a Board or the Association.

**Section 12.** In addition to the dues set forth in Sections 1 and 2 of this Article, each new Active Member shall pay an amount established by the Board of Directors as an initiation fee and an assessment for the Legal Action Fund. Payment by an Active Member other than an Individual Member, shall be made through the Member Board.

## ARTICLE V - Board of Directors

**Section 1.** The government of the Association shall be vested in a Board of Directors.

### Section 2. Definitions

(1) Company. For the purposes of this article a "company" is a real estate brokerage entity, headquartered in Wisconsin, which operates under a single license as either a sole proprietor, corporation, partnership or limited liability company.

(2) Company Employees. For the purposes of this article "company employees" are defined as members of the WRA who are affiliated with a company as an employee, independent contractor or both.

(3) Members of the WRA. For the purposes of this article "members of the WRA" are defined as persons in the following membership classes: a) Board Members; b) Individual Members; c) Institute Affiliate Members; or d) Honorary Members.

(4) Membership Location. For the purposes of this article "membership location" shall be determined as follows: a) Board Members - by the location of his/her board; b) Individual Members - by the location of his/her office according to WRA records; c) Honorary Members - by the location of his/her board; and d) Institute Affiliate Members - by the location of his/her board unless the Institute Affiliate Member is not a member of a local board in which case location is determined by the location of his/her office according to WRA records.

### Section 3. Number of Directors

The number of directors on the WRA Board of Directors shall be determined as follows:

#### 3(a). STATEWIDE COMPANY DIRECTORS

There shall be three Statewide Company Directors, one each from each of the three Statewide Companies. "Statewide Companies" are defined as the three largest companies headquartered in Wisconsin which operate under a single license as either a sole proprietor, corporation, partnership or limited liability company. If a Statewide Company declines to be represented in a year when

selected, then for that year only, the next largest company in the state (not already selected as a Statewide Company) will be offered the Statewide Company directorship. However, in the following, year the order shall again be determined by company size. If two or more companies tie for the final Statewide Company directorship, the Statewide Company shall be selected as follows: 1) by mutual agreement of the tying companies delivered to the WRA president in writing no later than ten days after notice of the tie has been delivered to the companies; 2) if there is no timely mutual agreement per 1), the company which has not served as a Statewide Company or a Regional company for the greatest length of time shall serve as the Statewide Company; and 3) if there is no mutual agreement and more than one of the companies has not served as a Statewide Company or a Regional Company previously, the Statewide Company shall be selected by the flip of a coin.

The term for a Statewide Company Director shall be one year. There is no limit to the number of years that a Statewide Company Director can serve. A Director must be either an officer, owner or DR/Manager of the company selected. If a Statewide Company Director who sits on the Board by virtue of Statewide Company selection terminates his/her affiliation with such Company during the one year term or for any other reason is unable to serve following appointment, the Statewide Company must replace such individual with another officer, owner or DR/Manager. If the Statewide Company fails to replace the Statewide Company Director, the position shall remain vacant until filled the following year.

The size of the Statewide Company shall be determined by counting the number of company employees who are members of the WRA according to the WRA membership records as of February 28th of that year. The actual certification of company size from WRA membership records shall be done by the WRA Treasurer and President. If there is an appeal or challenge to the size count, company size shall be determined by the Executive Committee. The Association shall identify the Statewide Companies first for director allocation each year before determining the seven Regional Company Directors. After a Statewide Company is selected, that company shall not be eligible to be a Regional Company and no employee of that particular company may run during that year for a Regional Representative Director position, even if the Statewide Company declines or is unable to fill the Statewide Company Director position.

Should two or more Statewide Companies combine under a single license following selection, the number of Directors from that company shall be reduced to one. The directorship(s) lost shall remain vacant for the balance of the term.

#### 3(b). REGIONAL COMPANY DIRECTORS

There shall be seven Regional Company Directors. One director shall be selected from the Regional Company in each administrative region identified in the map dated February

28, 1996, which is incorporated into and made a part of these Bylaws. A "Regional Company" shall be the largest company operating in a respective administrative region under a single license within each as either a sole proprietor, corporation, partnership or limited liability company. The size of the Regional Company shall be determined by counting the number of company employees who are located in that region and who are members of the WRA according to the WRA membership records as of February 28th of that year. The location of company employees shall be their membership location according to WRA records.

If two or more companies tie for Regional Company status in a region, the Regional Company shall be selected as follows: 1) by mutual agreement of the tying companies delivered to the WRA President in writing no later than ten days after notice of the tie has been delivered to the companies; 2) if there is no timely mutual agreement per 1), the company which has not served as a Statewide Company or a Regional Company for that region for the greatest length of time shall serve as the Regional Company; and 3) if there is no mutual agreement and more than one of the companies has not served as a Statewide Company or a Regional Company for the region previously, the Regional Company shall be selected by the flip of a coin.

A Statewide Company is not eligible for Regional Company status. No single company may represent more than one region in the same year. If a single company qualifies as the Regional Company for more than one region in the same year, that company shall be offered the choice of which region to represent. If a timely choice is not made, the company shall represent the region in which it has the greatest number of employees. For the region(s) which the Regional Company declines or is unable to act as a director, then the next largest company in the region (which is not already a Statewide Company or Regional Company) will be offered the director position. In the following year the Regional Company Directors shall again be determined by this process.

A Regional Company Director must be either an officer, owner or DR/Manager of the company selected. The term for the Regional Company Director is one year. There is no limit to the number of years that a Regional Company Director can serve. If a company within this category declines or is unable to act as a director in a year when selected, then for that year only, the next largest company in the region will be offered the director position. However, in the following year, the order shall again be determined by company size.

The actual certification of company size from WRA membership records shall be done by the WRA Treasurer and President. If there is an appeal or challenge to the size count, company size shall be determined by the Executive Committee.

Should a Regional Company combine with one or more Regional or Statewide

Companies under a single license following selection, the number of Directors from that company shall be reduced to one. The company shall identify which Director shall remain in place. The directorship(s) lost as a result of the combination shall remain vacant for the balance of the term.

If a director who sits on the Board by virtue of Regional Company selection terminates his/her affiliation with such company during the one year term or for any other reason is unable to serve following election, the Regional Company must replace such individual with another officer, owner or DR/Manager. If the Regional Company fails to replace the Regional Company Director, the position shall remain vacant until filled the following year.

### **3(c). REGIONAL REPRESENTATIVE DIRECTOR**

There shall be Regional Representative Directors selected from each of the seven administrative regions as follows: (a) one director representing each region with 0-1,200 members of the WRA; (b) two directors representing each region with 1,201-2,400 members of the WRA; (c) three directors representing each region with 2,401-3,600 members of the WRA; (d) four directors representing each region with 3,601 or more members of the WRA. The size of each region shall be determined by counting the number of members according to the WRA membership records as of February 28th.

The term for Regional Representative Directors shall be two years. No Regional Representative Director may serve for more than two consecutive terms.

The membership location of Regional Representative Directors must be in the region which the director represents. Regional Representative Directors cannot be affiliated with a Statewide Company or a Regional Company. If the membership location of a Regional Representative Director changes to another region, or if the Regional Representative Director affiliates with a Statewide or a Regional Company, the individual's directorship shall be immediately terminated.

No earlier than November 15th, nor later than February 1st, at least two notifications of the Regional Representative Director positions which shall be elected for the upcoming term shall be published in the WISCONSIN REALTOR and on the WRA website. The notice shall indicate the deadline for submissions to the nominating Committee which shall be March 15th. The Nominating Committee shall identify a slate of Regional Representative Director nominees which shall be published in the WISCONSIN REALTOR or on the WRA website (<http://www.wra.org> or its successor site) no later than April 15th. Additional nominees may submit their names to the Chairman of the Nominating Committee for addition to the slate of Regional Representative Director nominees no later than May 1st. In order for additional nominees to be eligible to submit their names, the additional nominees must meet the following

criteria: (a) minimum three years as a member of the WRA; (b) submission of the signatures of 50 members from outside the additional nominee's company in support of the nomination and (c) submission of a biography.

The Board of Directors shall conduct an election to select the Regional Representative Directors at the May meeting. All candidates shall be notified of the election date, time and location no later than seven days prior to the election. Notification of the election results shall be given to each candidate and shall be published in the WISCONSIN REALTOR and on the WRA website no later than June 15th.

Any vacancies of a Regional Representative Director position shall be filled by selection of the Chairman of the Board, Board of Directors at the next meeting of the Board. Individuals selected to fill vacancies will complete the remaining length of the term.

### **3(d). PAST CHAIRMAN OF THE BOARD**

There shall be three Past Chairman of the Board Directors. The Past Chairman of the Board Directors shall be selected annually, no later than April 1st, by the WRA Past Chairman of the Board Council. The term for Past Chairman of the Board Directors shall be one year. Any vacancy of a Past Chairman of the Board Director position shall be filled by the WRA Past Chairman of the Board Council.

### **3(e). AT-LARGE OUTSIDE DIRECTORS**

There shall be three At-Large Outside Directors. Two of the three At-Large Outside Directors shall be nominees from outside affiliated organizations. One of the three At-Large Outside Directors shall be affiliated with the commercial real estate industry. The term of the At-Large Outside Directors shall be one year. The President shall annually prepare a listing of outside affiliated organizations and a listing of person's affiliated with the commercial real estate industry for the WRA Chairman of the Board -Elect. Outside affiliated organizations include but are not limited to: bankers, builders, consumers, title companies, rental property owner/managers, architects, mortgage bankers, land surveyors, home inspectors, developers, technology organizations, savings banks, etc. The Chairman of the Board -Elect shall select two organizations and the President shall request each organization selected to nominate from their membership individuals to serve as an At-Large Outside Director on the WRA Board of Directors. The Chairman of the Board -Elect shall, at the Chairman of the Board -Elect's sole discretion, either appoint the nominees to the At-Large Outside Directorships or request additional nominees until appointments can be made which are satisfactory to the Chairman of the Board -Elect. The Chairman of the Board -Elect shall, at the Chairman of the Board -Elect's sole discretion, either select one At-Large Outside Director from the list of person's affiliated with the commercial real estate industry provided by the President or request additional names until an appointment can be made which is satisfactory to the Chairman of the Board -Elect. Appointments of At-Large Outside Directors shall be made no later than April 1st.

Any vacancy of an At-Large Outside Director position shall be filled by the WRA Chairman of the Board.

**Section 4.** (a) Directors may be removed for cause by the Board of Directors. Cause for removal might exist if a Director misappropriates funds of the WRA, embarks on a course designed to involve the WRA in long and costly litigation for the purpose of harassment, engages in a calculated plan of harassment of staff, officers or other directors, or otherwise materially violates his or her oath as a Director or fiduciary duties to the WRA. The above examples of cause for removal are for illustrative purposes only and are not intended to be all-inclusive or to otherwise limit the legitimate reasons for removal for cause. (b) Vacancies of Statewide Company Director, Past Chairman of the Board Director and At-Large Outside Director directorships on the Board of Directors, however caused, shall be filled by the same procedure as that used to elect the person whose directorship has been vacated, unless otherwise indicated. Individuals selected to fill vacancies for any class of director will complete the remaining length of term.

**Section 5.** (a) Newly elected Directors shall be installed at the annual state convention. Directors who are not installed at the annual state convention shall be installed by the Chairman of the Board or the Chairman of the Board's designee prior to or at the first Board of Directors meeting attended by said Director(s). (b) The Board of Directors shall hold regular meetings in the months of: January; May and in August. (c) Special meetings of the Board of Directors may be called by the Chairman of the Board or any five directors. (d) Regular meetings of the Board of Directors may be held without notice. Regular meetings are those meetings where the time and place of the meeting is fixed by the Bylaws or by the Board. The time and place of special meetings shall be determined by the Chairman of the Board and notice, including the purpose or specific agenda items if required, shall be sent to directors at least two days prior to the meeting. Notice may be sent by mail, fax, electronic mail or personal delivery to the current address, fax number or e-mail address provided to the Association by each respective Director. (e) The attendance of a majority of the directors at any regular or special meeting shall constitute a quorum with full authority to transact business. (f) Each director shall be entitled to one vote on the Board of Directors. No proxy voting is permitted.

**Section 6.** (a) There shall be an Executive Committee, a Budget & Investment Committee, a Nominating Committee, a Professional Standards Committee and such other committees, councils, panels and forums as the Board of Directors creates from time to time. The Chairman may establish advisory task forces with approval of the Directors. Unless otherwise specified in these bylaws the Chairman shall appoint the members of each committee, council, task force, panel or forum. (b) The Executive Committee shall consist of the Chairman of the Board, Chairman of the

Board -Elect, Treasurer and four Vice Presidents. Two of the four Vice Presidents shall be members of the Board of Directors. Removal from the Board of Directors of an ex-officio Vice President shall immediately terminate the ex-officio Vice President's position. Any vacancy of a Vice President's position shall be filled by the Chairman of the Board with a qualified candidate who shall serve for the remainder of the vacated term.

The Executive Committee may exercise the powers of the Board of Directors between meetings of the Board, except it may not: amend the bylaws, make rules or regulations governing nominations or elections, or prescribe regulations for professional standards proceedings. The Executive Committee may express a public opinion or position on any matter including legislation of major import to the Members of the Association, but only in extraordinary circumstances where a special meeting of the Board of Directors cannot be convened to provide a timely Association position upon the critical issue at hand. The Board of Directors shall be noticed in the same manner as the Executive Committee of any such meeting of the Executive Committee. The Executive Committee shall report any actions taken to the Board of Directors at its next meeting except that any public opinion or position on any matter including legislation of major import to the Members of the Association shall be reported to the Board of Directors immediately. Any action required or permitted to be taken at a meeting of the Executive Committee may be taken by written action signed by two-thirds of the members of the Executive Committee then in office. (c) The Budget & Investment Committee shall consist of the elected officers of the Association, the Treasurer-elect and the Vice Presidents-elect. The Treasurer shall be the chairman of the Budget & Investment Committee. The committee may amend the Association's annual budget and appropriate funds between meetings of the Board. The Budget and Investment Committee shall report any actions taken to the Board at its next meeting. (d) The Nominating Committee shall consist of a Chairman and eleven other members who shall be appointed by the Chairman of the Board. The Chairman may be the immediate past Chairman of the Board of the WRA. The balance of the Nominating Committee shall consist of the Chairman of the Board -Elect of the Association, three WRA past Chairman of the Board selected by the WRA Past Chairman of the Board Council and seven Regional Representatives selected by the WRA Chairman of the Board. One Regional Representative shall be selected from each of the seven regions. Each Regional Representative shall be a member in good standing of the WRA. All appointments to the Nominating Committee must be confirmed by the Board of Directors. If a member of the Nominating Committee runs for any position for which the candidates are nominated by the Nominating Committee, he/she shall resign from the Nominating Committee. The Chairman of the Board shall fill any vacancy on the Nominating Committee. (e) The Professional Standards Committee shall consist of at least fifteen REALTOR® Members elected for staggered three year

terms by the Board of Directors. No member of the committee may serve more than six consecutive years. (f) All other committees, councils, panels and forums shall be created by the Board of Directors by resolution, which shall include the number and qualification of members, their manner of selection, the purposes for which the committees are created, the term of their existence and any other appropriate matters. Committees may create subcommittees or work groups to assist in their operations. All committees shall be assigned to a Department of the Association for administrative purposes. The Chairman of the Board shall be an ex-officio member of all committees, except the Nominating Committee.

**Section 7.** The Board of Directors shall, for administrative purposes, divide the state into regions. The attached map dated February 28, 1996, regionalizing the state, is incorporated into and made a part of these bylaws. The regions shall be reapportioned in 1998 and every five years thereafter.

**Section 8.** (a) The Board of Directors shall administer the finances of the Association including the adoption of the annual budget, establishing Association dues for the various categories of membership and appropriation of funds. (b) The accounts of the Association shall be audited annually by a certified public accountant.

#### **ARTICLE VI - Officers**

**Section 1.** (a) The elective officers of the Association shall be a Chairman of the Board, a Chairman of the Board -Elect, a Treasurer and four Vice Presidents, all of whom shall be REALTOR® Members of the Association. (b) The Chairman of the Board and Treasurer shall perform those duties normally incident to such offices and such duties as may be assigned to them by the Board of Directors or required by law. If there is a vacancy in the office of President, the Treasurer shall serve as Secretary-Treasurer and perform the duties normally incident to both offices. (c) The Chairman of the Board -Elect shall perform those duties normally incident to the office of Vice-Chairman of the Board and such duties as may be assigned by the Chairman of the Board, the Board of Directors or required by law. (d) The Vice Presidents shall perform those duties assigned to them by the Chairman of the Board and the Board of Directors. (e) The Chairman of the Board may appoint task forces to serve during the term of the Chairman of the Board to investigate and research issues which fall outside the jurisdiction of existing committees, councils, panels and forums.

**Section 2.** (a) The Nominating Committee, no later than February 1 of each year, shall nominate at least one candidate for the offices of Chairman of the Board -Elect, Treasurer and NAR Regional Vice President (if required). The Nominating Committee shall meet to select 4 Vice-Presidents and the NAR Directors no later than June 1st. In addition, the Nominating Committee shall nominate in a timely manner at least one candidate for Chairman of the Board, if the Chairman of the Board -Elect is unable or unwilling to assume

the chairmanship, and for each of the appropriate offices of the NATIONAL ASSOCIATION OF REALTORS®. (b) Candidates for positions other than Chairman of the Board -Elect and Treasurer may also be nominated by a director from the floor provided the nominee is seconded by two other directors, is qualified for the office and agrees to serve if elected. (c) Other persons may be nominated for Chairman of the Board -Elect and Treasurer by petition signed in the case of each candidate by not less than 200 active Members of the Association (no more than 75 from any one Board) and filed on or before May 1 of the year of election, provided that a statement is submitted by the candidate that he/she consents to nomination for the office designated in the petition. All nominations are subject to the approval of the Board of Directors.

**Section 3.** (a) The Chairman of the Board -Elect and Treasurer shall be elected at the May meeting. NAR Director nominees shall be voted for recommendation to NAR by the Board of Directors at the May meeting. (b) The Vice Presidents shall be elected by the Board of Directors at the August meeting.

**Section 4.** (a) The terms of elected officers shall be one year. The Chairman of the Board, Chairman of the Board -elect and Treasurer may serve only one term in each such office, provided the Chairman of the Board -elect may complete the term of the Chairman of the Board in the event of the Chairman of the Board's death, disability, resignation or removal, and serve a full term thereafter. (b) The officers shall be installed at the annual convention and shall serve until their successors are elected, qualified and installed. (c) The Chairman of the Board -elect shall automatically succeed to the office of Chairman of the Board unless unable or unwilling to do so. If a Chairman of the Board -elect is unable or unwilling to succeed the Chairman of the Board the election shall be held at the May meeting.

**Section 5.** (a) An elected officer may be removed from office for cause by the Board of Directors at any regular meeting or a special meeting called for that purpose. (b) A vacancy in any elected office, except for the chairmanship, however caused, shall be filled by the Chairman of the Board. A vacancy in the office of Chairman of the Board shall be filled by the Chairman of the Board -elect serving as acting Chairman of the Board unless the Chairman of the Board -elect is unable or unwilling to do so. If a Chairman of the Board -elect is unable or unwilling to fill the vacancy in the office of the Chairman of the Board an election shall be held at the next meeting of the Board of Directors.

**Section 6.** (a) The Board of Directors may employ a President who shall be the chief administrative officer and Secretary of the Association. The President shall be the appointing and supervising authority for all staff of the Association, shall keep and maintain its books, records, and accounts and shall perform such other duties as may be necessary for the proper conduct of the

activities of the Association. (b) The Board of Directors by resolution may establish additional non-elective offices of the Association. Persons named to these offices shall perform the duties assigned to them by the Board of Directors and the President.

**Section 7.** The Treasurer, the President and such other employees as the Board of Directors may determine shall provide surety bonds in amounts satisfactory to the Board. The cost of these bonds shall be paid by the Association.

#### **ARTICLE VII - Conventions**

The Association shall hold annually a convention which shall be open to all members upon payment of a registration fee to be determined by the Board of Directors. The proceeds shall be used to defray expenses of said convention, any balance to be distributed as determined by the Board of Directors. The Convention Chairman, the incoming and outgoing Chairman of the Board, their spouses, and the office staff of the Association shall not be required to pay a registration fee. The Board of Directors may also exempt official guests and their spouses.

#### **ARTICLE VIII - Councils**

**Section 1.** There shall be a Past Chairman of the Board's Council composed of all the living past Chairmen of the Association. The Past Chairman of the Board Council shall establish its own rules and procedures, provided any individual elected by it to serve on the Board of Directors or Executive Committee must be a REALTOR® Member of the Association.

**Section 2.** There shall be a Board Presidents Council composed of elected Member Board Presidents and Presidents-elect (or equivalent). This Council shall meet at all Administrative Meetings of the Association. The Chairman of the Board of the State Association shall appoint the Chairman of the Board Presidents Council.

**Section 3.** There shall be an Executive Officers Council of the Association made up of all chief staff officers of the Member Boards of the Wisconsin REALTORS Association. The Council shall meet periodically during the year to conduct business and hold education seminars to assist Executive Officers in their profession. The Chairman of the Board of the State Association shall appoint the Chairman of the Executive Officers Council.

#### **ARTICLE IX - Private Property Action Committee**

**Section 1.** There shall be a Private Property Action Committee whose function shall be to administer the Private Property Action Fund. The purpose of the fund is to provide political affairs financing for Association activities in the areas of local board professional fees, survey research, issues mobilization and political affairs programming.

**Section 2.** The membership of the Private Property Action Committee shall consist of a

Chairman and one member appointed from each of the seven regions. Each member shall be appointed by the Chairman of the Board. The term of each of the eight members shall be one year.

#### **ARTICLE X - REALTORS Political Action Committee - Wisconsin**

**Section 1.** There shall be a REALTORS® Political Action Committee to be known as RPAC-WIS whose function shall be the solicitation and distribution, on a separate, segregated fund basis, of real estate political funds.

**Section 2.** The functions of RPAC-WIS shall be vested in a Board of Trustees which shall report to the Executive Committee.

**Section 3.** The Trustees of RPAC-WIS shall consist of a Chairman; nine REALTOR members; one local association Executive Officer; one at-large Trustee and any WRA member(s) serving as NAR RPAC Trustee(s). With the exception of Trustee's appointed by virtue of his/her status on NAR RPAC Trustee(s), the Trustees of RPAC-WIS shall be appointed by the Chairman of the Board, with reasonable consideration given to geographic balance. The terms of the Chairman, executive officer and at-large Trustee shall be one year. The term of all other Trustees shall be staggered three years.

#### **ARTICLE XI - Legal Action Committee**

**Section 1.** There shall be established a Legal Action Program and the committee to administer the same shall be known as the Legal Action Committee.

**Section 2.** The membership of the Legal Action Committee shall consist of a Chairman, the Chairman of the Board (ex-officio) and one member appointed from each of the seven regions. Each member, other than the Chairman of the Board, shall be appointed by the Chairman of the Board. The term of each of the eight members shall be one year.

**Section 3.** The Legal Action Fund shall be available to the Association for the implementation of the Legal Action Program. Expenditures may be authorized under procedures approved by the Board of Directors which are incorporated herein by reference. Notwithstanding the procedures of the Legal Action Committee the Board of Directors may authorize any expenditure without prior Legal Action Committee or Executive Committee authorization.

#### **ARTICLE XII - Wisconsin Realtors Foundation, Inc.**

**Section 1.** There shall be established a Wisconsin Realtors Foundation, Inc. whose function shall be the solicitation of contributions and management of contributed assets and granting of loans, scholarships, attainment awards and other educational aids to promote greater technical competence and higher professional standards in the real estate industry, and to sponsor and fund research projects on real estate and related matters which have broad public interest and applicability, and to disseminate the results of

the research projects sponsored and funded by the corporation to the public on a non-discriminatory basis and to sponsor independent study projects in response to the foregoing purposes.

**Section 2.** The members of the Board of Directors of the Wisconsin REALTORS® Foundation, Inc. shall consist of a Chairman; one Director appointed from each of the seven regions and one at-large Director. All of the Directors shall be appointed by the Chairman of the Board. The term of each of the nine Directors shall be one year.

#### **ARTICLE XIII - Advocacy Organization**

**Section 1.** There shall be established an advocacy organization called the Wisconsin Homeowners Alliance, Inc., whose purpose shall be to advance and promote issues of concern to Wisconsin's property owners (the "Advocacy Organization"). It shall be a nonpartisan, nonprofit advocacy organization that qualifies under Section 501 (c)(4) of the Internal Revenue Code.

**Section 2.** The sole voting member of the Advocacy Organization shall be the Association. Unless otherwise determined by the Board of Directors, the Association shall exercise its rights as the sole voting member through its Board of Directors. The Board of Directors may authorize one or more of the Association's officers, or any other person so designated, to exercise its vote on any member matter, except in regard to amendment or restatement of the articles of incorporation or bylaws as provided in Section 3.

**Section 3.** The articles of incorporation and bylaws of the Advocacy Organization may only be amended or restated upon the approval of two-thirds (2/3) of the Directors of the Association.

#### **Article XIV – Political Strategy Group**

**Section 1.** There shall be a Political Strategy Group (PSG) whose function shall be to oversee the statewide candidate endorsement process of the Association.

**Section 2.** The Chairman of the Association shall serve as the Chairman of the PSG. Appointments to the PSG shall be made by the Chairman and confirmed by the Association Board of Directors. The membership should include, in addition to the WRA Chairman, the WRA Chairman-elect, the WRA Treasurer, one Member from each of the seven (7) administrative regions identified in the map dated February 28, 1996, which is incorporated into and made a part of these Bylaws, five (5) past Chairmen of the Association, and two (2) at-large Members. Appointments shall be for staggered three-year terms. There shall be no term limits.

#### **ARTICLE XV - Professional Standards - Ethics and Arbitration**

**Section 1.** The responsibility of the WRA and of 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 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 state law shall be deleted or amended to comply with state law.

**Section 2.** Fees relating to the enforcement of the Code of Ethics, the disciplining of Members, the arbitration of disputes shall be the maximum specified by the Code of Ethics and Arbitration Manual of the NATIONAL ASSOCIATION OF REALTORS®, as from time to time amended. Any fee not so specified shall be \$250. Fees may be reduced or waived upon the request of a party, the recommendation of a hearing panel and the approval by the Executive Committee.

**Section 3.** A local Board, prior to referring an ethics complaint or arbitration request for review to the State Association, should exhaust all efforts to impanel an impartial tribunal to conduct either the original hearing or the appeal or procedural review. These efforts may include the appointment of knowledgeable members of the Board on an ad hoc basis to serve on either a Hearing Panel or on behalf of the Board of Directors. If, because of notoriety, etc., the Board cannot impanel an impartial tribunal, the Board may refer the matter to the State Association, and the State Association may delegate to another Board or a regional enforcement facility, the authority to hear the case on behalf of the State Association. No Board or regional enforcement facility, however, may be required to accept this delegation of authority. If no other entity is amenable to conducting the review, the State Association shall be responsible for conducting the hearing.

Allegations of ethical violations and contractual disputes (and specific non-contractual disputes as defined in Standard of Practice 17-4) between REALTORS® and between REALTORS® and their customers or clients may be submitted to an ethics or arbitration panel at the State Association level under the following circumstances:

(a) Allegations of unethical conduct made against a REALTOR® or REALTOR-ASSOCIATE® who is directly a member of the State Association and not a member of any local Board.

(b) Allegations of unethical conduct made against a REALTOR® or REALTOR-ASSOCIATE® in the instance in which the local Board, because of size or other valid reason, determines that it cannot provide a due process hearing of the matter and petitions the State Association to conduct a hearing.

(c) Contractual disputes (and specific non-contractual disputes as defined in Standard

of Practice 17-4) between REALTORS® who are not members of the same Board where the matter has been referred to the State Association by both local Boards.

(d) Contractual disputes (and specific non-contractual disputes as defined in Standard of Practice 17-4) between REALTORS® who are directly members of the State Association and are not members of any Board.

(e) Contractual disputes (and specific non-contractual disputes as defined in Standard of Practice 17-4) between a REALTOR® who does not hold membership in any Board, but is directly a member of the State Association, and a REALTOR® who is a member of a Board.

(f) Contractual disputes (and specific non-contractual disputes as defined in Standard of Practice 17-4) between REALTOR® Members of the same Board where the Board with good and sufficient reason is unable to arbitrate the controversy. (Explanation: This provision is not designed to relieve a local Board of its primary responsibility to resolve differences arising between members of the same Board. The section recognizes that in some Boards with limited membership, usual arbitration procedures may be impossible.)

(g) Contractual disputes between a customer or a client and a REALTOR® where the Board with good and sufficient reason is unable to arbitrate the dispute or the REALTOR® is a direct member of the State Association.

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

Failure to satisfy this requirement within 60 days of the date of application will result in denial of the membership application.

Note: This orientation program 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 year periods thereafter, each REALTOR® and REALTOR-ASSOCIATE® member of the association shall be required to complete quadrennial ethics training of not less than two hours and thirty minutes of instructional time. This requirement will be satisfied upon presentation of documentation that the

member has completed a course of instruction conducted by this or another association, or 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. Members who have completed training as a requirement of membership in another association and members who have completed the New Member Code of Ethics Orientation during any four year cycle shall not be required to complete additional ethics training until a new four year cycle commences.

Failure to satisfy this requirement shall be considered a violation of a membership duty for which 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 months (January and February) of the year following the end of any four (4) year cycle or until the requirement is met, whichever occurs sooner. On March 1 of that year, the membership of a member who is still suspended as of that date will be automatically terminated. (Adopted 1/01, revised 5/05)

#### **ARTICLE XVI - Fiscal Year**

The fiscal year of the Association shall be October 1 through September 30.

#### **ARTICLE XVII - Code of Ethics**

The Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® is adopted as the Code of Ethics of this Association and shall be considered a part of its rules and regulations, and the Code of Ethics and the rules and regulations of this Association shall in the future be deemed to be amended and changed whenever said Code of Ethics is amended or changed by the NATIONAL ASSOCIATION OF REALTORS®.

#### **ARTICLE XVIII - Rules of Order**

**Section 1.** Robert's Rules of Order, latest edition, shall be recognized as the authority governing all meetings and conferences when not in conflict with the Bylaws of the Association.

**Section 2.** All meetings of the Executive Committee and the Board of Directors, except for meetings, or portions of meetings, held in executive session, shall be open to all members of the Association, all local Board Executive Officers, Association officers and staff, and any other invitees of the Board of Directors. A motion to go into

executive session is a question of privilege and is adopted by a majority vote.

**Section 3.** (a) Directors may participate in a Board meeting either by being present at the meeting or by any means of communication by which any of the following occurs:

1. All participating directors may simultaneously hear or read each other's communications during the meeting.
2. All communication during the meeting is immediately transmitted to each participating director, and each participating director is able to immediately send messages to all other participating directors.

(b) If a meeting will be conducted through the use of any means described in par. (a), all participating directors shall be informed that a meeting is taking place at which official business may be transacted. A director participating in a meeting by any means described in par. (a) is considered to be present in person at the meeting. If requested by a director, minutes of the meeting shall be prepared and distributed to each director.

#### **Section 4.**

An action required or permitted to be taken at a Directors meeting may be taken by written action signed by two-thirds of the Directors then in office.

#### **ARTICLE XIX - Amendments**

**Section 1.** These Bylaws may be amended at any meeting of the Board of Directors by the affirmative vote of two-thirds of the directors present and voting, provided that a quorum is present, and provided further that notice of the substance of any proposed amendments shall first have been sent to each director at least seven days in advance of the meetings. Notice may be sent by mail, fax, email or personal delivery, to the current address, fax number or e-mail address provided to the WRA by the Director.

**Section 2.** Amendments to these Bylaws affecting the admission or qualification of Active Members and Institute Affiliate Members, the use of the terms REALTOR® or REALTORS® or any alteration in the territorial jurisdiction of the Member Board shall become effective upon the approval of the Board of Directors of the NATIONAL ASSOCIATION.

#### **ARTICLE XX - Harassment**

**Section 1.** Any member of the Association may be disciplined for sexual harassment of an Association employee after a hearing in accordance with the established procedures of the Association. The decision of the appropriate disciplinary action to be taken shall be made by the investigatory team comprised of the Chairman of the Board, Chairman of the Board -elect and one member of the Board of Directors selected by the highest ranking officer not named in the complaint, upon consultation with counsel for the Association. If the complaint involves the Chairman of the Board or Chairman of the Board -elect, they may not participate in the proceedings and shall be replaced by the immediate Past Chairman of the Board or,

alternatively, by another member of the Board of Directors selected by the highest ranking officer not named in the complaint.

**Section 2.** Any member of the Association may be disciplined for any harassment of an Association employee that creates a hostile or intimidating work environment or otherwise significantly interferes with an employee's job performance. This explicitly includes any harassment based on the employee's status or membership in a class of individuals protected from employment discrimination under applicable federal, state or local fair employment law. Accordingly, any harassment based on any of the following classes, without limitation, is prohibited: an employee's age, race, creed, color, handicap, marital status, national origin, ancestry, arrest or conviction record, or membership in any reserve component of the military forces of the United States or this state. Complaints will be investigated and violators subject to appropriate disciplinary action, pursuant to the procedures for handling sexual harassment complaints.

#### **ARTICLE XXI Indemnification of Directors, Officers, and Employees**

**Section 1.** The Association shall indemnify a Director, Officer or employee who was or is a party or threatened to be made a party to any Proceeding, including any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and whether with or without merit (other than an action, suit or proceeding by or in the right of the Association) by reason of the fact that he or she is or was a Director, Officer or employee of the Association against reasonable Expenses and Liabilities, including attorney's fees, judgments, fines and amounts paid in settlement, actually and reasonably incurred by the person in connection with such Proceeding, unless the breach or failure to perform constitutes any of the following: (a) willful failure to deal fairly with the Association or its members in connection with a matter in which the Director, Officer or employee has a material conflict of interest; (b) violation of criminal law, unless the Director, Officer or employee had reasonable cause to believe his or her conduct was lawful or no reasonable cause to believe his or her conduct was unlawful; (c) a transaction from which the Director, Officer or employee derived an improper personal benefit; or (d) willful misconduct.

**Section 2.** The termination of any action, suit or proceeding referred to in Section (1) by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not itself create a presumption that indemnification of the Director, Officer or employee is not required under Section 1.

**Section 3.** Any indemnification under Section (1) shall be made by the Association unless there is a determination that indemnification of the Director, Officer or employee is improper under the circumstances because he or she has breached or failed to perform a duty in the

manner described in Section (1)(a) to (d). Such determination shall be made by one of the following subject to review by the court, which conducted the Proceeding, or by another court of competent jurisdiction. (a) By the Board of Directors of the Association by a majority vote of a quorum consisting of members who were not parties to such Proceeding; or (b) By the Executive Committee of the Association by a majority vote of a quorum consisting of members who were not parties to such Proceeding.

**Section 4.** The Association may, at its option, provide indemnification to agents of the Association, including an agent of the Association acting on its behalf as a committee, division, or section member or as an appointee of an officer of the Association, acting within the scope of their duties as such, for Expenses and Liabilities incurred in a Proceeding to the same extent as Director, Officer or employee hereunder.

**Section 5.** All capitalized terms used in this Article XIX shall have the meaning given to them in Section 181.0871 of the Wisconsin Statutes.

#### **ARTICLE XXII Conflicts Of Interest**

**Section 1.** Officers, members of the Executive Committee and Directors shall promptly disclose all material financial interests and any other circumstances which may result in a material conflict of interest to the President. The disclosure shall be made no later than three days prior to the discussion of any matter relating to the financial interest or other conflict of interest. The WRA President and General Counsel shall determine if a material conflict of interest exists.

If it is decided that a material conflict of interest exists, the Director, member of the Executive Committee or Officer shall be promptly notified of the decision. If the material conflict of interest relates to a matter which is the subject of current or upcoming discussion, the Director, member of the Executive Committee or Officer shall not: 1) Participate in the discussion of the matter without full disclosure of the material conflict of interest prior to participation in the discussion; 2) Vote on any matter for which the Director, member of the Executive Committee or Officer has a material conflict of interest. The Board may ask Directors with material conflicts of interest to leave the meeting during discussion of the matter giving rise to the conflict. The Board minutes should state which Directors or Officers were present for the discussion of the matter giving rise to the conflict, the content of the discussion and any roll call of the vote. The Chairman may ask members of the Executive Committee with material conflicts of interest to leave the meeting during discussion of the matter giving rise to the conflict. The Executive Committee minutes should state which members of the executive Committee were present for the discussion of the matter giving rise to the conflict, the content of the discussion and any roll call of the vote.

If the material conflict of interest is of an ongoing nature, the Director, member of the Executive Committee or Officer shall eliminate the conflict of interest or resign from the Board and/or his or her position as Officer.

**Section 2.** An Officer, member of the Executive Committee or Director has a financial interest if that person has, or may acquire as a result of the matter being deliberated, directly or indirectly, through business, investment, or family:

- An ownership or investment interest in any entity with which the WRA has a transaction or business arrangement.
- A compensation agreement with the WRA or with any entity or individual with which the WRA has a business arrangement.
- A potential ownership or investment interest or compensation arrangement with such entity.
- Compensation includes direct and indirect remuneration as well as gifts or favors that are substantial in nature.

**Section 3.** Material Conflict of Interest. A material conflict of interest is as a situation where a Director, member of the Executive Committee or Officer has a financial, personal or other interest which has a significant likelihood of preventing the Director, member of the Executive Committee or Officer from fulfilling his or her fiduciary duties to the WRA.

**Section 4.** Fiduciary Duties. Directors, Officers and members of the Executive Committee shall perform their duties ~~of a Director~~ in good faith, in a manner which is in the best interests of the WRA, and with such care as an ordinarily prudent person would exercise in a similar circumstance. Directors Officers and members of the Executive Committee shall not take any action which unduly exposes the WRA to liability or use information obtained as a Director, Officer or member of the Executive Committee inconsistently with their fiduciary duties or otherwise to the detriment of the WRA.

**Section 5.** The conflict of interest policy of the WRA shall be distributed to and subscribed by each Director, member of the Executive Committee and Officer annually.

#### **ARTICLE XXIII - Dissolution**

Upon the dissolution or winding up of the affairs of the Association, the Board of Directors, after providing for payment of all obligations, shall distribute any remaining assets, within its direction, to any other nonprofit and tax-exempt organization.

#### **Article XXIV – Member Duties and Discipline**

**Section I.** It shall be the duty and responsibility of every REALTOR® Member of the WRA to abide by Bylaws of the State Association and any rules and policies adopted thereunder including the WRA Web site terms of use and other conditions and rights associated with WRA programs, products and other real, personal and intellectual property rights, the Constitution

and Bylaws of the NATIONAL ASSOCIATION OF REALTORS®, and 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 this Board as from time to time amended.

**Section 2.** Any Member of the WRA may be disciplined by the Board of Directors for a violation of these Bylaws, Rules and policies consistent with these Bylaws after a hearing as provided in Article XIII. Although Members other than REALTORS® are not subject to the Code of Ethics nor its enforcement, 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 a hearing panel of the Professional Standards Committee, be subject to discipline, for any conduct, which in the opinion of the Board of Directors, applied on a nondiscriminatory basis, reflects adversely on the terms REALTOR® or REALTORS®, and the real estate industry, or for conduct that is inconsistent with or adverse to the objectives and purposes of the local Board, the State Association, and the NATIONAL ASSOCIATION OF REALTORS®.

**Section 3.** Any REALTOR® Member holding direct membership in the WRA may be disciplined by the Board of Directors for violations of the Code of Ethics or other duties of membership, after a hearing as described in the Code of Ethics and Arbitration Manual of the Board, 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.** Any Member of the WRA may be disciplined by the Board of Directors for any unauthorized use of the WRA Web site, including but not limited to, violations of the terms of use agreement. Members shall be subject to immediate sanctions which may include fines, injunction against the dissemination of any unauthorized information, and damages as determined a court of competent jurisdiction.

**Section 5.** Resignations of Members holding direct membership in the WRA shall become effective when received in writing by the Board of Directors, provided, however, that if any Member holding direct membership in the WRA submitting the resignation is indebted to the Board for dues, fees, fines, or other assessments of the Board or any of its services, departments, divisions, or subsidiaries, the Board may condition the right of the resigning Member to reapply for membership upon payment in full of all such monies owed.

**Section 6.** If a Member holding direct membership in the WRA resigns from the WRA or otherwise causes membership to terminate with an ethics complaint pending, the Board of Directors may condition the right of the resigning Member to reapply for direct membership in the WRA 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 holding direct membership in the WRA 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®.