

Approved April 2011



AUSTIN BOARD OF REALTORS®  
**BYLAWS**

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**Bylaws of the  
Austin Board of REALTORS®  
(Approved April 2011)**

**ARTICLE I  
NAME**

**SECTION 1. NAME.** The name of this organization shall be the “Austin Board of REALTORS®,” 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 interests.

**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, individuals authorized to use the terms REALTOR® and REALTORS® as licensed, prescribed and controlled by the NATIONAL ASSOCIATION OF REALTORS®.

**ARTICLE III  
JURISDICTION**

**SECTION 1.** The territorial jurisdiction of the Association as a Member of the NATIONAL ASSOCIATION OF REALTORS® is the City of Austin and the County of Travis in the State of Texas.

**SECTION 2.** Territorial jurisdiction is defined to mean:

**a.** 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 OF REALTORS® in the terms.

**ARTICLE IV**  
**MEMBERSHIP**

**SECTION 1.** There shall be eight (8) classes of membership as follows:

**a. REALTOR® MEMBERS.**

REALTOR® Members, whether primary or secondary, shall be:

(1) Individuals who, as sole proprietors, partners or corporate officers, or branch 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 located 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 a Board of REALTORS® within the State or a state contiguous thereto unless 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 Association 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.

(2) 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.

(3) Franchise REALTOR® Membership. Corporate officers (who may be licensed or unlicensed) of a real estate brokerage franchise organization with at least one hundred 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 obligation of REALTOR® Membership (including compliance with the Code of Ethics) **except:** obligations related to Association mandated education, meeting attendance, 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 Association, State Association and National Association.

(4) 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. 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.

(5) Designated REALTOR® Members. Each firm shall designate in writing one 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.

**b. INSTITUTE AFFILIATE MEMBERS.** Institute Affiliate Members shall be individuals who hold a professional designation awarded 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.

**c. 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.

**d. 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 business on their own account or in association with an established real estate business.

**e. HONORARY MEMBERS.** Honorary Members shall be individuals not

engaged in the real estate business who have performed notable service for the real estate business, for the Association or for the public.

**f. LIFE MEMBERS.** The Board of Directors may certify a REALTOR® Member as a Life Member if the REALTOR® Member: 1) had held membership as a REALTOR® Member or an Individual Member for twenty-five (25) consecutive years; 2) is at least seventy (70) years old; has contributed to the association, and 3) is retired from the real estate brokerage profession.

**g. EMERITUS MEMBERS:** Emeritus Members shall be individuals who have been REALTOR® Members of Association; who are not currently active in this or any other Association of REALTORS® and based on service to the Association or other cause have been found deserving of this special recognition by the Directors.

**h. STUDENT MEMBERS:** Student Members shall be individuals who are immediate family members of a Member of the Austin Board of REALTORS® and who are full time students seeking an undergraduate or graduate degree at institutions of higher learning, 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.

**a.** An application for membership shall be 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 with the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, the Constitutions, Bylaws and Rules and Regulations of the Association, Texas Association of REALTORS® and NATIONAL ASSOCIATION OF REALTORS® and, if elected a Member, will abide by the Constitutions, Bylaws and the Rules and Regulations of the Association, Texas Association of REALTORS® and NATIONAL ASSOCIATION OF REALTORS®, and, if a REALTOR®, will abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® including the NATIONAL ASSOCIATION OF REALTORS® 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 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 sole principal, partner, corporate officer or branch manager of a real estate firm shall supply evidence satisfactory to the Association 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 recent or pending bankruptcy,<sup>1</sup> has no record of official sanctions involving unprofessional conduct,<sup>2</sup> agrees to complete a course of instruction covering the Bylaws and Rules and Regulations of the Association, the Bylaws of the State

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<sup>1</sup> NO RECENT OR PENDING BANKRUPTCY is intended to mean that the applicant or any real estate firm in which the applicant is a sole proprietor, general partner, corporate officer or branch manager is not involved in any pending bankruptcy or insolvency proceedings or, has not been adjudged bankrupt in the past three (3) years. If a bankruptcy proceeding as described above exists, membership may not be rejected unless the Board establishes that its interests and those of its members and the public could not be adequately protected by requiring that the bankrupt applicant pay cash in advance for Association and MLS fees for up to one (1) year from the date that membership is approved or from the date that the applicant is discharged from bankruptcy (whichever is later). In the event that an existing member initiates bankruptcy proceedings, the member may be placed on a "cash basis" from the date that bankruptcy is initiated until one (1) year from the date that the member has been discharged from bankruptcy.

<sup>2</sup> 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; and (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® 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.

Association and the Constitution, 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 Association, and shall agree that if elected to membership, he will abide by such Constitution, Bylaws, Rules and Regulations, and Code of Ethics.

**b.** Individuals who are actively engaged in the real estate profession other than as principals, partners, corporate officers or branch 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 REALTOR® Member of the Association or a Designated REALTOR® Member of another Association (if a secondary Member) and must maintain a current, valid real estate broker's or salesperson's license or be licensed or certified by an appropriate State regulatory agency to engage in the appraisal of real property, 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, 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 Association 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 such Constitution, Bylaws, Rules and Regulations and the Code of Ethics.

**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 this or any other REALTOR® 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 in 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 (except for violations of the Code of Ethics; See Article V, Section 2(a) NOTE 2) 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.

### **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. If it is determined 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 ninety (90) days from the Association's receipt of their application, membership may be terminated.

**b.** Dues shall be computed from the date of application and shall be non-refundable unless the Association 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.** Provisional Membership may not be terminated without providing the provisional member with advance notice, an opportunity to appeal, to call witnesses on his behalf, to be represented by counsel and to make such

statements as he deems relevant. The Association may also have counsel present.

**d.** If it is believed that termination of provisional membership may become the basis of litigation and a claim of damage by a provisional member, the Association may specify that termination shall become effective upon entry in a suit by the Association 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 (30) minutes 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 twelve (12) months 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.

### **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 institute 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 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 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.

## **SECTION 6. STATUS CHANGES.**

a. A REALTOR® who changes the conditions under which he holds membership shall be required to provide written notification to the Association within thirty (30) days. A REALTOR® (non-principal) who becomes a principal in the firm with which he 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 they have transferred within thirty (30) 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 Association.

A REALTOR® who is transferring their 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) days of the date the Association is advised of the disaffiliation with the current firm, membership will terminate automatically unless otherwise directed by the Board of Directors.

(The Association, at its discretion, may waive any qualification which the applicant has already fulfilled in accordance with the Association's Bylaws.)

b. Any application fee related to a change in membership status shall be reduced by an amount equal to any

application fee previously paid by the applicant.

c. Dues shall be prorated from the first (1) day of the quarter in which the Member is notified of election by the Association 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 REALTOR® Members are not 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 REALTOR® Members may, upon recommendation of the Executive 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 conduct

that is inconsistent with or adverse to the objectives and purposes of the local Association, the Texas Association of REALTORS® 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 membership after a hearing as described in the *Code of Ethics and Arbitration Manual* of the NATIONAL ASSOCIATION OF REALTORS®, 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 OF REALTORS®.

**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 moneys 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.

a. 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, whether primary or secondary, in good standing whose financial obligations to the Association are paid in full shall be entitled to vote in the Association, may use the terms REALTOR® and REALTORS®, which use shall be subject to the provision of Article VIII, and have the primary responsibility to safeguard and promote the standards, interests 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, 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 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 readmitted 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 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 unless connection of the disciplined Member with the firm, partnership or corporation is severed, or management control is relinquished, whichever may apply.

b. In any action taken against a REALTOR® Member for suspension or expulsion under Section 6(a) 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 of the applicable provisions in Article VI, Section 6(a) which shall apply.

**SECTION 7. INSTITUTE AFFILIATE MEMBERS.**

Institute Affiliate Members shall have the 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®<sup>3</sup>

**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 Members shall confer only the right to attend meetings and participate in discussions.

**SECTION 11. LIFE MEMBERS.** Life Members shall have the rights and privileges and be subject to all obligations of REALTOR® Members.

**SECTION 12. EMERITUS MEMBERS.** Emeritus Members shall have all rights and privileges and be subject to all obligations of REALTOR® Members except the right to vote and hold office.

**SECTION 13. STUDENT MEMBERS.** Student Members shall have rights and privileges and be subject to obligations prescribed by the Board of Directors.

**SECTION 14. CERTIFICATION BY REALTORS®.** “Designated” REALTOR® Members of the Association shall certify to the Association during the thirty (30) day period ending January 15 of each calendar year, on a form provided by the Association, a complete listing of all individuals licensed

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<sup>3</sup> **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 Chairman of the local association or to be a Participant in the local association’s Multiple Listing Service.

or certified in the REALTOR®’s office(s) and shall designate a primary Association for each individual who holds membership. Designated REALTORS® shall also identify any non-member licensees in the REALTOR®’s office(s), and if Designated REALTOR® and if Designated REALTOR® dues have been paid to another association based on said non-member licensees, the Designated REALTOR® shall identify the Association to which dues have been remitted. These declarations shall be used for purposes of calculating dues under Article X, Section 2(a) of the Bylaws. “Designated” REALTOR® Members shall also notify the Association of any additional individual(s) licensed or certified with the firm(s) within thirty (30) days of the date of affiliation or severance of the individual.

**SECTION 15. HARASSMENT.** Any Member of the Association may be reprimanded, placed on probation, suspended or expelled for harassment of an Association 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 Chairman, Chairman-elect and one member of the Board of Directors selected by the highest ranking officer not named in the complaint, upon consultation with legal counsel for the Association. Disciplinary

action may include any sanction authorized in the association's Code of Ethics and Arbitration Manual. If the complaint names the Chairman or Chairman-elect, they may not participate in the proceedings and shall be replaced by the Immediate Past Chairman 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 and the disciplining of Members 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.** 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 Association with the Texas Association, which by this reference is made a part of these Bylaws.

**SECTION 3.** It shall be the duty and responsibility of every REALTOR® Member of this Association to abide by the Constitution, Bylaws and the Rules and Regulations of the Association, the Constitution and Bylaws of the Texas Association of REALTORS®, 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 OF REALTORS® as from time to time amended.

## 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 in the *Code of Ethics and Arbitration Manual* of the NATIONAL ASSOCIATION OF REALTORS®.

**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 the principals of such firm, partnership or corporation are actively engaged in the real estate profession within the State or a state contiguous thereto and are REALTOR® Members of the Association or Institute Affiliate Members as described in Section 1(b) of Article IV.

**a.** 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®, nor the imprint of the emblem seal of the NATIONAL ASSOCIATION OF REALTORS®.

## **ARTICLE IX**

### **STATE AND NATIONAL MEMBERSHIPS**

**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 NATIONAL ASSOCIATION OF REALTORS® and the Texas Association of REALTORS® 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 OF REALTORS® or upon a determination by the Board of Directors of the NATIONAL ASSOCIATION OF REALTORS® 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 OF REALTORS® and the Texas Association of REALTORS®.

**ARTICLE X**  
**DUES & ASSESSMENTS**

**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 Association upon final approval of the application.

**SECTION 2. DUES.** The annual dues of Members shall be as follows:

**a. REALTOR® MEMBERS.** The 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 Association in the State or a state contiguous thereto or Institute Affiliate Members of the Association. In calculating the dues payable to the Association by a Designated REALTOR® Member, non-member licensees as defined in Section (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 association in the State or a state contiguous thereto, provided the Designated REALTOR® notifies the Association in writing of the identity of the Association 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 Association.

(1) For the purpose of this Section, a REALTOR® Member of a Member Association 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 I, 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 provided that such licensee is not otherwise included in the computation of dues payable by the principal, partner or corporate officer 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®.

The exception for any licensee included on the certification form shall automatically be revoked upon the individual being engaged in real estate activities (listing, selling, leasing, renting, managing, counseling, or appraising real property) other than referrals, and dues for the current fiscal year shall be payable.

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. REALTOR® MEMBERS.** The annual dues of REALTOR® Members other than the Designated REALTOR® shall be in such amount as established annually by the Board of Directors.

**c. INSTITUTE AFFILIATE MEMBERS.** The annual dues of each Institute Affiliate Member shall be as established in Article II of the Bylaws of the NATIONAL ASSOCIATION OF REALTORS®.

**d. AFFILIATE MEMBERS.** The annual dues of each Affiliate Member shall be in such amount as established annually by the Board of Directors.

**e. PUBLIC SERVICE MEMBERS.** The annual dues of each Public Service Member shall be in such amount as

established annually by the Board of Directors.

**f. HONORARY MEMBERS.** No dues are required.

**g. LIFE MEMBERS.** The annual dues for the Association are waived.

**h. EMERITUS MEMBERS.** No dues are required.

**i. STUDENT MEMBERS.** The annual dues shall be in such amount as established annually by the Board of Directors.

**SECTION 3. DUES PAYABLE.** Dues for all Members shall be payable annually in advance on December 15. Dues shall be computed from the date of application and granting of provisional membership and shall be prorated for the remainder of the year.

**a.** 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®, 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 (1) day of the current fiscal year and are payable within thirty (30) days of the notice of termination.

**SECTION 4. NONPAYMENT OF FINANCIAL OBLIGATIONS.** If dues, fees, fines or 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. Two (2) months after the due date, membership of the nonpaying Member may be terminated. Three (3) months after the due date, membership of the nonpaying Member 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. A former Member who has had his 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. DEPOSIT.** All monies received by the Association for any purpose shall be deposited to the credit of the Association in a financial institution or institutions selected by resolution of the Board of Directors.

**SECTION 6. EXPENDITURES.** The Board of Directors shall administer the finances of the Association. All finances and property of the Association shall be in the charge of the Board of Directors who shall designate a depository for the Association funds and may make such investments as are deemed advisable.

**SECTION 7. NOTICE OF DUES, FEES, FINES, ASSESSMENTS AND OTHER FINANCIAL OBLIGATIONS OF MEMBERS.** All dues, fees, fines, assessments or other financial obligations to the Association or Association Multiple Listing Service shall be noticed to the delinquent Association Member in writing setting for the amount owed and due date.

**SECTION 8.** The dues of REALTORS® Members who are REALTORS® Emeriti (as recognized by the National Association), Past Presidents of the National Association

or recipients of the Distinguished Service Award shall be as determined by the Board of Directors.

**SECTION 9.** Dues of newly-elected Members of all classes shall be prorated quarterly.

## ARTICLE XI

### OFFICERS AND DIRECTORS

**SECTION 1. OFFICERS.** The officers of the Association shall be a Chairman of the Board, Chairman-Elect, Secretary/Treasurer, and the Past-Chairman. The Chairman-elect and Secretary/Treasurer shall be elected for terms of one (1) year and each shall be a sitting Director for the term of office to which elected. The Chairman-Elect shall automatically succeed to the office of Chairman of the Board the second (2) January after election as Chairman-Elect. Any such newly elected, holdover or outgoing Director of the Board in good standing shall be eligible for election to the office of Chairman-Elect. Any newly elected or holdover Director shall be eligible for election to the office of Secretary/Treasurer or Chairman-elect. It is further provided that the Chairman-Elect must have had at least three (3) years experience on the Board of Directors within the last five (5) years.

**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 Board of Directors.

**SECTION 3. BOARD OF DIRECTORS.**

**a.** The governing body of the Austin Board of REALTORS® shall be its Board of Directors consisting of fifteen (15) sitting directors, being primary or secondary

REALTOR® Members nominated and elected as specified in Article XI, Section 5. Except that in the event the immediate Past Chairman shall not have a remaining term as a Director, then his term as a Director shall automatically be extended for one (1) year and the Board of Directors for that year shall consist of sixteen (16) Members. Should the Chairman of the Board elected not have a remaining year as a Director or be elected from the Membership outside the Board of Directors, then the elected Chairman of the Board shall have a one (1) year term as a Director and the Board of Directors shall consist of seventeen (17) Members for that year. The elected Directors shall serve a term of three (3) years or until their successors are elected and officially installed and no more than two (2) elected Members from one firm or franchise shall serve on the Board of Directors at one time. In the event a Director becomes affiliated with a firm or franchise that already has two (2) directors then that director shall automatically resign at the end of the calendar year.

Their terms of office shall commence on the first day of January. The terms of Directors shall be staggered in such a manner as to provide for election of five (5) new Director Members each year. The “REALTORS® Pledge” shall be taken by the new Directors at the time of their installation.

#### **SECTION 4. DUTIES OF DIRECTORS**

**a.** A 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 Chairman of the Board or President & CEO, of the matters to be considered at any meeting.

**b.** The Directors may employ an President & CEO 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.** The Directors shall have the power upon the affirmative vote of two-thirds (2/3) of the Directors to fine, discipline or expel any Member who fails to observe the standards of practice of the Association, the Texas Association of REALTORS® and the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® provided, however, that such Members shall first have had a full and fair opportunity for hearing as provided for in the *Code of Ethics and Arbitration Manual* of the NATIONAL ASSOCIATION OF REALTORS®. Any Member suspended from the Association may be readmitted by a vote of two-thirds (2/3) of the Directors. Such Member must have complied with the order or decision of the Directors and not be delinquent in any moneys due the Association.

#### **SECTION 5. ELECTION OF OFFICERS AND DIRECTORS**

**a.** Annually, a Nominating Committee consisting of seven (7) REALTOR® Members, chaired by the once removed most recent Chairman and one (1) other past Chairman, two (2) sitting Directors whom themselves are not eligible for nomination and three (3) non-Director REALTORS®, shall be appointed by the Chairman of the Board with the approval of the Board of Directors. No more than one (1) person from any one company shall serve on the Nominating Committee. No candidate for election or reelection shall serve on the Nominating Committee. The Nominating Committee shall nominate one candidate for each office and one candidate for each of the positions to be filled for the Board of

Directors. Eligible to serve as officers are those sitting Directors who have one or more years remaining on their terms or are eligible for and elected to an additional term, except the Chairman-Elect may be elected from outside the sitting Directors provided he or she shall have been a primary or secondary REALTOR® Member of the Austin Board of REALTORS® for three (3) out of the last four (4) years and shall have served at least one full three (3) year term as a Director within the last five (5) years and who meet the requirements set by the Board of Directors and published in the ABoR Director Job Description. The Chairman-Elect may be elected from the sitting Directors provided he meets the above qualifications.

Eligible to serve as a Director are those who will have been primary or secondary REALTOR® Member of the Association for three (3) consecutive years within the last five (5) years and who have certified, in writing, a desire to serve as a Director, and who meet the requirements set by the Board of Directors and published in the ABoR Director Job Description.

The report of the Nominating Committee and a copy of Article XI, Section 5 of the Bylaws shall be mailed or electronically submitted to each REALTOR® Member at least six (6) weeks preceding November 1. Additional candidates for the offices may only be placed in nomination by: A petition signed by at least five percent (5%) of the REALTOR® Members eligible to vote with no more than twenty-five percent (25%) from any one company. In the event a petition is filed with the President & CEO, it shall be filed before October 1. The President & CEO shall send (written or electronic) an election ballot to each REALTOR®. The Board Secretary shall certify ballots for counting.

**b.** In the event a candidate for office is a sitting Director eligible for an additional term but said candidate is not elected to an additional term and no other eligible candidate is elected to the office, the Board of Directors shall elect from among its members a person to hold such office. Said election shall be held no later than the first regular meeting of the Board of Directors following November 1.

**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.**

**a.** The Board of Directors may remove a director or officer with or without cause by a three-quarters (3/4) vote of all Directors, whenever in its judgment the Board of Directors determines that such removal is in the best interest of the Association. The removal shall take effect immediately. Such removal is subject to the provisions of any contract between the officer or director and the Association.

**b.** The Membership may remove an officer or director by filing a petition signed by not less than one-third (1/3) of the voting Membership with the President & CEO, and shall specifically set forth the reasons the individual is deemed to be disqualified from further service. Upon receipt of the petition, and not less than twenty (20) days or more than forty-five (45) 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. All voting Members shall be notified at least ten (10) days prior to the meeting, which

shall be conducted by the Chairman of the Board unless the Chairman's continued service in office is being considered at the meeting. In such case, the next-ranking officer will conduct the meeting of the hearing by the Members. Provided a quorum is present, three-fourths vote of Members present and voting shall be required for removal from office.

**SECTION 8. RE-ELECTION.**

A Director who has been elected to, and served two (2) full three (3) year terms shall not again be eligible for re-election until out of office for one full year.

**SECTION 9. NOMINATION OF STATE DIRECTORS.**

a. The Nominating Committee shall submit candidates to the Board of Directors for recommendation to the Texas Association of REALTORS®.

b. Eligible to serve as a State Director are those persons who have been a primary REALTOR® Member of the Austin Board of REALTORS® for at least three (3) consecutive years immediately prior to election and who have certified in writing or will do so, a desire to serve as a Director of the Texas Association of REALTORS® and who meet the requirements set by the Board of Directors and published in the TAR Director Job Description.

c. Any vacancy occurring for any reason during a regular three (3) year term of office shall be filled by the Directors by electing a qualified Member to fill the unexpired term only.

**SECTION 10. REIMBURSEMENT.** All elected officers and directors, including State and National directors, of the Association shall serve and perform all of their duties and functions without pay. They shall in no way, either directly or indirectly, receive any form of compensation for such

duties and functions of their offices unless specific items of expense are approved in advance by the Board of Directors.

**ARTICLE XII  
MEETINGS**

**SECTION 1. ANNUAL MEETING.**

There shall be an annual meeting of the general Membership to address such matters as may appropriately be brought before the assembly. An agenda must be provided in written and/or electronic form, at least ten (10) days prior to the meeting.

**SECTION 2. MEETINGS OF DIRECTORS.**

a. **REGULAR MEETINGS.** The Board of Directors shall designate a regular time and place of business meetings. Any Director who fails to attend three (3) regular meetings of the Board of Directors during any calendar year shall be deemed to have resigned from the Board of Directors and the vacancy will be filled by appointment as herein provided, and the Director deemed to have resigned will be notified by the Board of Directors. This provision may be waived by the Board of Directors.

b. **SPECIAL MEETINGS.** The Chairman of the Board or any five (5) Directors may call special business meetings of the Directors by giving a minimum of twelve (12) hours notice in advance of the time of such meetings. 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.

c. **ACTION WITHOUT MEETING.** Any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if a consent in

writing, setting forth the action so taken, shall be signed by all of the Directors.

**SECTION 3. OTHER MEETINGS.**

Meetings of the Membership may be called at such times as the Board of Directors may determine or upon the written request of at least fifteen percent (15%) of the voting REALTOR® Membership. The purpose of such meetings shall be announced in the call for the meeting which shall be provided in written and/or electronic form at least ten (10) days prior to the date of such meeting.

**SECTION 4. PROCEDURES.**

**a. QUORUM.** A quorum for the transaction of business in a meeting of the Membership shall consist of 1% of the Members eligible to vote.

**b. ELECTRONIC TRANSACTION OF BUSINESS.** To the fullest extent permitted by law, the Board of Directors or Membership may conduct business by electronic means.

**ARTICLE XIII  
COMMITTEES**

**SECTION 1. BOARD COMMITTEES.**

The Chairman of the Board shall appoint from among the Directors, subject to confirmation by the Board of Directors, such committees as may be required.

**SECTION 2. TASK FORCES.** The Chairman of the Board shall appoint, subject to confirmation by the Board of Directors, special task forces and other work groups as deemed necessary.

**SECTION 3. ORGANIZATION.** All committees shall be of such size and shall have such duties, functions, schedules and powers as may be assigned to them by the Chairman of the Board and the Board of

Directors, except as otherwise provided in the Board of Directors Governance Policy.

**SECTION 4. CHAIRMAN OF THE BOARD.** The Chairman of the Board shall be an ex-officio Member of all committees and shall be given prior notice of their meetings.

**ARTICLE XIV  
FISCAL AND ELECTIVE YEAR**

Both the fiscal and elective years 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 REALTOR® Members present at a regular business meeting of the Board of Directors or by mail or electronic ballot provided the substance of such proposed amendment(s) shall be plainly stated in the agenda for such meeting. Article IX may be amended only by a majority vote of all REALTOR® Members, except that the Board of Directors may, at any regular or special meeting of the Board of Directors at which four-fifths of the members of the Board of Directors are

present, approve amendments to the Bylaws which are mandated by policies of the NATIONAL ASSOCIATION OF REALTORS®.

**SECTION 2.** Notice of amendments to be considered shall be distributed to every Member eligible to vote at least one (1) week prior to the deadline.

**SECTION 3.** Amendments to these Bylaws affecting the admission or qualification of 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**

### **DISSOLUTION**

Upon the 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 XVIII**

### **MULTIPLE LISTING SERVICE**

**SECTION 1. AUTHORITY.** The Board of REALTORS® shall maintain for the use of its Members a Multiple Listing Service which shall be a lawful corporation of the State of Texas created pursuant to the provisions of the Texas Non-Profit Corporation Act, all the stock of which shall be owned by the Board of REALTORS®.

**SECTION 2. PURPOSE.** A Multiple Listing Service is:

- a means by which authorized participants make blanket unilateral offers of compensation to other participants (acting as subagent, buyer agent or in other agency or non-agency capacity defined by law)
- a means by which cooperation among participants is enhanced.
- a means 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
- a means by which participants engaging in real estate appraisal contribute to common data bases
- and is a facility for the orderly correlation and dissemination of listing information so participants may better serve their clients and the public.

Entitlement to compensation is determined by the cooperating broker's performance as procuring cause of the sale (or lease).

**SECTION 3. GOVERNING DOCUMENTS.** The Board of Directors shall cause any Multiple Listing Service established by it pursuant to this Article to conform its Corporate Charter, Constitution, Bylaws, Rules, Regulations, Policies, Practices and Procedures at all time to the Constitution, Bylaws, Rules, Regulations

and Policies of the NATIONAL ASSOCIATION OF REALTORS®.

**SECTION 4. PARTICIPATION.** Any REALTOR® of this or any other Association who is a principal, partner or corporate officer, or branch manager acting on behalf of the principal, without further qualification, except as otherwise stipulated in these Bylaws, shall be eligible to participate in Multiple Listing upon agreeing in writing to conform to the Rules and Regulations thereof and to pay the costs incidental thereto. 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 cooperation and 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 the Association 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 or published by the Association Multiple Listing Service where access to such information is prohibited by law.<sup>4</sup>

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<sup>4</sup> 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

**SECTION 5. ACCESS TO COMPARABLE AND STATISTICAL INFORMATION.** REALTORS® who are actively engaged in real estate brokerage, management, appraising, land development or building, but who do not participate in the MLS, are nonetheless entitled to receive, by purchase or lease, all information other than current listing information that is generated wholly or in part by the MLS including “comparable” information, “sold” information and statistical reports. This information is provided for the exclusive use of Association Members and individuals affiliated with Association Members who are also engaged in the real estate business and may not be transmitted, retransmitted or

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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.

provided in any manner to any unauthorized individual, office or firm except as otherwise provided in these Rules and Regulations. REALTORS® who receive such information, whether as an Association service or through the Association's MLS, are subject to the applicable provisions of the MLS Rules and Regulations whether they participate in the MLS or not.

**SECTION 6. SUBSCRIBERS.**

Subscribers (or users) of the MLS include non-principal brokers, sales associates, and licensed and certified appraisers affiliated with Participants.