

AUSTIN/CENTRAL TEXAS REALTY
INFORMATION SERVICE
(ACTRIS)

BYLAWS

EACH REFERENCE TO PARTICIPANT AND/OR REALTOR[®] IN THESE BYLAWS IS DEFINED AS A REFERENCE TO A DESIGNATED REALTOR[®] PRINCIPAL OF A FIRM.

EACH REFERENCE TO ACTRIS BOARD IN THESE BYLAWS IS DEFINED AS A REFERENCE TO THE ACTRIS BOARD OF DIRECTORS.

ARTICLE I
NAME

The name of this organization shall be the Austin/Central Texas Realty Information Service of the Austin Board of REALTORS[®], Inc. hereinafter referred to as the Service, all the shares of stock of which are solely and wholly owned by the Austin Board of REALTORS[®].

ARTICLE II
PURPOSES

1. General. To make available to the members of the Austin Board of REALTORS[®], as appropriate, two (2) separate Multiple Listing Services: (1) a MLS for Participants engaged in residential real estate brokerage and (2) a LMS for Participants engaged in leasing-management specialties of the real estate industry.
2. Residential Brokerage. To provide a means by which Participants of the residential brokerage service make blanket unilateral offers of compensation to other Participants (acting as subagents, buyer agents, or any other agency or non-agency capacities defined by law); by which cooperation among participants is enhanced; by which information is accumulated and disseminated to enable authorized Participants to prepare appraisals, analyses, and other valuations of real property for bona fide clients and customers; by which Participants engaging in real estate appraisal contribute to common databases; and by which a facility is provided for the orderly correlation and dissemination of listing information so participants may better serve their clients and the buying and selling public. Entitlement to compensation is determined by the cooperating broker's performance as a procuring cause of the sale.
3. Leasing-Management. To provide a means by which Participants of the leasing-management service make blanket unilateral offers of compensation to other Participants (acting as subagents, buyer agents, or any other agency or non-agency capacities defined by law); by which cooperation among participants is enhanced; by which information is accumulated and disseminated to enable authorized Participants to prepare appraisals, analyses, and other valuations of real property for bona fide clients and customers; and by which a facility is provided for the orderly correlation and dissemination of listing information so participants may better serve their clients and the leasing public. Entitlement to compensation is determined by the cooperating broker's performance as a procuring cause of the lease.

ARTICLE III
SERVICE AREA

The area within which the Service shall function shall be Central Texas.

ARTICLE IV
PARTICIPATION

A. **PARTICIPATION DEFINED:** Participation in the Service is available to the firm, partnership, or corporation of any REALTOR[®] principal of this or any other Board of REALTORS[®] without further qualification except payment of required dues and fees and agreement to abide by these Bylaws and the Rules and Regulations of the Service (or as otherwise stipulated in these Bylaws).** However, under no circumstances is any individual or firm, regardless of membership status, entitled to Multiple Listing Service "membership" or "participation" unless they hold a current, valid real estate broker's license and offer or accept compensation to and from other Participants or are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property. Use of information developed by or published by a Board Multiple Listing Service is strictly limited to the activities authorized under a Participant's licensure(s) or certification and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey "participation" or "membership" or any right of access to information developed by or published by a Board Multiple Listing Service where access to such information is prohibited by law. The REALTOR[®] principal of any firm, partnership, corporation, or the branch office manager designated by said firm, partnership, or corporation shall be termed the "Participant" in the Service and shall have all rights, benefits, and privileges of the Service, and shall accept all obligations to the Service for the Participant's firm, partnership, or corporation, and for compliance with the Bylaws and Rules and Regulations of the Service by all persons affiliated with the Participant who utilize the service.

Note: Mere possession of a broker's license is not sufficient to qualify for MLS participation. Rather, the requirement that an individual or firm 'offers or accepts cooperation and compensation' means that the Participant actively endeavors during the operation of its real estate business to list real property of the type listed on the MLS and/or to accept offers of cooperation and compensation made by listing brokers or agents in the MLS. "Actively" means on a continual and on-going basis during the operation of the Participant's real estate business. The "actively" requirement is not intended to preclude MLS participation by a Participant or potential Participant that operates a real estate business on a part time, seasonal, or similarly time-limited basis or that has its business interrupted by periods of relative inactivity occasioned by market conditions. Similarly, the requirement is not intended to deny MLS participation to a Participant or potential Participant who has not achieved a minimum number of transactions despite good faith efforts. Nor is it intended to permit an MLS to deny participation based on the level of service provided by the Participant or potential Participant as long as the level of service satisfies state law.

The key is that the Participant or potential Participant actively endeavors to make or accept offers of cooperation and compensation with respect to properties of the type that are listed on the MLS in which participation is sought. This requirement does not permit an MLS to deny participation to a Participant or potential Participant that operates a Virtual Office Website ("VOW") (including a VOW that the Participant uses to refer customers to other Participants) if the Participant or potential Participant actively endeavors to make or accept

offers of cooperation and compensation. An MLS may evaluate whether a Participant or potential Participant “actively endeavors during the operation of its real estate business” to “offer or accept cooperation and compensation” only if the MLS has a reasonable basis to believe that the Participant or potential Participant is in fact not doing so. The membership requirement shall be applied on a nondiscriminatory manner to all Participants and potential Participants.

- B. APPLICATION FOR PARTICIPATION: Application for participation in any of the services shall be made in such manner and form as may be prescribed by the Board of Directors of the Service and made available to any REALTOR[®] Principal requesting it. The application form(s) shall contain a signed statement agreeing to abide by these Bylaws and applicable Rules and Regulations of the Service as from time to time adopted or amended.
- C. DISCONTINUANCE OF SERVICE: Participants of the Service may discontinue the Service by giving the Service ten (10) days written notice and may reapply to the Service by making formal application in the manner prescribed for new applicants for participation, provided all past dues and fees are fully paid.
- D. SUBSCRIBERS: Subscribers (or users) of the MLS include non-principal brokers, sales associates, and licensed and certified appraisers affiliated with Participants.

ARTICLE V **SERVICE CHARGES**

The charges made for participation in any ACTRIS service shall be determined and amended from time to time by the President and CEO of the Austin Board of REALTORS[®].

ARTICLE VI **GOVERNING BODY**

- A. GOVERNMENT OF THE SERVICE: The government of the Service shall be vested in a Board of Directors comprised of the elected Officers and Directors nominated and elected as described in this Article.
- B. BOARD OF DIRECTORS: The Directors who are not ABoR Directors per this paragraph, shall be appointed by the Austin Board of REALTORS[®] Board of Directors after review of the applicants by a committee of five (5) chaired by the Immediate past chair and approved by the ACTRIS Board to serve for terms of three (3) years, with the terms of either two or three expiring every year, with the exception of the one year term of the immediate Past Chair of the Service. The Chair-Elect shall automatically become Chair the second January after election as Chair-Elect. Directors who are ABoR Directors as provided herein shall be appointed by the ABoR Board of Directors. Should a Director cease to be a Subscriber, he/she must resign from the ACTRIS Board. No Director shall be eligible to serve more than two (2) consecutive full three (3) year terms. A vacancy in the Board of Directors shall be filled by the Directors of the Austin Board of REALTORS[®], with recommendations provided

by the ACTRIS Directors. The Board of Directors shall consist of Nine (9) REALTOR[®] Subscribers to the Service, outlined as follows:

- At least two (2), not more than five (5), to be Participants. If a sitting director becomes a participant during their first term and causes the number to exceed five (5), they will not be eligible for a second term unless there is a vacancy in this category.
- At least one (1), not more than two (2), Directors who shall office outside Travis County. If a sitting Director moves outside Travis County during their first term, they will not be eligible for a second term unless there is a vacancy in this category.
- Not more than two (2) Directors from any one company. If a sitting Director joins a company where there are already two (2) directors, they will not be eligible for a second term unless there is a vacancy in this category.
- The immediate Past Chair of the Service
- At least four (4), not more than five (5) Directors who are also Directors of the Austin Board of REALTORS[®]

C. DUTIES OF DIRECTORS: The duties of the Officers and Directors shall be as follows:

1. The Chair shall preside at its meetings and those of the ACTRIS Board, and shall perform all the duties of Chair subject to declared policies and, as required, subject to confirmation of the ABoR Board of Directors.
2. The Chair-Elect shall, in the absence of the Chair, perform all of the duties of the Chair.
3. The Officers and Directors of the Service will conduct business of the Service under such direction, guidance and constraints as may from time to time be provided by the Board of Directors of the Austin Board of REALTORS[®]. The Board of Directors of the Service shall be the governing body of the Service and shall recommend all expenditures of funds to the Directors of the Austin Board of REALTORS[®]. The ACTRIS Board shall, prior to the end of each fiscal year, recommend a budget for the next fiscal year. The budget shall be submitted to the Directors of the Austin Board of REALTORS[®] for approval on a date not less than forty-five (45) days prior to the first day of the next fiscal year. The ACTRIS Board shall have the power from time to time to adopt such Rules and Regulations that they may deem appropriate subject to final approval of the Board of Directors of the Austin Board of REALTORS[®]. Except as otherwise provided in these Bylaws and Rules and Regulations, the actions of the ACTRIS Board shall be final.

D. CONFIDENTIALITY & CONFLICT OF INTEREST

1. This section shall not apply to any transaction, profits, benefits or advantages arising from any officer's or director's membership agreement with the Board or as a subscriber to the Board's Multiple Listing Service which is also available to all other members or subscribers generally, nor to holdings of 1% or less in any publicly traded security.

2. The officers and directors of the ACTRIS Board shall not, directly or indirectly:
 - a. have any financial interest in any corporation, partnership, association, or other business or organization which contracts or enters into any transaction with the Board; or
 - b. engage in any activity through which an officer or director might, directly or indirectly, derive any personal profit, benefit, or advantage; or
 - c. engage in any enterprise, activity, or employment which is inconsistent, incompatible, or in conflict with the purposes or objectives of the Board.
 3. Should an interest exist on any occasion arise during the tenure of office of any director or officer of the Board in which the Board is considering any contract, transaction, or activity with any corporation, partnership, association, or other organization which such officer or director has any financial interest or through which such officer or director, directly or indirectly, might derive any personal profit, benefit, or advantage which is not enjoyed in common by all members of the Board, such officer or director shall immediately notify all other officers and directors of the Board of such personal interest and shall not take part in any deliberations considering or any vote upon any such contract, transaction, or activity.
- E. ABSENCE: Any director who fails to attend three regular meetings of the ACTRIS Board during any calendar year shall be deemed to have resigned from the ACTRIS Board and the vacancy will be filled by appointment as herein provided, and the director deemed to have resigned will be notified by the ACTRIS Board. This provision may be waived by the ACTRIS Board.

F. OPERATING COMMITTEES AND TASK FORCES

The ACTRIS Board may create committees and task forces as appropriate, to act as advisers to the ACTRIS Board. Each committee or task force shall consist of not less than three (3) or more than five (5) members.

ARTICLE VII
MEETINGS

- A. MEETINGS OF THE SERVICE: Special meetings of Participants in any of ACTRIS provided services may be called from time to time by the Chair, the ACTRIS Board, or by written petition signed by ten percent (10%) of the Participants of a specific service. Written notice stating the day, place, and hour of the meeting, and the purpose or purposes for which the meeting is called, shall be delivered to all REALTORS[®] who are Participants in said service not less than ten (10) days prior to said meeting.
- B. MEETING OF THE BOARD OF DIRECTORS: The ACTRIS Board will meet monthly and at any other time deemed advisable on the call of the Chair or any four (4) members of the

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ACTRIS Board. Five (5) Directors shall constitute a quorum. A majority vote by the Directors present and voting at a meeting attended by a quorum shall be required for passage of motion.

- C. **PRESIDING OFFICER**: At all meetings of the Participants of the Service, or of the ACTRIS Board, the Chair or, in the absence of the Chair, the Chair-Elect shall serve as presiding officer. In the absence of the Chair and Chair-Elect, the immediate Past Chair shall serve as presiding officer.

ARTICLE VIII
FISCAL YEAR

The fiscal year of the Service shall commence on January 1 and end on December 31 of each year.

ARTICLE IX
AMENDMENTS TO BYLAWS

Subject to review and approval by the Board of Directors of the Austin Board of REALTORS[®], the power to alter, amend or repeal the Bylaws and/or the Rules and Regulations of the Service shall be vested in the ACTRIS Board.

ARTICLE X
INDEMNIFICATION

The service shall indemnify any Director or Officer or former Director or Officer of the corporation for expenses and costs (including attorneys' fees) actually and necessarily incurred by him in connection with any claim asserted against him, by action in court or otherwise, by reason of his being or having been such director or officer, except in relation to matters as to which he shall have been guilty of gross negligence or gross misconduct with respect to the matter in which indemnity is sought.

ARTICLE XI
DISSOLUTION

In the event this Service shall at any time terminate its activities, the ACTRIS Board shall consider and adopt a plan of liquidation and dissolution with the approval of the Participants thereof and of the Board of Directors of the Austin Board of REALTORS[®] (shareholder). Said plan shall provide for the collection of all assets, the payment of all liabilities, and the remaining portions thereof to be assigned to the parent corporation, namely, Austin Board of REALTORS[®].

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