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AUSTIN BOARD OF REALTORS®
BYLAWS

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**BYLAWS OF THE
AUSTIN BOARD OF REALTORS®**

(As amended through January 2020.)

Note: Certain portions of these Bylaws are mandated by the NATIONAL ASSOCIATION OF REALTORS®. Those sections appear in *bold italic* typeface.

**ARTICLE I.
NAME**

Section 1.1. Formation and Name. The corporation was formed as a non-profit corporation under the laws of the State of Texas, hereinafter referred to as the “State”. The name of the corporation is the “Austin Board of REALTORS®,” hereinafter, referred to as the “Association.”

Section 1.2. ***REALTOR® Trademark. 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**

Section 2.1. Objectives. The objectives of the Association are:

- (a) 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.
- (b) 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®.
- (c) 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.
- (d) To further the interests of home and other real property ownership.
- (e) To unite those engaged in the real estate profession in this community with the Texas Association of REALTORS® and the NATIONAL ASSOCIATION OF REALTORS®, hereinafter sometimes referred to as “NAR,” thereby furthering their own objectives throughout the State and Nation, and obtaining the benefits and privileges of membership therein.
- (f) 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 3.1. Territorial Jurisdiction. 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 3.2. Protection of Terms. Territorial jurisdiction is defined to mean the right and duty to control the use of the terms REALTOR® and REALTORS®, subject to the conditions set forth in these Bylaws and those of the NATIONAL ASSOCIATION OF REALTORS®, in return for which the Association agrees to protect and safeguard the property rights of the NATIONAL ASSOCIATION OF REALTORS® in the terms.

ARTICLE IV. MEMBERS

Section 4.1. Designation of Classes. The Association shall have Members. There shall be six (6) classes of Members designated as follows:

(a) **REALTOR® Members.** *REALTOR® Members, whether primary or secondary, shall be:*

(1) *Individuals who, as sole proprietors, partners, 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 an association of REALTORS® within the State or a state contiguous thereto, unless otherwise qualified for Institute Affiliate Membership as described in Section 4.1(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 4.1(b).*

(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, or indoctrination classes or other similar requirements; the right to use the term REALTOR® in connection with their franchise organization's name; and the right to hold elective office in the local 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 (or office in the case of firms with multiple office locations) shall designate in writing one REALTOR® Member who shall be responsible for all duties and obligations of Membership, including the obligation to arbitrate (or to mediate if required by the association) pursuant to Article 17 of the Code of Ethics and the payment of Association dues as established in Article IV 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 IV, Section 4.2, 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® or REALTOR-ASSOCIATE® 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 Section 4.1(a) or Section 4.1(b), have interests requiring information concerning real estate and are in sympathy with the objectives of the Association.*

(d) **Honorary Members.** *Honorary Members shall be individuals who are not engaged in the real estate business on their own account or in association with an established real estate business and (1) who are interested in the real estate profession as employees of or affiliated with educational, public utility, governmental or similar organizations or (2) who have performed notable service for the real estate business, for the Association or for the public.*

(e) **Life Members.** *The Board of Directors may certify a REALTOR® Member as a Life Member if the REALTOR® Member: (1) has held membership as a REALTOR® Member*

for twenty-five (25) consecutive years; (2) is at least seventy (70) years old; (3) has contributed to the Association; and (4) is retired from the real estate brokerage profession.

(f) Emeritus Members. Emeritus Members shall be individuals who have been Primary REALTOR® Members of the Association, and, based on service to the Association or other cause, have been found deserving of this special recognition by the Directors.

Section 4.2. Member Applications. An application to become a Member of the Association shall be made available to anyone requesting it. The application must be signed by the applicant (and may be signed electronically) and shall include the following: (1) an agreement by the applicant, as a condition to membership, to become familiar with the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, the Constitutions (including Articles of Incorporation or Certificate of Formation, if applicable), Bylaws and Rules and Regulations of the Association, the Texas Association of REALTORS® and the NATIONAL ASSOCIATION OF REALTORS®, (2) an agreement by the applicant that, if elected a Member, the applicant will *abide by the Constitutions, and Bylaws and the Rules and Regulations of the Association, Texas Association of REALTORS®¹ 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 duty to arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics, and as further specified 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*, (3) a consent by the applicant to allow the Association to invite and receive information and comments about the applicant from any Member or other persons, and (4) an agreement by the applicant that any information and comment furnished to the Association by any person in response to the invitation shall be conclusively deemed to be confidential and not form the basis of any action for slander, libel or defamation of character. The applicant shall have access to a copy of the Bylaws, Constitutions (including Articles of Incorporation or Certificate of Formation, if applicable), Rules and Regulations and Code of Ethics referred to above.

Section 4.3. Additional Qualifications.

(a) Evidentiary Requirements. An applicant for REALTOR® Member shall supply evidence satisfactory to the Board of Directors or the Chief Executive Officer (or a duly authorized designee of the Chief Executive Officer) that (1) he or she is actively engaged in the real estate profession and maintains a current, valid real estate broker's or salesperson's license or is licensed or certified by an appropriate State regulatory agency to engage in the appraisal of real property, and (2) has a place of business within the State or a state contiguous thereto (unless a secondary Member).

¹ A question was raised about revising this language to reflect that the Association and TAR do not have "Constitutions." This language and other references to "Constitutions" appear in the NAR-mandated sections, so we are not able to change these references. It is a fair reading of the language that in this context "Constitution" means Articles of Incorporation or Certificate of Formation of the Association and TAR.

(b) Other Considerations. The Association will also consider the following in determining an applicant's qualifications to become a REALTOR® Member.

(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 with respect to this or any other REALTOR® association;

(3) Unsatisfied pending disciplinary proceedings with respect to this or any other REALTOR® association;

(4) Pending requests for arbitration or a hearing with respect to this or any other REALTOR® association;

(5) Unpaid arbitration awards or unpaid financial obligations to this or any other REALTOR® association or association MLS; and

(6) Any misuse of the term REALTOR® or REALTORS® in the name of the applicant's firm.

Section 4.4. Admission of Members. The procedure for admission to membership shall be as follows.

(a) Approval. The Board of Directors or the Chief Executive Officer of the Association (or a duly authorized designee of the Chief Executive Officer) shall determine whether the applicant is applying for the appropriate class of membership and, if so, whether the applicant's application meets the requirements for membership as established in these Bylaws. Based upon such determination, the Board of Directors or the Chief Executive Officer of the Association (or a duly authorized designee of the Chief Executive Officer) may declare the applicant admitted to membership and the applicant will be advised by written notice.

(b) Rejection. If the Board of Directors or the Chief Executive Officer of the Association (or a duly authorized designee of the Chief Executive Officer) makes a preliminary determination that the applicant should be rejected, the applicant will be given notice of the findings and given an opportunity to appear before the Board of Directors, to call witnesses on his or her behalf, to be represented by counsel, and to make such statements as he or she deems relevant. The Board of Directors may also have counsel present. The Board of Directors shall require that written minutes be made of any such meeting or may electronically or mechanically record the proceedings.

(c) Declaratory Judgement. If it is determined that the application should be rejected, the reasons for rejection shall be recorded. If the Board of Directors or the Chief Executive Officer of the Association (or a duly authorized designee of the Chief Executive Officer) believes that denial of membership to the applicant may become the basis of litigation and a claim of damage by the applicant, they may specify that denial 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 rejection violates no rights of the applicant.

Section 4.5. **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 4.6. **Continuing Realtor® Code of Ethics Training.** *Effective January 1, 2019, through December 31, 2021, and for successive three (3) year periods thereafter, each REALTOR® Member of the Association (with the exception of REALTOR® members granted REALTOR® Emeritus status by the National Association) shall be required to complete 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® 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 three (3) year cycle shall not be required to complete additional ethics training until a new three (3) year cycle commences. Failure to satisfy the required periodic ethics training shall be considered a violation of a membership duty.*

Failure to meet the requirement in any three (3) year cycle will result in suspension of membership for the first two months (January and February) of the year following the end of any three (3) 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 4.7. **Status Changes.**

(a) **Notice; Satisfaction of Membership Requirements.** A REALTOR® Member who changes the conditions under which he or she holds membership shall be required to provide written notification to the Association within thirty (30) days of the change. A REALTOR® Member (non-principal) who becomes a principal in the firm with which he or she has been licensed or, alternatively, becomes a principal in a new firm which will be comprised of REALTOR® principals may be required to satisfy any previously unsatisfied membership requirements applicable to REALTOR® Members (principal), 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® Member (principal). If the REALTOR® Member (non-principal) does not satisfy the requirements established in these Bylaws for the category of membership to which he or she has transferred within thirty (30) days after advising the Association of change in status, membership will terminate automatically unless otherwise so directed by the Association, Board of Directors or the Chief Executive Officer of the Association (or a duly authorized designee of the Chief Executive Officer).

(b) Transferring Firms. A REALTOR® Member who is transferring his or her license from one firm comprised of REALTOR® Members (principals) to another firm comprised of REALTOR® Members (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 transfer, membership will terminate automatically unless otherwise directed by the Board of Directors or the Chief Executive Officer of the Association (or a duly authorized designee of the Chief Executive Officer).

(c) Waiver. The Board of Directors or the Chief Executive Officer (or a duly authorized designee of the Chief Executive Officer) in their discretion, may waive any qualification which the applicant has already fulfilled in accordance with these Bylaws.

ARTICLE V. PRIVILEGES AND OBLIGATIONS OF MEMBERS

Section 5.1. ***Privileges of REALTOR® Members. REALTOR® Members, whether primary or secondary, in good standing are entitled to vote and, subject to the other provisions of these Bylaws, to hold elective office in the Association; may use the term REALTOR®. For purposes of this section, the term “good standing” means the member satisfies the “Obligations of REALTORS® Members,” is current with all financial and disciplinary obligations to the Association and MLS, has completed any new member requirements, and complies with NAR’s trademark rules.***

(a) Suspension and Removal. 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 attested. 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, or unless the REALTOR® Member (non-principal) elects to sever his or her connection with the REALTOR® Member and affiliate with another REALTOR® Member in good standing in the Association, whichever may apply.

(b) Right of Firm to Continue Use of REALTOR®. If a REALTOR® Member other than a sole proprietor in a firm, partner in a partnership, or an officer of a corporation is suspended or expelled, the use of the term REALTOR® or REALTORS® by the firm, partnership or corporation shall not be affected.

(c) Notice. In any action taken against a REALTOR® Member for suspension or expulsion under Section 5.1(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 Section 5.1(a) which shall apply.

Section 5.2. Privileges of 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®, which provide that no Institute Affiliate Member may be granted the right to use the term REALTOR® or the REALTOR® logo.

Section 5.3. Privileges of Affiliate Members. Affiliate Members shall have rights and privileges and be subject to obligations prescribed by the Board of Directors.

Section 5.4. Privileges of Honorary Members. Honorary Members shall confer only the right to attend meetings and participate in discussions.

Section 5.5. Privileges of Life Members. Life Members shall have the rights and privileges and be subject to all obligations of REALTOR® Members.

Section 5.6. Privileges of Emeritus Members. Emeritus Members shall have all rights and privileges and be subject to all obligations of REALTOR® Members.

Section 5.7. Violations of Bylaws or Policies. Any Member of the Association may be reprimanded, fined, placed on probation, suspended or expelled for a violation of these Bylaws or Association policies not inconsistent with these Bylaws by a vote of the Board of Directors. In the event of such a vote, the Board of Directors will provide the Member with advance notice of the findings, an opportunity to appear before the Board of Directors, to call witnesses on his or her behalf, to be represented by counsel, and to make such statements as he or she deems relevant.

The Board of Directors may also have counsel present. The Board of Directors shall require that written minutes be made of any such meeting or may electronically or mechanically record the proceedings. An Officer or Director must first be removed according to the procedures in Section 10.5, before being suspended or expelled as a Member.

Section 5.8. ***Discipline of REALTOR® Members.*** *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 Association, provided that the discipline imposed is consistent with the discipline authorized by the Professional Standards Committee of the NATIONAL ASSOCIATION OF REALTORS® as set forth in the Code of Ethics and Arbitration Manual of the National Association.*

The Association has entered into a Cooperative Agreement for Professional Standards Services with The Texas Association of REALTORS®, Inc. The Texas Association of REALTORS®, Inc. is hereby authorized to provide to the Association services for ethics and arbitration proceedings consistent with and as set forth in such agreement.

Section 5.9. ***Resignations.*** Resignations of Members shall become effective when received in writing by the Board of Directors or the Chief Executive Officer of the Association (or a duly authorized designee of the Chief Executive Officer); 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 5.10. ***Resignation with Pending Complaint.*** If a Member resigns from the Association or otherwise causes membership to terminate with an ethics complaint pending, the complaint shall be processed until the decision of the Association with respect to disposition of the complaint is final by this Association (if respondent does not hold membership in any other REALTOR® association) or by any other REALTOR® association in which the respondent continues to hold membership. If an ethics respondent resigns or otherwise causes membership in all Boards to terminate before an ethics complaint is filed alleging unethical conduct occurred while the respondent was a REALTOR®, the complaint, once filed, shall be processed until the decision of the Association with respect to disposition of the complaint is final. In any instance where an ethics hearing is held subsequent to an ethic respondent's resignation or membership termination, any discipline ratified by the Board of Directors shall be held in abeyance until such time as the respondent rejoins a of REALTORS® association.

Section 5.11. ***Duty to Arbitrate.*** If a Member resigns or otherwise causes membership to terminate, the duty to submit to arbitration (or to mediation if required by the Association) continues in effect even after membership lapses or is terminated, provided that the dispute arose while the former member was a REALTOR® Member.

Section 5.12. ***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 or certified in the REALTOR® Member's office(s) and shall designate a primary REALTOR® association for each individual who holds membership. Designated REALTOR® Members shall also identify any non-member licensees in the REALTOR® Member's office(s), and if Designated REALTOR® Members' dues have been paid to another REALTOR® association based on said non-member licensees, the Designated REALTOR® Members shall identify the REALTOR® association to which dues have been remitted. These declarations shall be used for purposes of calculating dues under Section 9.2(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.

ARTICLE VI. PROFESSIONAL STANDARDS AND ARBITRATION

Section 6.1. ***Enforcement of the Code.*** *The responsibility of the Association and of Association Members relating to the enforcement of the Code of Ethics, the disciplining of Members, and the arbitration of disputes, and the organization and procedures incident thereto, shall be governed by the Code of Ethics and Arbitration Manual of the NATIONAL ASSOCIATION OF REALTORS® as amended from time to time, which is by this reference incorporated into these Bylaws, provided, however, that any provision deemed inconsistent with State law shall be deleted or amended to comply with State law.*

Section 6.2. ***Obligation of REALTOR® Members.*** *It shall be the duty and responsibility of every REALTOR® Member of this Association to safeguard and promote the standards, interests, and welfare of the association and the real estate profession, and to protect against conduct that may cause a lack of public confidence in the real estate profession or in REALTORS®. REALTOR® members also must abide by the governing documents and the policies of the Association, the Texas Association of REALTORS®, and the NATIONAL ASSOCIATION OF REALTORS®, as well as 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.*

Every REALTOR® member shall maintain a high level of integrity and adhere to the association's membership criteria. Any violent act or threat of violence to person or property, hateful conduct, or acts of moral turpitude impacting the public shall not be tolerated and may be cause for disciplinary action, up to and including termination of membership.

ARTICLE VII. USE OF THE TERMS REALTOR® AND REALTORS®

Section 7.1. ***REALTOR® Trademark.*** *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 Association's Code of Ethics and Arbitration Manual.

Section 7.2. *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 7.3. *A REALTOR® principal Member may use the terms REALTOR® and REALTORS®, only if all the principals of such firm, partnership, or corporation who are actively engaged in the real estate profession within the State or a state contiguous thereto are REALTOR® Members or Institute Affiliate Members as described in Section 4.1(b). In the case of a REALTOR® principal Member 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 holds REALTOR® Membership. If a firm, partnership, or corporation operates additional places of business in which no principal holds REALTOR® Membership, the term REALTOR® or REALTORS® may not be used in any reference to those additional places of business.*

Section 7.4. *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 VIII. STATE AND NATIONAL MEMBERSHIPS

Section 8.1. Consequences of State and National Membership. *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 Board shall be entitled to membership in the NATIONAL ASSOCIATION OF REALTORS® and the Texas Association of REALTORS® without further payment of dues. The Association shall continue as a Member of the State and National Associations, unless by a majority vote of all of its REALTOR® Members, decision is made to withdraw, in which case the State and National Associations shall be notified at least one month in advance of the date designated for the termination of such membership.*

Section 8.2. Recognition of Property Rights. *The Association recognizes the exclusive property rights of the NATIONAL ASSOCIATION OF REALTORS® in the terms REALTOR® and REALTORS®. The Association shall discontinue use of the terms in any form in its name, upon ceasing to be a Member of the National Association, or upon a determination by the Board of Directors of the National Association that it has violated the conditions imposed upon the terms.*

Section 8.3. Adoption of Code of Ethics. *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.

ARTICLE IX. DUES

Section 9.1. **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 9.2. **Dues.** The annual dues of Members shall be as follows:

(a) **Designated REALTOR® MEMBER Dues.** *The annual dues of each Designated REALTOR® Member shall be in such amount as established annually by the Board of Directors, plus an additional amount to be established annually by the Board of Directors times the number of real estate salespersons and licensed or certified appraisers who (1) are employed by or affiliated as independent contractors, or who are otherwise directly or indirectly licensed with such REALTOR® Member, and (2) are not REALTOR® Members of any 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 Board shall be held to be any Member who has a place or places of business within the State or a state contiguous thereto and who, as a principal, is actively engaged in the real estate profession as defined in Article III, Section 1 of the Constitution of the NATIONAL ASSOCIATION OF REALTORS®. An individual shall be deemed to be licensed with a REALTOR® if the license of the individual is held by the REALTOR®, or by any broker who is licensed with the REALTOR®, or by any entity in which the REALTOR® has a direct or indirect ownership interest and which is engaged in other aspects of the real estate business provided that such licensee is not otherwise included in the computation of dues payable by the principal 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, renting, 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®. Designated REALTORS® shall notify the Association within three (3) days of any change in status of licensees in a referral firm.

The exemption for any licensee included on the certification form shall automatically be revoked upon the individual being engaged in real estate licensed 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® 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.

(b) **REALTOR® Members Dues.** *The annual dues of REALTOR® Members other than the Designated REALTOR® shall be as established annually by the Board of Directors.*

(c) **Institute Affiliate Members Dues.** *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 Dues.** *The annual dues of each Affiliate Member shall be in such amount as established annually by the Board of Directors.*

(e) **Honorary Members Dues.** *No dues are required.*

(f) **Life Members Dues.** *If a Life Member remains licensed, the Association will pay on behalf of the Life Member any dues payable for such Life Member to the NATIONAL ASSOCIATION OF REALTORS® or the Texas Association of REALTORS®. No local dues shall be required from a Life Member.*

(g) **Emeritus Members Dues.** *No dues are required.*

Section 9.3. **Dues Payable.** *Dues shall be payable annually. Dues shall be computed from the date of granting of membership and shall be prorated for the remainder of the year.*

Section 9.4. **Nonpayment of Financial Obligations.** *If dues, fees, fines or assessments including amounts owed to the Association 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. 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 IX, Section 9.2(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. A former Member who has had his or her membership terminated for nonpayment of dues, fees, fines or other assessments duly levied by the Association in accordance with the provisions of these Bylaws or Association policies or with regard to any services, departments, divisions or subsidiaries of the Association 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 9.5. Notice of Dues, Fees, Fines, Assessments and other Financial Obligations of Members. All dues, fees, fines, assessments or other financial obligations to the Association shall be noticed to the delinquent Association Member in writing setting for the amount owed and due date.

ARTICLE X. OFFICERS AND DIRECTORS

Section 10.1. Officers. The Officers of the Association shall consist of a President, a President-Elect, a Secretary/Treasurer, and the Past-President.

(a) Officer Election. Officers shall be elected by a majority vote of the Board of Directors at or before the first regular meeting held following October 1 each year.

(b) Qualifications of President-Elect Candidates; Term of Office.

(1) Each President-Elect candidate must meet one of the following qualifications:

(i) be a current At Large Director who, at the beginning of their term as President-Elect, will have continuously served as an At Large Director for at least two years; or

(ii) be a current At Large Director who served for at least two years in a prior term that ended not more than one year before the beginning of their current term.

(2) If the Board of Directors determines that there are not sufficient candidates who meet either of the qualifications stated in paragraph (1) above, then notwithstanding that paragraph, it may elect as President-Elect any person who has served as a Director in any of the three calendar years before the beginning of their term as President-Elect.

(3) The person elected as President-Elect shall serve as President-Elect for a term of one year commencing on January 1 after election, shall automatically succeed to the office of President for a one-year term thereafter and shall automatically succeed to the office of Past-President for a one-year term following his or her term as President.

(c) Qualifications of Secretary/Treasurer Candidates; Term of Office.

(1) Each Secretary/Treasurer candidate must be a current At Large Director who will have one or more years remaining on his or her At Large Director term at the beginning of his or her term as Secretary/Treasurer.

(2) The person elected as Secretary/Treasurer shall serve in such office for a term of one year commencing on January 1 after election.

Section 10.2. 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. In the absence of the President, the President-Elect shall preside.

Section 10.3. Board of Directors.

(a) Management by Directors. Management of the business of the Association and the control and disposition of its properties and funds shall be directed by the Board of Directors, which may exercise powers of the Association and direct or authorize all such lawful acts and things as are not by law or by the Articles of Organization or Certificate of Formation or by these Bylaws directed or required to be done by the Members.

(b) Definitions. As used in these Bylaws, the term “At Large Director” means a person elected as provided in Section 10.3(h) and continuing to serve as provided in these Bylaws. As used in these Bylaws, the term “Officer” means a person elected as provided in Section 10.(1) and continuing to serve as provided in these Bylaws. As used herein the term “Directors” means the At Large Directors together with any President-Elect, President or Past-President continuing to serve as provided in Section 10.3(d)(3) after their At Large Director term ends.

(c) Number. The Board of Directors shall consist of up to eighteen persons consisting of fifteen At Large Directors together with any persons serving in the position of President-Elect, President or Past President after their term as At Large Director ends.

(d) Term of Service.

(1) The term of service of each At Large Director shall be three years commencing on January 1 of the year following such person’s election.

(2) At Large Director terms shall be staggered, with one-third of the number of At Large Directors specified in Section 10.3(c) elected each year.

(3) A person serving in the position of President-Elect, President or Past President after his or her term as an At Large Director has expired shall continue to serve as a Director until his or her Officer term ends.

(4) The terms of persons elected to fill Director vacancies are set out in Section 10.4.

(e) Qualifications of At Large Director Candidates.

(1) Each At Large Director candidate must meet all of the following qualifications:

(i) currently be a primary or secondary REALTOR® Member of the Association;

(ii) have been a primary or secondary REALTOR® Member of the Association for three (3) consecutive years within the five (5) years prior to the commencement of service;

(iii) may not serve on the Nominating Committee that nominates him or her;

(iv) have submitted to the Association a written notice of willingness to serve; and

(v) have taken the “REALTORS® Pledge” prior to commencement of service.

(2) No more than two (2) Directors (including the President-Elect, President and Past-President serving as Directors pursuant to Section 10.3(c)) may be affiliated with the same company at the time of election. Any Director who becomes affiliated with a company that already has two (2) Directors serving shall be deemed to have resigned from the Board of Directors effectively immediately and the vacancy will be dealt with as herein provided. For purposes of this paragraph, the term “company” has the meaning specified in the Association’s Governing Policies.

(3) A person who is elected to serve a three-year term as an At Large Director (including any person who continues to serve as a Director after their three-year At Large Director term ends by virtue of serving as President-Elect, President or Past-President) is eligible to run for election thereafter to serve an additional consecutive three-year term. After serving two consecutive, full three-year terms (and, if applicable, any partial term or terms resulting from election to fill a vacancy), such person is not eligible to run for re-election thereafter until at least one year has passed during which they were not a Director.

(f) Nomination. Prior to July 31 of each year, the Nominating Committee shall nominate two persons to stand for election for each of the At Large Director positions that will be open in the following year; provided, however, that if, after reasonable effort, the Nominating Committee is unable to place in nomination two candidates for each position who meet the

requirement of paragraph e. of this Section, then it may nominate less candidates. By July 31 of each year, the nominations by the Nominating Committee shall be sent to all REALTOR® Members entitled to vote by U.S. mail or other form of delivery (including electronic transmission) to the addresses maintained by the Association.

(g) Petition. Additional candidates for At Large Director positions may be placed to stand for election by a petition duly signed by at least one percent (1%) of the REALTOR® Members entitled to vote; provided however that if more than twenty-five percent (25%) of the signing Members are from one company, then only the signatures from twenty-five percent of such Members shall be counted for purposes of determining if the one percent (1%) requirement has been met. Any petition placing a person to stand for election for an At Large Director position as provided above must be submitted to the Association on or before the September 1 preceding commencement of the open term. To be valid and counted, signatures on petitions shall be by original signatures or by a Board approved electronic signature system and cannot be dated earlier than the June 1 preceding the commencement of the open term. The Secretary/Treasurer and the Chief Executive Officer of the Association shall have the exclusive authority to determine the validity of all petitions and signatures thereon.

(h) Election.

(1) Election of At Large Directors shall occur annually by a voting procedure approved by the Board of Directors. Each REALTOR® Member entitled to vote shall be entitled to cast a number of votes for At Large Directors equal to the number of open positions. Cumulative voting will not be allowed and therefore a Member shall not be entitled to cast more than one vote for any person standing for election.

(2) The open full-term At Large Director positions shall be filled by the persons receiving the highest numbers of votes cast.

(3) If any At Large Director positions are open as a result of the position becoming vacant prior to the end of the full term of the person elected to that position, then such partial term positions shall be filled as follows:

(i) After the full-term positions are filled, each position with a two-year partial term remaining shall be filled by the persons receiving the next highest number of votes cast, until all such positions are filled.

(ii) After the full term and two-year partial term positions are filled, each position with a one-year partial term remaining shall be filled by the persons receiving the next highest number of votes cast, until all such positions are filled.

Section 10.4. Vacancies.

(a) Officer Vacancies. Vacancies among the Officers may be filled by a majority vote of the Board of Directors, except that a vacancy in the office of President shall be filled by the President-Elect.

(b) At Large Director Vacancies. Any vacancy in an At Large Director position may be filled by a majority vote of the remaining Directors for a term to continue until December 31 of the current year. If the remaining term for an At Large Director position continues beyond December 31, then such partial term position shall be filled by the Members pursuant to Section 10.3 (h).

Section 10.5. Removal of Officers and Directors.

(a) Removal by Board. The Board of Directors may remove a Director or an Officer with or without cause by a vote of at least three-quarters (3/4) of all persons then serving as Directors when such Directors determine, in their judgment, that such removal is in the best interest of the Association. The removal shall take effect immediately.

(b) Removal by Members. The Members may call for the removal of an Officer or Director by filing a petition with the Chief Executive Officer of the Association duly signed by:

- (1) at least a number of Members equal to one-third (1/3) of the REALTOR® Members who voted in the immediately preceding annual election or
- (2) at least one thousand (1,000) Members, whichever is higher.

To be valid and counted, signatures on petitions shall be by original signature or by an electronic signature system approved by the Directors. The petition shall specifically set forth the reasons the individual is deemed to be disqualified from further service. The Secretary/Treasurer and the Chief Executive Officer of the Association shall have the exclusive authority to determine the validity of any petition and signatures thereon. 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 Members shall be held, and the sole business of the meeting shall be to consider removal of the Officer or Director, and to render a decision on such petition. All REALTOR® Members entitled to vote shall be notified at least ten (10) days prior to the meeting, which shall be conducted by the President unless the President's continued service in office is being considered at the meeting. In such case, the President-Elect shall conduct the meeting. The vote required to remove an Officer or Director shall be the vote of three-fourths of the REALTOR® Members entitled to vote who are present at a meeting at which a quorum is present.

Section 10.6. Management.

(a) Chief Executive Officer. The Board of Directors shall appoint and remove the Chief Executive Officer of the Association subject to the terms of any agreement entered into between the Association and the Chief Executive Officer with the approval of the Board of Directors. The Chief Executive Officer shall report to the Board of Directors and serve as the chief executive officer of the Association and shall attend all meetings of the Board of Directors. The Chief Executive Officer shall have the right to appoint and remove all Association staff. The Chief Executive Officer shall also have such other duties as are set forth in the Bylaws and the governing policies of the Association and as may be assigned by the Board of Directors from time to time.

(b) Outside Advisors. The Board of Directors or Chief Executive Officer may also retain legal counsel and may employ such other persons as are necessary to the proper conduct of the Association's business.

Section 10.7. State Directors.

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

(b) Qualifications. Eligible to serve as a State Director are those persons who have been a REALTOR® Member of the Association 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) Vacancies. Any vacancy occurring for any reason during a regular three (3) year term of office may be filled by the Directors by electing a qualified Member to fill the unexpired term only.

Section 10.8. 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 XI. MEETINGS

Section 11.1. Meetings of Members.

(a) Annual Meetings. There shall be an annual meeting of the Members, on a date set annually by the Board of Directors, to address such matters as may appropriately be brought before the assembly. An agenda must be provided to the Members in written or electronic form at least ten (10) days prior to the meeting.

(b) Special Meetings. Special meetings of the Members 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 REALTOR® Members entitled to vote and shall be called by the President or Secretary/Treasurer if required pursuant to Section 10.5(b). The purpose of such meetings shall be announced in the call for the meeting which shall be provided in written or electronic form at least ten (10) days prior to the date of such meeting.

(c) Quorum. A quorum for the transaction of business in a meeting of the Members shall consist of 1% of the REALTOR® Members entitled to vote.

Section 11.2. 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 President 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) Quorum. A quorum for the transaction of business in a meeting of the Board of Directors shall consist of a majority of the Directors.

(d) 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 the number of Directors necessary to take that action at a meeting at which all of the Directors are present and voting; provided, however, that this Section shall not authorize any action to be taken by written consent that, if taken at a meeting, would violate these Bylaws or the governing policies of the Association. The consent must state the date of each Director's signature.

Section 11.3. Electronic Transaction of Business. To the fullest extent permitted by law, the Board of Directors or the Members may conduct business by electronic means.

ARTICLE XII. COMMITTEES AND TASK FORCES

Section 12.1. Nominating Committee. The Association shall have a Nominating Committee consisting of at least seven (7), but not more than nine (9), REALTOR® Members. At least two (2) members of the Nominating Committee shall be then-serving At Large Directors. The then-serving President and Past-President may not serve on the Nominating Committee. The Nominating Committee, including a member thereof to serve as chair, shall be appointed by the then-serving At Large Directors (provided that the then-serving President and Past-President shall not be eligible to participate in the appointment of the Nominating Committee or its chair).

Section 12.2. Other Committees. The Board of Directors shall appoint from among the Members such committees in addition to the Nominating Committee as may be required. All committees in addition to the Nominating Committee shall be of such size and shall have such duties, functions, schedules and powers as may be assigned to them by the Board of Directors, except as otherwise provided in the Board of Directors Governance Policy. The President shall be an ex-officio Member of all committees except the Nominating Committee and shall be given prior notice of their meetings.

Section 12.3. Task Forces. The President shall also appoint, subject to confirmation by the Board of Directors, special task forces and other work groups as deemed necessary and persons appointed thereto need not be Members of the Association.

ARTICLE XIII. GENERAL PROVISIONS

Section 13.1. Fiscal and Elective Year. Both the fiscal and elective years of the Association shall be the calendar year.

Section 13.2. Rules of Order. Robert's Rules of Order Newly Revised, 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 or the governing policies of the Association.

Section 13.3. Financial Matters. 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 13.4. Designation of Office. The Board of Directors shall designate an address as the official headquarters and office of the Association.

Section 13.5. 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 XIV. AMENDMENTS

Section 14.1. Vote. These Bylaws may be amended by a vote of the REALTOR® Members entitled to vote. An amendment will be deemed approved if a majority of the REALTOR® Members who cast their vote by mail or electronic ballot vote in favor of the amendment. Notwithstanding the foregoing, (1) Article VIII may be amended only by a majority vote of all REALTOR® Members entitled to vote and (2) the Board of Directors may, by majority vote at any regular or special meeting of the Board of Directors at which at least four-fifths (4/5) of the members of the Board of Directors are present, approve amendments to the Bylaws that are mandated by policies of the NATIONAL ASSOCIATION OF REALTORS®.

Section 14.2. Notice. Notice of amendments to be considered shall be distributed to every REALTOR® Member entitled to vote at least one (1) week prior to the deadline for voting and such notice shall plainly state the substance of any proposed amendments or the full text thereto.

Section 14.3. National Approval. Contrary provisions hereof notwithstanding, amendments to these Bylaws affecting the admission or qualification of REALTOR® Members

and Institute Affiliate Members, use of the terms REALTOR® and REALTORS® or any alteration in the territorial jurisdiction of the Association shall become effective upon their approval as authorized by the Board of Directors of the NATIONAL ASSOCIATION OF REALTORS®.

**ARTICLE XV.
MULTIPLE LISTING SERVICE**

Section 15.1. 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®.