

HENDERSON COUNTY BOARD OF REALTORS®, INCORPORATED

2022

BYLAWS

HENDERSON COUNTY BOARD OF REALTORS®, INCORPORATED

(Adopted January 1986)

(Amended April 1987)

(Amended August 1987)

(Amended September 1991)

(Amended March 1993)

(Amended October 1995)

(Amended November 1995)

(Amended March 1996)

(Amended July 1997)

(Amended August 1998)

(Amended December 2000)

(Amended February 2001)

(Amended March 2003)

(Amended June 2004)

(Amended April 2007)

(Amended January 2009)

(Amended February 2010)

(Amended February 2013)

(Amended February 2015)

(Amended October 2017)

(Amended April 2022)

ARTICLE I - NAME

Section 1. Name. The name of this organization shall be the **Henderson County Board of Realtors®, Incorporated**, hereinafter referred to as the “**Board.**”

Section 2. REALTORS. Inclusion and retention of the Registered collective membership Mark REALTORS® in the name of the Board 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 Board are:

Section 1. To unite those engaged in 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 interest may be safeguarded and advanced.

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

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

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

ARTICLE III - JURISDICTION

Section 1. The territorial jurisdiction of the Board as a Member of the NATIONAL ASSOCIATION OF REALTORS® is: Henderson County.

Section 2. Territorial jurisdiction is defined to mean:

(a) The right and duty to control the use of the term 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 Board agrees to protect and safeguard the property rights of the National Association in the terms.

ARTICLE IV- MEMBERSHIP

Section 1. There shall be Six classes of Membership as follows:

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

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

In the case of a real estate firm, partnership, or corporation, whose business is activity is substantially all commercial, only those principals actively engaged in the real estate business, in connection with the same office, or any other offices within the jurisdiction of the board in which one of the firm's principals holds REALTOR® membership, shall be required to hold REALTOR® membership unless otherwise qualified for Institute Affiliate membership as described in Section 1 (b) of Article IV. (Amended 1/05)

Note: Realtor® Members may obtain membership in a "secondary" board in another state.

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

(3) 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 obligations 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. (Amended 04/2022)

(4) Primary and Secondary REALTOR® Members. An individual is a primary member if the Board pays state and National dues based on such member. An individual is a secondary member if state and National dues are remitted through another Board. One of the principals in a real estate firm must be a designated REALTOR® member of the Board, in order for licensees affiliated with the firm to select the Board as their “primary” Board.

(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 mediate and arbitrate pursuant to Article 17 of the Code of Ethics and the payment of Board 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. (Amended 11/11)

(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. (Amended 1/02)

(c) Affiliate Member. 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 Board.

(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 profession 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 profession who have performed notable service for the real estate profession for the Board, or for the public.

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

ARTICLE V - QUALIFICATION AND ELECTION

Section 1. Application

(a) An application for membership shall be made in such manner and form as may be prescribed by the board of directors and made available to anyone requesting it. The application form shall contain among the statements to be signed by the applicant (1) that applicant agrees as a condition to membership to thoroughly familiarize himself/herself with the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, the Constitutions, Bylaws, and Rules and Regulations of the Board, the Board, the State and National Associations, and if elected a member, will abide by the Constitutions and Bylaws and Rules and Regulations of the Board, State and National Associations, and if a REALTOR® member, will abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® including obligation to mediate and 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 Board, through its membership committee or otherwise, may invite and receive information and comment about applicant from any member or other person, and that applicant agrees that any information and comment furnished to be the Board 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. (Amended 11/11)

Section 2 Qualification

(a) An applicant for REALTOR® membership who is a sole proprietor, partner, corporate officer, or branch office manager of a real estate firm shall supply evidence satisfactory to the association, through its membership committee or otherwise, that he/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, has a place of business within the state or a state contiguous thereto (unless a secondary member), has no record or recent or pending bankruptcy*, has no record of official sanctions involving unprofessional conduct,** agrees to complete a course of instruction covering the Bylaws and rules and regulations of the Board, the Bylaws of the State Association, and the Constitution and Bylaws and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, and shall pass such reasonable and nondiscriminatory written examination thereon, as may be required by the committee, and shall agree that if elected to membership, he/she will abide by such Constitution, Bylaws, rules and regulations, and Code of Ethics. (Amended 1/05)

* 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 office 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 established that its interest and those of its member and public could not be adequately protected by requiring that the bankrupt applicant pay cash in advance for Board and MLS fees for up to on (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 a 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.

** No record of official sanctions involving unprofessional conduct is intended to mean that the Board may only consider:

A. judgments against the applicant within the past three (3) years 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

B. criminal convictions if (1) the crime was punishable by death or imprisonment in excess of one year under the law under which the applicant was convicted, and (2) no more than ten (10) years have elapsed since the date of the conviction or the release of the applicant from the confinement imposed of that conviction, whichever is the later date. (Amended 5/07)

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

(b) Individuals who are actively engaged in the real estate profession other than as sole proprietors, 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 designated REALTOR® member of the Board or a Designated REALTOR® member of another Board (if a secondary member) and must maintain a current, valid real estate broker’s or salesperson’s license or be licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, has no record of official sanctions involving unprofessional conduct*, shall complete a course of instruction covering the Bylaws and rules and regulations of the Board, the Bylaws of the State Association, and the Constitution and bylaws and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, and shall pass such reasonable and nondiscriminatory written examinations thereon as may be required by the membership Committee, and shall agree in writing that if elected to membership he/she will abide by such Constitution, Bylaws, rules and regulations, and the Code of Ethics. (Amended 5/07)

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

1. All final findings of Code of Ethic 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 request (or hearings)

5. Unpaid arbitration awards or unpaid financial obligations to any other REALTOR® association or REALTOR® association MLS.

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

Section 3 Election.

The Procedure for election to membership shall be as follows:

(a) The chief staff executive (or duly authorized designee) shall determine whether the applicant is applying for the appropriate class of membership. If the association has adopted provisional membership, applicants for REALTOR® membership may 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 final review of the application by the board of directors.

(b) If the board of directors determines that the individual does not meet all of the qualifications for membership as established in the association's Bylaws, or, if the individual does not satisfy all of the requirements of membership (for example, completion of a mandatory orientation program) within ____ days from the association's receipt of their application, membership may, at the discretion of the board of directors, be terminated. 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. The board of directors shall vote on the applicant's eligibility for membership. If the applicant receives a majority vote of the board of directors, he/she shall be declared elected to membership and shall be advised by written notice.

(c) The board of directors may not reject an application without providing the applicant with advanced notice of the findings, an opportunity to appear before the board of directors, to call witnesses on his/her behalf, to be represented by counsel, and to make such statements as he/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 hearing before it may electronically or mechanically record the proceedings.

(d) If the board of directors determines that the application shall be rejected, it shall record its

reasons with the chief staff executive (or duly authorized designee). If the board of directors believes that denial of membership to the applicant may become the basis of litigation and a claim of damage by the applicant, it 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. (Adopted 1/98, Amended 1/05)

Section 4. New Member Code of Ethics Orientation.

Applicants for REALTOR® membership 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 90 Days of the date of application, will result in denial of membership application.

Note: Orientation programs must meet the learning objectives and minimum criteria established from time to time by the NATIONAL ASSOCIATION OF REALTORS®. (Adopted 1/01)

Section 5. REALTOR® Code of Ethics Training

Effective January 1, 2017 through December 31, 2018, and for successive two-year periods thereafter, each REALTOR® member of the association (with exception of REALTOR® members granted REALTOR® Emeritus status by The National Association) shall be required to complete quadrennial ethics training of not less than two (2) hours and thirty (30) minutes of instructional time. This requirement will be satisfied upon presentation of documentation that the member has completed a course of instruction conducted by this or another association, the State Association of REALTORS®, the NATIONAL ASSOCIATION OF REALTORS®, or any other recognized educational institution or provider which meets the learning objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTORS® from time to time. REALTOR® members who have completed training as requirement of membership in another association and REALTOR® members who have completed the New Member Code of Ethic Orientation during any three year cycle shall not be required to complete additional ethic training until a new three year cycle commences.

Failure to satisfy this requirement shall be considered a violation of a membership duty. Failure to meet the requirement in any three year cycle will result in suspension of membership for the first two months (January and February) of the year following the end of any two (2) cycle or until the requirement is met, whichever occurs sooner. On March 1 of that year, the membership of a member who is still suspended as of that date will be automatically terminated. (Adopted 1/01, Amended 11/08, Amended 11/2016)

Section 6. Status changes

(a) A REALTOR® who changes the conditions under which he/she holds membership shall be required to provide written notification to the Board within thirty (30) days. A REALTOR® (non-Principal) who becomes a principal in the firm with which he/she has been licensed or, alternatively, becomes a principal in a new firm which will be comprised of REALTOR® principals may be required to satisfy any previously unsatisfied membership requirements applicable to REALTOR® (principal) members but shall, during the period of transition from one status of membership to another, be subject to all 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 Board of their change in status, their new membership application will terminate automatically unless otherwise so directed by the board of directors.

A REALTOR® who is transferring his/her license from one firm comprised of REALTOR® principals to another firm comprised of REALTOR® principals shall be subject to all of the privileges and obligations of membership during the period of transition. If the transfer is not completed within sixty (60) days of the date the board is advised of the disaffiliation with the current firm, membership will terminate automatically unless otherwise so directed by the board of directors. (Amended 1/98)

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

(b) Any application fee related to a change in membership shall be reduced by an equal amount to any application fee previously paid by the applicant.

(c) Dues shall be prorated from the first day of the month in which the member is notified of election by the board of directors and shall be based on the new membership status for the remainder of the year. (Amended 1/05)

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 Board may be reprimanded, fined, placed on probation, suspended, or expelled by the board of directors for a violation of these bylaws and board rules and regulations consistent with these Bylaws, after a hearing as provided in the Code of Ethics and Arbitration manual of association. Although Members other than REALTORS® 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 REALTORS® may, upon recommendation of the

membership committee, or upon recommendation by a hearing panel of the professional standard committee, be subject to discipline as described above, for any conduct which in 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 objectives and purposes of the local Board, the State Association, and the NATIONAL ASSOCIATION OF REALTORS®.

Section 3. Any REALTOR® Member of the board 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.

Section 4. Resignation 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 Board for dues, fees, fines, or other assessments of the Board or any of its services, departments, divisions, or subsidiaries, the Board may condition the right of the resigning member to reapply for membership upon payment in full of all such monies owed.

Section 5. 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 association) or by any other 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 ethics 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 an association of REALTORS®.

(a) 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® (Amended 1/00 and 11/11)

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~~ are entitled to vote and to hold elective office in the association; ~~and~~ and may use the terms REALTOR® and REALTORS®; ~~and have the primary responsibility to safeguard and promote the standards, interests, and welfare of the association and the real estate profession. For purposes of this section, the term "good standing" means the member satisfies the "Obligations of REALTOR® 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. (Amended 4/2022)

(a) If a REALTOR® Member is a sole proprietor in a firm, a partner in a partnership or an officer in an corporation, and is suspended or expelled, the firm, partnership or corporation shall not use the term REALTOR® or REALTORS® in connection with its business during the period of suspension, or until readmission to REALTOR® membership, or unless connection with the firm, partnership, or corporation is severed, or management control is relinquished, whichever may apply. The membership of all other principals, partner, 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 firm, partnership , or corporation is severed, or unless the REALTOR® who is suspended or expelled removes himself/herself from any form or degree of management control of the firm for the term of the suspension or until readmission to membership, whichever may apply. Removal of an individual from any form or degree of management control must be certified to the Board 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 term REALTOR® and REALTORS® connection with its business during the period of suspension or until the former member is admitted to membership in the Board. 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, corporation is severed, or management control is relinquished, or unless the REALTOR® member (non-principle) elects to sever his/her connection with the REALTOR® and affiliate with another REALTOR® member in good standing in the Board, whichever may apply.

If a REALTOR® Member other than a sole proprietor in a firm, a partner in a partnership or an officer of a corporation is suspended or expelled, the use of the terms REALTORS® or REALTORS® by the firm, partnership, or corporation shall not be affected.

(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 all REALTORS® employed by or affiliated as independent contractors with such REALTOR® member and they shall be advised that the provision in Article VI, Section 6 (a) 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®.

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, REALTOR-ASSOCIATE, or the REALTOR logo; to serve as President of the local association; or be a participant in the local association's Multiple Listing Service. (Amended 1/02)

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

Section 9. Public Service Members. Public Service members shall have the rights and privileges and be subject to obligations prescribed by the board of directors.

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

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

Section 12. Certification by REALTOR® "Designated" REALTOR® members of the Board shall certify to the Board during the month of January on a form provided by the Board, a complete listing of all individuals licensed or certified in the REALTOR'S ® office(s) and shall designate a primary Board of each individual who holds membership. Designated REALTORS® shall also identify any-non-member licensees in the REALTOR's office(s) and if designated REALTOR® dues have been paid to another Board based on said non-member licensees, the designated REALTOR® shall identify the Board to which dues have been remitted. These declarations shall be used for purposes of calculating dues under Article X, Section 2(a) of the Bylaws. "Designated" REALTOR® members shall also notify the board of any additional individual(s) licensed or certified with the firm(s) within 14 days of the date of affiliation or severance of the individual.

Section 13. Harassment. Any member of the association may be reprimanded, placed on probation, suspended or expelled for harassment of an association or MLS employee or association officer or director after a 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 of effect of unreasonable interfering with an individual's work performance by creating a hostile, intimidating or offensive work environment. The decision of the appropriate disciplinary action to be taken shall be made by the investigatory team comprised of the president, and president-elect and /or the vice president 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 president, president-elect or vice president, they may not participate in the proceedings and shall be

replaced by the Immediate past president or, alternatively, by another member of the board of directors selected by the highest-ranking officer not named in the complaint.

ARTICLE VII PROFESSIONAL STANDARDS AND ARBITRATION

Section 1. The responsibility of the Board and of Board 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 2. 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 Constitution and Bylaws governing documents and the rules and regulations policies of the association, ~~the Constitution and Bylaws of the State Association, and the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS®, and to abide by~~ 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 ~~of this association, as from time to time amended~~.

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. (Amended 4/2022)

Section 3. 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 4. 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

ARTICLE VIII-USE OF THE TERMS REALTOR AND REALTORS

Section 1. 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.

Use of the terms REALTOR® and REALTORS® by members shall, at all times, be subject to the provisions of the *Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS®* and to the Rules and Regulations prescribed by its board of directors. The association shall have the authority to control, jointly and in full cooperation with the NATIONAL ASSOCIATION OF REALTORS®, use of the terms within its jurisdiction. Any misuse of the terms by members is a violation of a membership duty and may subject members to disciplinary action by the board of directors after a hearing as provided for in the association's Code of Ethics and Arbitration Manual.

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

Section 3. A REALTOR® 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.

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 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 Board shall be a member of the NATIONAL ASSOCIATION OF

REALTORS® and the TEXAS ASSOCIATION of REALTORS®. By reason of the Board'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 Board shall continue as a member of the State and National Associations, unless a majority vote of all 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 2. The Board recognizes the exclusive property rights of the NATIONAL ASSOCIATION OF REALTORS® in the terms REALTOR® and REALTORS®. The Board shall discontinue use of the terms in any form in its name, upon ceasing to be a member of the National Association, or upon a determination by the board of directors of the National Association that it has violated the conditions imposed upon the terms.

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

ARTICLE X - DUES AND 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 Board upon final approval of the application.

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

- REALTOR® Members: the annual dues of each Designated REALTOR® member shall be in such amount as established annually by the board of directors, plus an additional amount to be established annually by the board of directors times the number of real estate salespersons and licensed or certified appraisers who (1) are employed by or affiliated as independent contractors, or who are otherwise directly or indirectly licensed with such REALTOR® member, and (2) are not REALTOR® members of any association in the state or a state contiguous thereto or Institute Affiliate members of the association. In calculating the dues payable to the board by a designated REALTOR® member, non-member licensees as defined in (1) and (2) of this paragraph shall not be included in 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 board 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 too licensees affiliated with the designated REALTOR® (as defined in (1) and (2) of this

paragraph) in the office where the designated REALTOR® holds membership, and any other offices of the firm located within the jurisdiction of this board (Amended 1/05)

(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, partner, corporate officer, or branch office manager of a real estate firm, partnership, or corporation, is actively engaged in the real estate profession as defined in Article III, Section 1, of the Constitution of the NATIONAL ASSOCIATION OF REALTORS®. An individual shall be deemed to be licensed with a REALTOR® if the license of the individual is held by the REALTOR®, or by any broker who is licensed with the REALTOR® or by any entity in which the REALTOR® has a direct or indirect ownership interest and which is engaged in other aspects of the real estate business (except as provided for in Section 2(a) (1) hereof) provided that such licensee is not otherwise included in the computation of dues payable by the principal, partner, corporate officer, or branch office manager of the entity.

A REALTOR® with a direct or indirect ownership interest in an entity engaged exclusively in soliciting and/or referring clients and customers to the REALTOR® for consideration on a substantially exclusive basis shall annually file with the association on a form approved by the association a list of the licensees affiliated with that entity and shall certify that all of the licensees affiliated with the entity are solely engaged in referring clients and customers and are not engaged in listing, selling, leasing, 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® membership in the association. However, membership dues shall not be prorated if the licensee held REALTOR® membership during the preceding calendar year. (Amended 11/09 and 11/14)

(a) REALTOR® Members Dues. The Annual dues of REALTOR® members other than the designated REALTOR® shall be established annually by the board of directors. (Amended 1/05)

(b) 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®.

NOTE: The Institute, societies and Councils of the National Association shall be

responsible for collecting and remitting dues to the National Association for Institute Affiliate Members (\$105.00). The National Association shall credit \$(35.00) to the account of a local association for each Institute Affiliate Member whose office address is within the assigned territorial jurisdiction of that association, provided, however, if the office location is also within the territorial jurisdiction of a Commercial Overlay Board (COB), the (\$35.00) amount will be credited to the COB, unless the Institute Affiliate Member directs that the dues be distributed to the other association. The National Association shall also credit (\$35.00) to the account of state associations for each Institute Affiliate member whose office address is located within the territorial jurisdiction of the state association. Local and state associations may not establish any additional entrance, initiation fees or dues for Institute Affiliate Members, but may provide service packages to which Institute Affiliate Members may voluntarily subscribe. (Amended 11/2013)

(c) Affiliate Members. The Annual dues of each Affiliate Member shall be as established annually by the board of directors (Amended 1/05)

(d) Public Service Members. The annual dues of each Public Service Member shall be established annually by the Board of Directors. (Amended 1/05)

(e) Honorary Members. Dues payable, if any, shall be at the discretion of the board of directors. (Amended 1/05)

(f) Student Members. Dues payable, if any, shall be at the discretion of the Board of directors. (Amended 1/05)

Section 3. Dues Payable. Dues for all members shall be payable annually in advance on the first day of January. Dues for new members shall be computed from the first day of the month in which a member is notified of election and shall be prorated for the remainder of the year. (Amended 1/05)

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

Section 4. Nonpayment of Financial Obligations: If dues, fees, fines, or other assessments including amounts owed to the Board or the Board’s multiple listing service are not paid within one (1) month after due date, the non-paying Member is subject to suspension at the discretion of the board of directors. Two (2) months after the due date, membership of the nonpaying member may be terminated at the discretion of the board of directors. Three (3) months after the due date, membership of the nonpaying 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 by the board of directors. A former member who has had his/her membership terminated for

nonpayment of dues, fees, fines, or other assessments duly levied in accordance with the provisions of these Bylaws or the provision of other rules and regulations of the Board 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. Deposits and Expenditures: Deposits and expenditures of funds shall be in accordance with policies established by the board of directors. The board of directors shall administer the day to day finances of the Board. Capital expenditures in excess of \$4,000.00 may not be made unless authorized by 20% of the Board members eligible to vote. (Amended 1/05)

Section 6. Notice of Dues, Fees, Fines, Assessments and Other Financial Obligations of members. All dues, fees, fines, Assessments, or other financial obligations to the Board or multiple listing service shall be noticed to the delinquent Board member in writing setting forth the amount owed and due date.

Section 7. The dues of REALTOR® Members who are REALTOR® 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. (Amended 11/2013)

Section 8. Name Change. The Board of Directors may adopt a fee for change of name of a firm, partnership, or corporation where the “designated” REALTOR® is in good standing with the Henderson County Board of Realtors®. The firm, partnership, or corporation name change fee shall be reasonable, not exceeding four times the annual local Board dues for REALTOR® membership.

Section 9. Sale of Firm, Partnership, or Corporation: The Board of Directors may adopt a fee for sale of firm, partnership, or corporation to a different “designated” REALTOR® who is in good standing within the Henderson County Board of Realtors®, where the name of the firm, partnership, or corporation does not change. The fee shall be reasonable in amount, not exceeding three times the annual local Board dues for REALTOR® membership.

Note: A Member board’s dues obligation to the National Association is reduced by an amount equal to the amount which the Board is assessed for a REALTOR® member, times the number of REALTORS® Emeriti (as recognized by the National Association), past president of National Association, and recipients of the Distinguished Service Award of the National Association who are REALTOR® members of the Board. The dues obligation of such individuals to the local Board should be reduced to reflect the reduction in the Board’s dues obligation to the National Association. The board may, at its option, choose to have no dues requirement for such individuals except as may be required to meet the Board’s obligation to the State Association with respect to such individuals. Member Boards should determine whether the dues payable by the Board to the State Association are reduced with respect to such individuals. It should be noted

that this does not affect a “designated REALTOR®” dues obligation to the Board with respect to those licensees employed by or affiliated with the “designated” REALTOR® who are not members of the local Board.

Article XI- Officers and Directors

Section 1 Officers. The elected officers of the Board shall be: president, a vice-president a secretary, and a treasurer. The secretary and treasurer may be the same person. They shall be elected for terms of one year.

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. It shall be the particular duty of the chief staff executive to keep the records of the Board and to carry on all necessary correspondence with the NATIONAL ASSOCIATION OF REALTORS® and the Texas Association of REALTORS®. (Amended 1/05)

Note: Since Henderson County Board of Realtors® is an ALL REALTOR® BOARD, all reference to member is the equivalent of REALTOR® MEMBER.

(A) Qualification:

- (1) The president shall be a member who has previously served as an elected officer FOR ONE FULL TERM.
- (2) The vice-president, secretary, treasurer and TAR Director shall be a member who has previously served as a director for a period of one year.

Section 3. Board of Directors. The governing body of the Board shall be a board of directors consisting of the elected officers, and the immediate Past President, and six elected REALTORS® members of the Board. Directors shall be elected to serve for terms of three (3) years. Two Directors will be elected each year, forming a “class” designated by the last year of their Term. In the event one of the directors is not able to serve the term of their “class”, a replacement will be recommended by the President subject to the approval of the majority of the Directors.

(A) Qualification:

- (1) Each Director shall be a member in good standing for two (2) years immediately preceding his or her term of office AND HAVE SERVED AS A STANDING COMMITTEE CHAIRMAN ONE YEAR

(B) Attendance: Directors shall attend all regular scheduled or called meetings of the Board of Directors. Un-excused absence of a Director from three (3) regular scheduled or called Director’s meetings during a Board’s year shall automatically terminate the Director’s tenure of office. The Board of Directors shall elect, by majority

vote, a new Director to serve the unexpired term. Excused absences shall be due only to personal or immediate family illness or absence for attendance at any industry or industry-related function, or such other policy as approved by the Board of Directors.

Section 4. Election of Officers and Directors:

(A) At least five (5) months before the annual election, a Nominating Committee of seven (7) members shall be appointed by the President with the approval of the board of Directors. The selection will consist of no more than one (1) MEMBER FROM ANY MEMBER BROKER OFFICE.

(B) The nominating committee will review the Board records and publish a list of persons that meet the qualification for each Officer and Director position. This list will be sent to each Board Member by the first day of May each year.

(C) Member Recommendations: The Secretary shall solicit written recommendations from Members of Nominees for Board Officers and Directors. Written solicitations shall be mailed to the Members no later than May 15 of each year. Written recommendations for Nominees must be received in the Board office no later than 5PM on the 1st day of June of each year to be considered. The Secretary shall provide the Nominating committee with written responses and tabulation of results.

(D) Duties: The Nominating Committee shall deliver the list of Nominees for Board Officers and Directors to the Secretary no later than the 15th day of June of the current year. The nominating Committee shall obtain the acceptance of the nomination of each Nominee. Any director who is elected an Officer shall vacate the current position effective at the end of the current year, and the Nominating Committee shall nominate a person to fill such vacancy. The Secretary shall post the list of Nominees in the Board office no later than the 30th day of June and shall cause a list of said Nominees to be mailed to Members no later than 3rd day of July.

(E) Members Nominations: After notification of the Members of the list of Nominees, additional nominations of qualified Members may be made to the Secretary no later than the 1st day of July, provided that each nomination shall be in writing and signed by the person making the nomination. It will be acceptable, at this time, for a member to nominate himself or herself for an officer or director position. These nominations will be delivered to the nominating committee for addition to the list of nominations. The complete list of nominations will be delivered to the Secretary by the 20th day of July

(F) The Secretary will publish a list of Nominees for each Office and for Directors by the 30th of July each year. This list will go to each Member.

(G) Election Procedure:

(1) The General Membership meeting of the Board in August will provide the opportunity for any Nominee to give a presentation to the members present.

(2) The election of Officers and Directors shall take place at the annual meeting in September. Election shall be by ballot and all votes shall be cast in person. They shall contain the name of all candidates and the Office for which they are nominated. The

Nominating Committee shall be the election committee to conduct the election. In case of a tie vote, the issue shall be determined by lot. The new Officers and Directors will be announced to the members at the annual meeting.

Section 5. Vacancies: Vacancies among the Officers and the board of directors shall be filled for the balance of the year by a simple majority vote of the board of directors.

Section 6. Removal of Officers and Directors. In the event that a Officer or Director is deemed to be incapable of fulfilling the duties for which elected, but will not resign from office voluntarily, the officer or director may be removed from office under the following procedure.

A petition requiring the removal of an officer or director and signed by not less than one-third of the voting membership, or a majority of all directors, shall be filed with the president, or if the president is the subject of the petition, with the next-ranking officer, and shall specifically set forth the reason the individual is deemed disqualified from further service.

(a) 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 Board 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.

(b) The special meeting shall be noticed to all voting members at least ten (10) days prior to the meeting and shall be conducted by the president of the Board unless the president's continued service in office is being considered at the meeting. In such case, the next ranking officer will conduct the meeting of the hearing by members present and voting shall be required for removal from office.

Section 7. Chief Staff Executive. There shall be a chief staff executive, appointed by the board of directors, who shall be the chief administrative officer of the Board. The chief staff executive shall have the authority to hire, supervise, evaluate and terminate other staff, if any, and shall perform such other duties as prescribed by the board of directors. (Adopted 1/05)

ARTICLE XII-MEETINGS

Section 1. Annual meetings. The annual meeting of the Board shall be held during September of each year, the date, place, and hour to be designated by the board of directors. (Amended 1/05)

Section 2. Meetings of Directors. The board of directors shall designate a regular time and place of meetings. Absence from three consecutive regular meetings without an excuse deemed valid by the board of directors shall be construed as resignation. A quorum for the

transaction of business shall be a majority of the board of directors, except as may otherwise be required by state law (Amended 05/2013)

Section 3. Other Meetings. Meetings of members may be held at other times as president of board of directors may determine, or upon the written request of at least 10% of the members eligible to vote.

Section 4. Notice of Meetings. Written notice shall be given to every Member entitled to participate in the meeting at least one (1) week preceding all meetings. If a special meeting is called, it shall be accompanied by a statement of the purpose of the meeting.

Section 5. Quorum for Membership Meetings. A quorum for the transaction of business at general and/or special meetings of the membership shall consist of 20% of the members eligible to vote, except as may otherwise be required by state law (Amended 05/2013)

Section 6. Electronic Transaction of Business. To the fullest extent permitted by law, the Board of Directors or membership may conduct business by electronic means (Adopted 1/05)

Section 7. Action without Meeting. Unless specifically prohibited by the articles of incorporation, 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. The consent shall be evidenced by one or more written approvals, each of which sets forth the action taken and bears the signature of one or more directors. All the approvals evidencing the consent shall be delivered to the Chief Staff Executive to be filed in the corporate records. The action taken shall be effective when all the directors have approved the consent unless the consent specifies a different effective date. (Amended 1/05)

ARTICLE XIII - COMMITTEES

Section 1. Standing Committees;

(A) Qualifications:

(1) Committee Chairman: Each Committee Chairman shall be a member in good standing for one (1) year immediately preceding his or her term of office.

(B) The President shall appoint from among the REALTOR® members, subject to confirmation by the Board of Directors, the following standing committees:

Awards

By-Laws

Education

Equal Opportunity

Finance

M.L.S.

Legislative

Membership

Nominating

Public Relations

Section 2. Special Committees. The president shall appoint, subject to confirmation by the board of directors, special committee as deemed necessary.

Section 3. Organization. All committees shall be of such size and shall have duties, functions, and powers as assigned by the president or the board of directors except as otherwise provided in these Bylaws.

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

Section 5. Action without Meeting. Any committee may act by unanimous consent in writing without a meeting. The consent shall be evidenced by one or more written approvals, each of which sets forth the action taken and bears the signature of one or more of the members of the committee (Adopted 1/05)

Section 6. Attendance by Telephone. Members of a committee may participate in any meeting through the use of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Such participation shall be at the discretion of the president and shall constitute presence at the meeting (Adopted 1/05)

ARTICLE XIV - FISCAL AND ELECTIVE YEAR

Section 1. The fiscal and elective year of the Board shall be January 1 to December 31.
(Adopted 1/05)

Section 2. The elective year of the Board shall be January 1 to December 31.
(Adopted 1/05)

ARTICLE XV – RULES OF ORDER

Section 1. Robert's Rules of Order, latest edition, shall be recognized as the authority governing the meetings of the Board, its Board of Directors, and committees, in all instances wherein its provisions do not conflict with these Bylaw.

ARTICLE XVI - AMENDMENTS

Section 1. These Bylaws may be amended by a majority vote of the members present and qualified to vote at any meeting at which a quorum is present, provided the substance of such proposed amendment or amendments shall be plainly stated in the call for the meeting, except that the board of directors may, at any regular or special meeting of the board of directors at which a quorum is present, approve amendments to the Bylaws which are mandated by NAR policy.

Section 2. Notice of all meetings at which amendments are to be considered shall be mailed to every member eligible to vote at least one (1) week prior to the meeting.

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

ARTICLE XVII - DISSOLUTION

Section 1. Upon the dissolution of this Board, 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.
(Amended 1/05)

ARTICLE XVIII - MULTIPLE LISTING

Multiple Listing Services operates as a Committee of the Board.

Section 1. Authority. The Board of REALTORS® shall maintain for the use of its members a Multiple Listing Service which shall be subject to the Bylaws of the Board of REALTORS® and such rules and regulations as may be hereinafter adopted.

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 subagents, buyer agents or in other agency or non-agency capacities defined by law); by which cooperation among participants is enhanced; by which information is accumulated and disseminated to enable authorized participants to prepare appraisals, analyses, and other valuations of real property; for bona fide clients and customers; by which participants engaging in real estate appraisal contribute to common databases; and 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 a procuring cause of the sale (or lease). (Amended 11/04)

Section 3. 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 cost incidental thereto. However, under no circumstances is an individual or firm, regardless of membership status, entitle to multiple listing service “membership” or “participation” unless they hold a current, valid real estate broker’s license and offer or accept compensation to and from other participants or are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property. Use of information developed by or published by a board multiple listing service is strictly limited to the activities authorized under a participant’s licensure(s) or certification and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey “participation”, or “membership” or any right of access to information developed by or published by a Board Multiple Listing Service where access to such information is prohibited by law. (Amended 11/08)

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 type listed on the MLS and/or to accept offers of cooperation and compensation and by listing brokers or agents in the MLS. “Actively” means on continual and on-going basis during the operation of participant’s real estate business. The “actively” requirement is not intended to preclude MLS participation by a participant or potential participant that operate 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 laws. (Adopted 11/08)

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 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. (Adopted 11/08)

Section 4. Supervision. The activity shall be operated under the supervision of the multiple listing committee, in accordance with the rules and regulations subject to the approval of the board of directors of the Board.

Section 5. Appointment of Committee. The President shall appoint, subject to the confirmation of the board of directors, a multiple listing committee of Six (6) REALTOR® members. All members of the committee shall be participants in multiple listing except, at the option of the local Board, REALTORS® affiliated with participants may be appointed to serve in such numbers as determined by the local Board. The Committee Members so named shall serve three-year terms. The Committee shall select its Chairperson among the members thereof. (The chairperson may be designated by the president.)

Section 6. Vacancies, Vacancies in unexpired terms shall be filled as in the case of original appointees.

Section 7. Attendance. Any committee member who fails to attend three (3) consecutive regular or special meetings of the committee, without excuse acceptable to the chairperson of the committee, shall be deemed to have resigned from the committee and the vacancy shall be filled as herein provided for original appointees.

Section 8. Subscribers. Subscribers (or users) of the MLS included non-principal brokers, sales associates, and licensed and certified appraisers affiliated with participants.