

**RESTATED BYLAWS OF THE TEXAS
ASSOCIATION OF REALTORS®**
As Amended September 11, 2017

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ARTICLE I. Name and Objects

Section 1. Name

The name of this organization is the Texas Association of REALTORS®, Inc. (the Association).

Section 2. Objects

The objects of this Association are:

- (1) to unite the members of the Association for the purpose of exerting effectively a combined influence upon matters affecting real estate;
- (2) to elevate the standards of the real estate business throughout the state; and
- (3) to elevate the professional conduct of persons engaged in the real estate business.

ARTICLE II. Membership

Section 1. Classes

The members of this Association consist of six classes:

- (1) Member Boards;
- (2) REALTOR® Members;
- (3) Individual Members;
- (4) Institute Affiliate Members;
- (5) Affiliate Members;
- (6) Honorary Members; and
- (7) Government Affairs Alliance Members.

Section 2. Member Board

Member Board means a Local Association or a Board of REALTORS® within the State of Texas, all the REALTOR® Members of which hold membership in this Association and in the National Association of REALTORS®.

Section 3. REALTOR® Member

- (a) REALTOR® Member means a REALTOR® Member of a Member Board. Primary REALTOR® Member means a Primary REALTOR® Member of a Member Board. Secondary REALTOR® Member means a Secondary REALTOR® Member of a Member Board. A REALTOR® Member must designate only one Primary Member Board and may hold Secondary REALTOR® Membership in other Member Boards.
- (b) 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 or an Individual Member for twenty-five (25) consecutive years;
 - (2) is at least seventy (70) years old; and
 - (3) is retired from the real estate brokerage profession.
- (c) A REALTOR® Member holds status as a REALTOR®-Emeritus if the National Association of REALTORS® certifies the REALTOR® Member to be a REALTOR®-Emeritus.

Section 4. Individual Member

- (a) Individual Member means an individual:
 - (1) engaged in the real estate profession as a principal, partner, corporate officer, or branch office manager acting on behalf of the firm's principal(s) or a licensed or certified individual affiliated with the Individual Member;
 - (2) who does not maintain a place of business within the jurisdiction of any Member Board other than an overlay Member Board; and
 - (3) who meets the qualifications for REALTOR® membership established by the National Association of REALTORS®.
- (b) Secondary Individual Membership is available to individuals who hold primary membership in a board/association in another state and who desire to obtain direct membership in the Association without holding membership in a Member Board.
- (c) The Board of Directors may certify an Individual Member as a Life Member if the Individual Member: (1) as

held membership as a REALTOR® Member or an Individual Member for twenty-five (25) consecutive years; (2) is at least seventy (70) years old; and (3) is retired from the real estate brokerage profession.

- (d) An Individual Member holds status as a REALTOR®-Emeritus if the National Association of REALTORS® certifies the Individual Member to be a REALTOR®-Emeritus.
- (e) An applicant for individual membership must complete an orientation program on the Code of Ethics of not less than 2½ hours of instructional time that is acceptable to the Association. If the applicant does not complete the orientation program within 60 days after the applicant files the application, the application is deemed denied. This subsection does not apply to applicants who have completed comparable orientation in a Member Board or any REALTOR® association provided that the applicant was a REALTOR® member in this state or any other state at any time during the preceding 365 days immediately preceding the filing of the application.
- (f) Every two years an Individual Member (with the exception of REALTOR® members granted REALTOR® Emeritus status by the National Association) must complete ethics training that is acceptable to the Association and contains not less than 2½ hours of instructional time. The ethics training must meet the learning objectives and minimum criteria established by the National Association of REALTORS®. The orientation program under Subsection (e) is acceptable as ethics training under this subsection. 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 two (2) year cycle shall not be required to complete additional ethics training until a new two (2) year cycle commences. The Association shall, upon 30 days notice to the individual member, suspend the membership of an Individual Member who fails to timely satisfy the requirement under this subsection. A suspension of membership under this subsection continues until such time as the Individual Member provides the Association with acceptable evidence that the Individual Member has completed the required ethics training. If an individual fails to meet the requirement in any two (2) year cycle, the Individual Member's membership will be suspended for the first two months (January and February) of the year following the end of any two (2) year cycle or until the requirement is met, whichever occurs sooner. If the Individual Member fails to meet the requirement by March 1 in the year in which the Individual Member is suspended under this paragraph the Individual's Member's membership will be automatically terminated.

Section 5. Institute Affiliate Member

Institute Affiliate Member means:

- (a) an Institute Affiliate Member of a Member Board; or
- (b) an individual who does not maintain a place of business located within the jurisdiction of a Member Board other than an overlay Member Board and who holds a professional designation awarded by a qualified Institute, Society or Council affiliated with the National Association of REALTORS® that addresses a specialty area other than residential brokerage or an individual who otherwise holds a class of membership in such Institute, Society or Council that confers the right to vote or hold office. If eligible, an individual who is not an Institute Affiliate Member of a Member Board and is eligible to be an Institute Affiliate Member of this Association, may elect to hold Individual membership, subject to payment of applicable dues for such membership.

Section 6. Affiliate Member

Affiliate Member means a real estate owner or another individual or firm that is an Affiliate Member of a Member Board who does not meet the requirements of any other membership class.

Section 7. Honorary Member

Honorary Member means an individual recognized by the Board of Directors as having contributed notably to this Association who is not engaged in the real estate business and who does not meet the requirements of any other membership class.

Section 8. Government Affairs Alliance Member

A Government Affairs Alliance Member is an individual or entity which:

- (a) receives information and services that relate to the legislative and political advocacy efforts of the Association; and
- (b) is not a member of the Association in one of the classes listed in Art. II, Sec. 1, Subsections (1)-(6).

Section 9. Membership

Upon payment of the dues required under Article III to this Association, each REALTOR®, Affiliate, Individual, Institute Affiliate, or Government Affairs Alliance Member is deemed a REALTOR®, Affiliate, Individual, Institute Affiliate, or Government Affairs Alliance Member, as the case may be, in good standing of this Association.

Section 10. Removal

- (a) The Board of Directors, by majority vote of the directors present and voting, may remove from membership any Member Board or other member delinquent in payment of dues by more than 60 days. If a Member Board or other member is delinquent in the payment of dues by more than 90 days, those REALTOR® Members, Individual Members, Institute Affiliate Members, or Affiliate Members for whom the dues were not remitted will cease to be members of this Association.
- (b) The Board of Directors, by affirmative vote of two-thirds of the directors present and voting, after appropriate notice and hearing, may suspend or expel any member for cause, including but not limited to the following:
 - (1) violation of any provision of the National Association of REALTORS® Code of Ethics;
 - (2) aiding or abetting any unauthorized use of the term REALTOR®;
 - (3) suspension, revocation, or other termination of a license by the Texas Real Estate Commission or the suspension, revocation, or other termination of the license or certification by the Texas Appraiser Licensing and Certification Board;
 - (4) any act or conduct which may cause disrespect for or lack of public confidence in the real estate profession or in the name "REALTOR®;" or
 - (5) violation of any provision of these bylaws or any rule, regulation, or order adopted pursuant to these bylaws.

Section 11. Resignation

Any Individual Member may resign by filing a written resignation with the President/Chief Executive Officer. A resignation does not relieve a member of an obligation to pay dues, assessments, or other charges accrued and unpaid.

Section 12. Transfer of Membership

Membership in this Association is not transferable or assignable.

Section 13. Cessation of Property Interest

All rights, title, and interest, both legal and equitable, of a member in and to any property of the Association, ceases in the event of any of the following: (1) expulsion or termination of membership; (2) failure to pay dues owed to the Association; (3) resignation; or (4) death.

ARTICLE III. Dues and Fees

Section 1. Member Board

- (a) The annual dues of each Member Board will be the total of:
 - (1) an amount as established by the Board of Directors times the number of REALTOR® Members who hold primary membership in the Member Board,
 - (2) an amount established by the Board of Directors times the number of real estate brokers, real estate salespersons, licensed appraisers, certified appraisers, and apprentice appraisers who:
 - (A) are employed by or affiliated (directly or indirectly) as independent contractors with REALTOR® Members of the Member Board; or who are otherwise directly or indirectly licensed with the REALTOR® Member, and
 - (B) are not themselves REALTOR® Members;
 - (3) an amount established by the National Association of REALTORS® times the number of Institute Affiliate Members who hold membership in the Member Board; and
 - (4) an amount established by the Board of Directors times the number of individuals that are Affiliate Members who hold membership in the Member Board and times the number of office locations recorded with the Member Board for firms that are Affiliate Members who hold membership in the Member Board.
- (b) In calculating the dues payable by a Member Board, nonmembers, as defined in Subsection (a)(2) of this section, are not included in the computation of dues if:

- (1) dues have been paid in another board in this or a contiguous state, provided the Member Board notifies this Association in writing of the identity of the board to which dues have been remitted; or
 - (2) the nonmember is sponsored by or is affiliated with an entity that:
 - (A) is owned, directly, or indirectly, by a REALTOR® member;
 - (B) is engaged exclusively in the business of soliciting or referring clients and customers to the REALTOR® member with ownership interest in the entity; and
 - (C) annually files, through the REALTOR® member with ownership interest in the entity, a list of real estate brokers, salespersons, and appraisers sponsored by or affiliated with the entity and a certification, on a form acceptable to the Member Board, that states that all real estate brokers, salespersons, or appraisers who are sponsored by or affiliated with the entity are solely engaged in referring clients and customers and are not engaged in listing, selling, leasing, managing, counseling, or appraising real property.
- (c) Dues payable by a Member Board will be reduced by an amount established by the Board of Directors times the number of Life Members and REALTOR®-Emeritus Members who hold primary membership in the Member Board.
- (d) Dues payable by a Member Board under Subsections (a)(1) and (a)(4) of this section shall be prorated with regard to a member that was not a REALTOR® Member holding primary membership in any Member Board, an Affiliate Member in any Member Board, or an Individual Member during the preceding calendar year.

Section 2. Individual Member

- (a) The annual dues of each Individual Member will be:
- (1) in such amount as established by the Board of Directors, plus
 - (2) an amount established by the Board of Directors times the number of real estate brokers, real estate salespersons, licensed appraisers, certified appraisers, and apprentice appraisers who:
 - (A) are employed by or affiliated (directly or indirectly) as independent contractors, or who are otherwise directly or indirectly licensed with the Individual Member, and
 - (B) are not Individual Members.
- (b) If two or more Individual Members are principals of the same firm, partnership, or corporation, only that Individual Member designated in writing (the "Designated REALTOR®") by the firm, partnership, or corporation is required to pay that portion of the dues which is computed on the basis of the real estate brokers, real estate salespersons, licensed appraisers, certified appraisers, and apprentice appraisers employed by or affiliated as independent contractors with the firm, partnership, or corporation, and the dues of the remaining Individual Members who are principals of such firm, partnership, or corporation will be only such base amount as determined by the Board of Directors.
- (c) Dues for Individual Members who qualify for Life Membership or REALTOR®-Emeritus Membership will be reduced by an amount established by the Board of Directors.
- (d) In calculating the dues payable by an Individual Member, nonmembers, as defined in Subsection (a)(2) of this section, are not included in the computation of dues if the nonmember is sponsored by or is affiliated with an entity that:
- (1) is owned, directly, or indirectly, by a REALTOR® member;
 - (2) is engaged exclusively in the business of soliciting or referring clients and customers to the REALTOR® member with ownership interest in the entity; and
 - (3) annually files, through the REALTOR® member with ownership interest in the entity, a list of real estate brokers, salespersons, and appraisers sponsored by or affiliated with the entity and a certification, on a form acceptable to the Association, that states that all real estate brokers, salespersons, or appraisers who are sponsored by or affiliated with the entity are solely engaged in referring clients and customers and are not engaged in listing, selling, leasing, managing, counseling, or appraising real property.
- (e) Dues payable by an Individual Member under Subsection (a)(1) of this section shall be prorated if that person was not a REALTOR® Member holding primary membership in any Member Board, an Affiliate Member in any Member Board, or an Individual Member during the preceding calendar year.

Section 3. Secondary Individual Membership

The annual dues of each Individual Member holding secondary membership directly in the Association will be in such amount as established by the Board of Directors.

Section 4. Government Affairs Alliance Membership

The amount of dues of each individual or entity holding Government Affairs Alliance Membership in the Association will be in such amount as established by the Board of Directors.

Section 5. Due Date

Annual dues are payable to this Association on January 1 of each year.

Section 6. List of Members from Member Boards

Prior to each fiscal year, the Association, in cooperation with each Member Board, will compile a list of its REALTOR®, Affiliate, and Institute Affiliate Members and the real estate brokers, real estate salespersons, licensed appraisers, certified appraisers, and apprentice appraisers employed by or affiliated as independent contractors with such REALTOR® Members. Adjustments will be made periodically during each year for members dropped or enrolled by the Member Board during the preceding period. On an ongoing basis, each Member Board must report to this Association the names and addresses of REALTOR®, Affiliate, and Institute Affiliate Members dropped or enrolled.

Section 7. Assessments

The Board of Directors may, in addition to any dues, assess members for amounts and purposes the Board of Directors determines to be in the best interest of the Association.

Section 8. Legal Fund and Issues Mobilization/Political Advocacy Fund

- (a) The Board of Directors shall establish and maintain a Legal Fund and an Issues Mobilization/Political Advocacy Fund.
 - (1) The purposes of the Legal Fund are: (i) to defray, under appropriate circumstances, litigation expenses of a REALTOR® member or a Member Board in litigation that may impact the real estate industry as a whole; and (ii) other specific purposes, as the Executive Board may define, that provide legal benefits to the Association, its members, or Member Boards.
 - (2) The purposes of the Issues Mobilization/Political Advocacy Fund are to create programs and services the Association and Member Boards can access, under appropriate circumstances, to: (i) provide financial assistance to help pass or defeat political measures or actions at the state and local level that may have an impact on the real estate industry as a whole or the rights of private property owners in Texas; (ii) conduct state and local independent expenditure campaigns; (iii) build and maintain state and local coalitions; (iv) enrich legislative lobbying efforts on issues that may have an impact on the real estate industry as a whole or the rights of private property owners in Texas; and (v) other specific purposes, as the Leadership Team may define, that are related to providing direct financial support and/or services to enhance the Association's advocacy efforts.
- (b) The Executive Board shall establish rules that more specifically define the purposes of the Legal Fund and the Issues Mobilization/Political Advocacy Fund and the procedures by which funds in the Legal Fund and the Issues Mobilization/Political Advocacy Fund are maintained and expended.
- (c) The Board of Directors may assess Member Boards and Individual Members, in addition to dues, amounts that are appropriate to establish, maintain, and fulfill the purposes of the Legal Fund and the Issues Mobilization/Political Advocacy Fund.
 - (1) Unless the motion authorizing the assessment for the Legal Fund and the Issues Mobilization/Political Advocacy Fund specifies otherwise, assessments will be made under the same formula that dues are charged.
 - (2) The Executive Board shall annually review and recommend to the Board of Directors the amount of any assessment that is appropriate to fulfill the purposes of the Legal Fund and the Issues Mobilization/Political Advocacy Fund.
- (d) The Executive Board shall have the authority to review applications for assistance and to expend funds from the Legal Fund. The Executive Board may delegate its authority under this subsection to a committee provided that:
 - (1) expenditures authorized by any such committee do not exceed \$50,000 in any one case; and
 - (2) expenditures in excess of \$50,000 in any one case are authorized by a majority vote of the committee and a majority vote of the officers of the Association.

- (e) The Executive Board shall have the authority to expend funds in any amount from the Issues Mobilization/Political Advocacy Fund. The Executive Board may delegate to the Leadership Team its authority to expend funds from the Issues Mobilization/Political Advocacy Fund except that the Executive Board may not delegate its power to make expenditures in excess of \$1,000,000 in a calendar year for any one campaign or to any one political action committee.

ARTICLE IV. Regions

Section 1. Regions

The state is divided into the following Regions:

- Region 1:** Composed of the geographical territory assigned to the following Member Boards as well as the unassigned territory in the following counties:

Member Boards: Amarillo Association of REALTORS®; Dalhart Board of REALTORS®; Dumas Board of REALTORS®; Lubbock Association of REALTORS, Pampa Board of REALTORS®; Plainview Association of REALTORS®

Counties: Armstrong County; Bailey County; Briscoe County; Carson County; Castro County; Childress County; Collingsworth County; Cottle County; Crosby County; Deaf Smith County; Dickens County; Donley County; Floyd County; Garza County; Hall County; Hansford County; Hemphill County; Kent County; King County; Lamb County; Lipscomb County; Lynn County; Motley County; Ochiltrie County; Oldham County; Parmer County; Roberts County; Sherman County; Stonewall County; Swisher County; Terry County; Wheeler County; Yoakum County

- Region 2:** Composed of the geographical territory assigned to the following Member Boards as well as the unassigned territory in the following counties:

Member Boards: Abilene Board of REALTORS®; Heartland Association of REALTORS®; Nolan County Board of REALTORS®; San Angelo Association of REALTORS®; Stephenville Association of REALTORS®; Wichita Falls Association of REALTORS®;

Counties: Fisher County; Foard County; Hamilton County; Hardeman County; Haskell County; Knox County; Throckmorton County

- Region 3:** Composed of the geographical territory assigned to the following Member Boards as well as the unassigned territory in the following counties:

Member Boards: Arlington Board of REALTORS®; Granbury Association of REALTORS®; Greater Denton/Wise County Association of REALTORS®; Greater Fort Worth Association of REALTORS®; Greater Lewisville Association of REALTORS®; Johnson County Association of REALTORS®; Montague County Board of REALTORS®; Greater Metro West Association of REALTORS®

Counties: Bosque County; Cooke County

- Region 4:** Composed of the geographical territory assigned to the following Member Boards as well as the unassigned territory in the following counties:

Member Boards: Collin County Association of REALTORS®; Greater Texoma Association of REALTORS®

Counties: Rains County

- Region 5:** Composed of the geographical territory assigned to the following Member Boards as well as the unassigned territory in the following counties:

Member Boards: Greater Tyler Association of REALTORS®; Henderson County Board of REALTORS®; Longview Area Association of REALTORS®; Navarro County Board of REALTORS®; Palestine Association of REALTORS®, Paris Board of REALTORS®; Texarkana Board of REALTORS®; Titus-Campus-Morris-Upshur Association of REALTORS®

Counties: Cass County; Fannin County; Franklin County; Hopkins County

- Region 6:** Composed of the geographical territory assigned to the following Member Boards as well as the

unassigned territory in the following counties:

Member Boards: Odessa Board of REALTORS®; Permian Basin Board of REALTORS®

Counties: Andrews County; Borden County; Brewster County; Culberson County; Dawson County; Gaines County; Hudspeth County; Jeff Davis County; Loving County; Presidio County; Reeves County; Terrell County

Region 7: Composed of the geographical territory assigned to the following Member Boards as well as the unassigned territory in the following counties:

Member Boards: Bandera County Board of REALTORS®; Central Hill Country Board of REALTORS®; Del Rio Board of REALTORS®; Eagle Pass Board of REALTORS®; Four Rivers Association of REALTORS®; Kerrville Board of REALTORS®; Laredo Board of REALTORS®; Uvalde Board of REALTORS®

Counties: Kinney County; La Salle County; Live Oak County

Region 8: Composed of the geographical territory assigned to the following Member Boards as well as the unassigned territory in the following counties:

Member Boards: Bastrop County Board of REALTORS®; Bryan-College Station Regional Association of REALTORS®; Fort Hood Area Association of REALTORS®; South Central Board of REALTORS®; Highland Lakes Association of REALTORS®; Temple-Belton Board of REALTORS®; Waco Association of REALTORS®; Williamson County Association of REALTORS®

Counties: Falls County; Milam County

Region 9: Composed of the geographical territory assigned to the following Member Boards as well as the unassigned territory in the following counties:

Member Boards: Beaumont Board of REALTORS®; Tall Pines Board of REALTORS®; Jasper Area Board of REALTORS®; Lufkin Association of REALTORS®; Nacogdoches County Board of REALTORS®; Piney Woods Board of REALTORS®; Port Neches, Port Arthur and Nederland Board of REALTORS®

Counties: Freestone County; Hardin County, Liberty County; Orange County; Tyler County

Region 10: Composed of the geographical territory assigned to the following Member Boards as well as the unassigned territory in the following counties:

Member Boards: Brazoria County Board of REALTORS®; Galveston Association of REALTORS®; Matagorda County Board of REALTORS®

Counties: Waller County; Wharton County

Region 11: Composed of the geographical territory assigned to the following Member Boards as well as the unassigned territory in the following counties:

Member Boards: Bee County Board of REALTORS®; Brownsville/South Padre Island Board of REALTORS®; Corpus Christi Association of REALTORS®; Greater McAllen Association of REALTORS®; Harlingen Board of REALTORS®; Kingsville Area Board of REALTORS®; Coastal Bend Association of REALTORS®; Rockport Area Board of REALTORS®; San Patricio County Association of REALTORS®; South Padre Island Association of REALTORS®; Victoria Area Association of REALTORS®

Counties:

Region 12: Composed of the geographical territory assigned to the following Member Boards as well as the unassigned territory in the following counties:

Member Boards: MetroTex Association of REALTORS®

Region 13: Composed of the geographical territory assigned to the following Member Boards as well as the unassigned territory in the following counties:

Member Boards: San Antonio Board of REALTORS®

Region 14: Composed of the geographical territory assigned to the following Member Boards as well as the unassigned territory in the following counties:

Member Boards: Houston Association of REALTORS®

Region 15: Composed of the geographical territory assigned to the following Member Boards as well as the unassigned territory in the following counties:

Member Boards: Austin Board of REALTORS®

Region 16: Composed of the geographical territory assigned to the following Member Boards as well as the unassigned territory in the following counties:

Member Boards: Greater El Paso Association of REALTORS®

Section 2. Overlay Boards.

For the purposes of these bylaws, including but not limited to any action, motion, or procedure under these bylaws, as well as the election of regional representatives, officers, and directors, the North Texas Commercial Association of REALTORS® is a part of and will participate in Region 4, the Central Texas Commercial Association of REALTORS® is a part of and will participate in Region 8, and the South Texas Commercial Association of REALTORS® is a part of and will participate in Region 11.

ARTICLE V. Board of Directors

Section 1. General Powers.

- (a) The government of the Association is vested in a Board of Directors consisting of (1) the elected directors, (2) persons who served as Chairman of the Board of the Association (Past Chairmen of the Board) and (3) the members of the Executive Board, except that the President/Chief Executive Officer is a non-voting, ex officio member of the Board of Directors.
- (b) Each Member Board elects a number of elected directors equal to the number of Primary REALTOR® Members in that Member Board divided by 1000, rounded up to the nearest whole number. For the purpose of this section, the number of Primary REALTOR® Members in a Member Board is that number reflected by the Association's records on May 31 in the year of the election.
- (c) A person is a past Chairman of the Board if the person is a member of the Association and held the office of Chairman of the Board as defined by these bylaws whether the office carried the title of Chairman of the Board or President under prior bylaws governing the Association.

Section 2. Terms

- (a) Unless elected to fill a vacancy, terms for elected director positions begin on December 1 following their election and notification to TAR. Terms for elected directors are three years; provided, however, that the Board of Directors may shorten a specific term of a director position, before the director is elected, in order to maintain a substantially equal number of staggered three-year terms among all directors. An elected director may not serve three consecutive full three-year terms.
- (b) The term of a director for a person who served as Past Chairman of the Board is for life and begins on December 1 following the date the person ceases to be the Immediate Past Chairman of the Board.

Section 3. Election

Election of elected directors may be by such means as the Member Board determines appropriate. Each Member Board must notify the Association of its elected directors no later than October 1 immediately before the term of the elected director commences. To be eligible for election as an elected director, a person must be a Primary REALTOR® Member of the Member Board represented by that director.

Section 4. Vacancies

Where a vacancy exists or is created in the elected directors, the Member Board represented by the vacant position may elect at any time a Primary REALTOR® Member from that Member Board to serve the unexpired term. A director elected to serve an unexpired term may serve immediately after the election. If a Past Chairman

of the Board ceases to serve as a director for any reason, no vacancy is created.

Section 5. Finances

- (a) Authority. The Board of Directors administers the finances of the Association and has authority to appropriate money.
- (b) General Reserves. The Board of Directors will deposit not less than 5% of the anticipated receipts from the dues of all classes of membership in a reserve account until this reserve account has reached at least 50 percent of the annual gross expenditures budget (not including budgeted reserves for that year, any depreciation, or expenditure of funds derived from assessments).
- (c) Audit. The accounts of the Association will be audited annually by a certified public accountant.

Section 6. Regular Meetings

The Board of Directors will have at least two (2) regular meetings in each calendar year as follows:

- (a) Spring Meeting. A regular meeting of the Board of Directors will be held in the first half of each calendar year at a location, time, and date designated by the President/Chief Executive Officer (Spring Meeting). The purpose of the Spring Meeting is to transact business.
- (b) Fall Meeting. A regular meeting of the Board of Directors will be held in the second half of each calendar year at a location, time, and date designated by the President/Chief Executive Officer (Fall Meeting). The purpose of the Fall Meeting is to transact business and to install officers. The installation is ceremonial and those installed assume office on the first day of December following their installation, unless the officer is installed to fill a vacant term.

No notice of the regular meetings is required. It is the responsibility of each director to inquire about the location, time, and date of regular meetings. The Association may promote the regular meetings under any name.

Section 7. Executive Board

- (a) Composition. The Executive Board is composed of: (1) the elected officers; (2) the Regional Vice Presidents; (3) the President/Chief Executive Officer; (4) the Immediate Past Chairman of the Board; and (5) Chairman of the Board Appointees.
- (b) Regional Vice Presidents.
 - (1) The Board of Directors will elect a number of Regional Vice Presidents from each Region equal to the number of Primary REALTOR® Members in the Region divided by 2500, rounded to the nearest whole number not less than one. Each Member Board within a Region may submit an unlimited number of recommendations to the Nominating Committee for each available Regional Vice President position in the Region. For the purpose of this section, the number of Primary REALTOR® Members in a Region is that number reflected by the Association's records on May 31 in the year preceding the election. The term of a Regional Vice President is not decreased because the number of Primary REALTOR® members in a Region decreases so as to cause the Region to be entitled to fewer Regional Vice President positions after the date the Regional Vice President was elected.
 - (2) To be eligible for election as a Regional Vice President, a person must: (i) be a Primary REALTOR® Member of a Member Board in the Region; (ii) must have served on a committee, task force, or the Board of Directors of the Association in the past 3 years; and (iii) be nominated by the Nominating Committee or a majority of elected directors in that Region.
 - (3) Unless elected to fill a vacancy, terms for Regional Vice President positions begin on December 1 following their election. Terms for Regional Vice Presidents are two years. With the exception of the single association regions, a Regional Vice President may not serve three consecutive full two-year terms.
 - (4) Where a vacancy exists or is created in the Regional Vice Presidents, the Board of Directors may elect at its next meeting a Primary REALTOR® Member from that Region to serve the unexpired term. A Regional Vice President elected to serve an unexpired term may serve immediately after the election.
- (c) Chairman of the Board Appointees. The Chairman of the Board will appoint five members to the Executive Board to serve during the Chairman's term as follows:
 - (1) one Association Executive of a Member Board;
 - (2) one member from the Texas Association of REALTORS® Commercial Committee;
 - (3) two REALTOR® Members or Individual Members; and

- (4) one person without restriction.
- (d) Management Authority. By resolution adopted by a majority of the Board of Directors in office, the Board of Directors may delegate to the Executive Board the authority to manage the Association in all its affairs without limitation except that the Board of Directors may not delegate its powers to:
 - (1) amend these bylaws;
 - (2) elect officers and Regional Vice Presidents;
 - (3) approve expenditures from general reserves that exceed ten percent (10%) of the annual budget;
 - (4) approve the strategic plan for the Association;
 - (5) approve an increase in membership dues; or
 - (6) define Regional boundaries.

A resolution adopted under this subsection remains effective until such time as it is revoked by resolution adopted by a majority of the Board of Directors in office.

- (e) A majority of the Executive Board constitutes a quorum of the Executive Board.

Section 8. Special Meetings

The Chairman of the Board may call a special meeting of the Board of Directors by providing at least fourteen days' written notice to each director. Upon receipt of a petition signed by or written requests submitted by at least twenty-five (25) elected directors, the Chairman of the Board must call a special meeting not less than fourteen nor more than thirty days from the date the Chairman of the Board receives the petition or requests.

Section 9. Quorum

A majority of the entire Board of Directors constitutes a quorum of the Board of Directors.

Section 10. Alternate Means of Action

The Board of Directors, Executive Board, or a committee may act by written or verbal consent without the necessity of a meeting if:

- (a) the means and procedures by which the consent is obtained is authorized by laws governing Texas corporations;
- (b) the Chairman of the Board or the chairman of a committee, as the case may be, authorizes the consent to be obtained outside a meeting;
- (c) notice of the proposed action is sent to all persons entitled to vote on the action; and
- (d) the notice specifies the time by which a response is required.

Section 11. Removal

- (a) The Board of Directors may remove a director with or without cause by two-thirds (2/3) vote of all directors, whenever in its judgment the Board of Directors determines that such removal is in the best interest of the Association, but such removal is without prejudice to any contract rights of the removed director.
- (b) If an elected director ceases to be a Primary REALTOR® Member of the Member Board the director was elected to represent, that elected director also ceases to be a member of the Board of Directors, and a vacancy position results.

Section 12. Resignation

- (a) A director may resign at any time by giving written notice to the President/Chief Executive Officer.
- (b) A Past Chairman of the Board that has resigned as a director will be reinstated as a director upon written notice to the President/Chief Executive Officer requesting reinstatement.

ARTICLE VI. Officers

Section 1. Elected Association Officers

The elected officers of the Association are the Chairman of the Board, Chairman-Elect, and Secretary/Treasurer.

The term "Chairman of the Board" as used in these bylaws means "President" as used in the Texas Non-Profit Corporation Act.

Section 2. Duties

The duties of the officers are as their titles, by general usage, indicate and such as the directors may assign or as required by law. In the absence of the Chairman of the Board, the Chairman-Elect will perform the Chairman of the Board's duties.

Section 3. Surety Bond

The Executive Board will purchase and maintain in effect a surety bond in an amount that the Board of Directors determines covers the Association for losses caused by misappropriation of Association funds by the Association staff, officers, or directors.

Section 4. Election

The Board of Directors elects the elected officers at the Spring Meeting preceding the beginning date of the elected officers' terms. To be elected as an officer, an eligible candidate must obtain a majority vote of the votes cast at a meeting of the directors at which a quorum is present. Each Member Board may submit an unlimited number of recommendations to the Nominating Committee for each available elected officer position. To be eligible for election as an elected officer, a person must (1) be a REALTOR® Member or Individual Member, and (2) be nominated by the Nominating Committee or at least 25% of all the directors.

Section 5. Terms

Unless elected to fill a vacancy, terms of the elected officers will be one year beginning on December 1st following the Fall Meeting at which the officers are installed. No elected officer is eligible for election to two consecutive full terms in the same office.

Section 6. Vacancies

Where a vacancy exists or is created in the elected officers, the Board of Directors may elect an eligible person to serve the unexpired term. A person elected to serve an unexpired term may be installed immediately after the election.

Section 7. President / Chief Executive Officer

The Board of Directors must employ a President/Chief Executive Officer who is the chief administrative officer of the Association. The President/Chief Executive Officer performs such duties as delegated by the Board of Directors or Executive Board. The President/Chief Executive Officer must provide a surety bond in such amount as the Board of Directors or Executive Board determines. The Association pays the cost of the surety bond. The President/Chief Executive Officer may employ other persons as necessary to conduct the activities of the Association.

Section 8. Removal

- (a) The Board of Directors may remove an officer with or without cause by two-thirds (2/3) vote of all directors, whenever in its judgment the Board of Directors determines that such removal is in the best interest of the Association, but such removal is without prejudice to any contract rights of the removed officer.
- (b) If an elected officer ceases to be a REALTOR® Member or Individual Member, that officer also ceases to be an officer of the Association, and a vacancy position results.

ARTICLE VII. Meetings

Section 1. Annual Membership Meeting

The Association will hold an annual membership meeting in conjunction with and at the same time and location as the Spring Meeting of the Board of Directors. The Executive Board will deliver a report on the status of the Association at the annual membership meeting and invite members to comment. No notice of the annual membership meeting is required.

Section 2. Annual Convention

The Association will hold an annual convention in conjunction with and at the same time and location as the Fall Meeting of the Board of Directors. The annual convention will be open to all members upon payment of a registration fee to be determined by the Board of Directors.

Section 3. Other Membership Meetings

Other membership meetings may be called by the Chairman of the Board, majority vote of the Board of Directors, or written petition to the Chairman of the Board signed by ten percent (10%) of the REALTOR® Members in good standing on the day the Chairman of the Board receives the petition. Calls for other membership meetings must state the purpose, time and place of the meetings, and must be published in writing in the Association's regular periodical delivered to all REALTOR® Members at least fourteen days in advance.

Section 4. Quorum

A number equal to fifty-one percent (51%) of the entire Board of Directors constitutes a quorum at a membership meeting.

ARTICLE VIII. Committees

Section 1. Committees

(a) Committees.

- (1) The following committees are established:
 - (A) Legislative Committee for the purpose of discussing and making recommendations on matters related to state legislative policy issues;
 - (B) Political Affairs Committee for the purpose of discussing and making recommendations on matters related election issues and grass roots;
 - (C) Professional Standards Committee for the purpose of discussing and making recommendations on matters related to professional standards of members;
 - (D) Budget and Finance Committee for the purpose of discussing and making recommendations related to the Associations budget and fiscal issues; and
 - (E) Texas Association of REALTORS® Commercial Committee for the purpose of discussing and making recommendations on matters related to commercial and industrial real estate.
- (2) The committees under this subsection will conduct business and make recommendations to the Executive Board on matters related to the purposes stated in Subdivision (1).

(b) Nominating Committee.

- (1) The Nominating Committee is comprised of the following:
 - (A) the elected Nominated Committee members, who each serve a two-year term;
 - (B) the Past Chairman of the Board Once Removed, who serves a one-year term; and
 - (C) the Immediate Past Chairman of the Board, who serves a one-year term.
- (2) The number of elected Nominating Committee members is equal to the number of Regions. The elected directors in each Region elect one REALTOR® Member who holds Primary REALTOR® Membership in a Member Board in that respective Region to serve as an elected Nominating Committee member.
- (3) The Executive Board may shorten the term of a particular Nominating Committee Member position, before the Nominating Committee Member is elected, in order to provide for a substantially equal number of staggered two-year terms among all Nominating Committee Members.
- (4) The Past Chairman of the Board Once Removed serves as the chairman of the Nominating Committee, and the Immediate Past Chairman of the Board serves as Vice Chairman of the Nominating Committee.
- (5) The Regional Vice Presidents serving each respective Region are responsible for conducting the election of the elected Nominating Committee member from that Region. The directors in each Region who elect the elected Nominating Committee member from the Region also elect an alternate with an identical term as the elected Nominating Committee member from that Region. The alternate must satisfy the same qualifications required for one to be elected Nominating Committee member. The alternate serves on the Nominating Committee at any meeting the elected Nominating Committee member does not attend. The election of the elected Nominating Committee members and alternates will take place at the Fall Meeting preceding their respective terms and will be announced before the close of the Fall Meeting of the Board of Directors.
- (6) If a vacancy exists because an elected Nominating Committee member and the alternate are unable to serve the remainder of the term, the chair of the Nominating Committee shall appoint a REALTOR Member from the respective Region to fill the remainder of the term. A person appointed to fill a vacancy in an elected Nominating Committee member position must satisfy the same qualifications required for one to be elected as a Nominating Committee member. The Chairman of

the Board may appoint a previous Past Chairman of the Board to fill a vacancy in the Vice Chairman position.

- (c) Other Committees or Groups. The Executive Board may establish such other committees, task forces, or groups as it determines necessary.
- (d) Appointment of Committee Members, Task Force Members, or Groups.
 - (1) The Chairman of the Board will appoint the Chairman of each committee, task force, or group.
 - (2) The Chairman-Elect will appoint the Vice Chairman of each committee, task force, or group. The Chairman of the Board will appoint the other members of the committees, task forces, or groups.
 - (3) The Chairman of the Board or the Chairman-Elect may delegate the power of appointment of task forces under this subsection to committees, committee chairmen, or Association staff.
- (e) Terms of Committee Members.
 - (1) The term of a Chairman, Vice Chairman, or a member of a committee is determined by policy of the Executive Board.
 - (2) A Chairman, Vice Chairman, or member of a task force or group serves at the will of the Chairman of the Board.
- (f) Vacancies. The Chairman of the Board may appoint a person to fill a vacancy for an unexpired term of a Chairman of a committee. The Chairman-Elect may appoint a person to fill a vacancy for an unexpired term of a Vice Chairman of a committee. The Chairman of the Board may appoint a person to fill a vacancy for an unexpired term of any other member of a committee.
- (g) Approval; Eligibility. All actions of committees, task forces, or groups are subject to the approval of the Board of Directors and Executive Board, unless otherwise delegated under these bylaws. Members of the committees, task forces, or groups need not be directors.

Section 2. Management Groups

The Board of Directors may designate one or more groups or committees to have and exercise the authority of the Board of Directors in the management of the Association. Such groups or committees must consist of two or more persons, a majority of whom are directors, with the remainder being directors or non-directors. The Executive Board is empowered to act in accordance with Section 7 of Article V.

ARTICLE IX. Fiscal Year

Section 1. Fiscal Year

The fiscal year of the Association is the calendar year.

ARTICLE X. Code of Ethics

Section 1. Code of Ethics

The Code of Ethics of the National Association of REALTORS® is adopted as the Code of Ethics of this Association and is considered a part of its Rules and Regulations. Whenever the National Association of REALTORS® amends or changes the Code of Ethics, the Code of Ethics and the Rules and Regulations of this Association are automatically amended and changed accordingly.

ARTICLE XI. Professional Standards

Section 1. Submission to State Association Professional Standards Committee

Allegations of ethical violations and disputes between:

- (a) REALTOR® Members or Individual Members; or
- (b) REALTOR® Members or Individual Members and their customers or clients may be submitted to this Association in accordance with the Professional Standards Manual of the Association.

Section 2. Procedure

Professional Standards hearings and procedures are governed by the Code of Ethics and Arbitration Manual of this Association, as from time to time amended.

ARTICLE XII. Use of the Terms REALTOR®, REALTORS® and REALTOR ASSOCIATE®

Section 1. Control of Use

Use of the terms REALTOR®, REALTORS®, or REALTOR-ASSOCIATE® by members shall, at all times, be subject to the provisions of the Constitution and Bylaws of the National Association of REALTORS® and to the Rules and Regulations prescribed by its Board of Directors. This Association shall have authority to control, jointly and in full cooperation with the National Association of REALTORS®, use of the terms within those areas of the State of Texas not within the jurisdiction of a Member Board. 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. Use of Terms REALTOR® and REALTORS®

REALTOR® Members and Individual Members of this Association have the privilege of using the terms REALTOR® and REALTORS® in connection with their business so long as they remain REALTOR® Members or Individual Members in good standing. No other class of member has this privilege.

Section 3. Use of Term REALTOR® and REALTORS® by Principals

A REALTOR® Member or Individual Member who is a principal of a real estate firm, partnership or corporation may use the terms REALTOR® or REALTORS® only if all the principals of such firm, partnership or corporation who are actively engaged in the real estate profession within the state are REALTOR® Members, Individual Members, or Institute Affiliate Members.

Section 4. Institute Affiliate Members

An Institute Affiliate Member may not use the terms REALTOR®, REALTORS®, or REALTOR-ASSOCIATE® and may not use the imprint of the emblem seal of the National Association of REALTORS®.

ARTICLE XIII. Rules of Order

Section 1. Robert's Rules of Order

Robert's Rules of Order, latest edition, is the authority governing all meetings and conferences when not in conflict with these bylaws.

ARTICLE XIV. Amendments

Section 1. Amendments

Except as provided by Section 2 of this article, the Executive Board by majority vote, or the Board of Directors by majority vote, may propose an amendment to these bylaws. These bylaws may be amended by a two-thirds (2/3) vote of the Board of Directors present and voting at a meeting held not sooner than 45 days after written notice of the proposed amendment is sent to each director.

Section 2. Amendments to Article IV (Regions)

The Board of Directors may amend Article IV (Regions) of these bylaws by simple majority vote of the Board of Directors at any meeting of the Board of Directors and without the forty-five (45) day written notice required by

this article.

Section 3. NAR Approval

Amendments to these bylaws affecting the admission or qualifications of REALTOR® Members, Individual Members, or Institute Affiliate Members, the use of the terms REALTOR®, REALTORS®, or REALTOR-ASSOCIATE® or any alteration in the territorial jurisdiction of a Member Board will become effective upon the approval of the Board of Directors of the National Association of REALTORS®.

ARTICLE XV. Harassment

Section 1. Harassment

Any member of the Association may be reprimanded, placed on probation, suspended or expelled for harassment of an Association employee or officer or director after an investigation in accordance with the procedures of the Association. "Harassment" means verbal or physical conduct including threatening or obscene language unwelcome sexual advances, stalking, physical harm, threat of physical harm, or other conduct that has the effect of unreasonably interfering with an individual's work performance by creating a hostile, intimidating, or offensive work environment. The investigatory team (comprised of the Chairman of the Board, the Chairman-Elect, President/Chief Executive Officer, and one member of the Board of Directors selected by the highest ranking officer not named in the complaint) will decide the appropriate disciplinary action to be taken upon consultation with counsel for the Association. Disciplinary action may include any sanction authorized in the Association's Code of Ethics and Arbitration Manual. If the complaint involves the Chairman of the Board, Chairman-Elect, or President/Chief Executive Officer, they may not participate in the proceedings and will be replaced by the Immediate Past Chairman of the Board or, alternatively, by another member of the Board of Directors selected by the highest ranking officer not named in the complaint.

NOTE: Suggested procedures for processing complaints of harassment are available online at <http://www.REALTOR.org/mempolweb.nsf/pages/HarassmentProcedure?OpenDocument>.

ARTICLE XVI. Indemnification

Section 1. Indemnification Generally

In the event of suits or claims in which one or more current or past officers, directors, or employees of the Association are named as a result of their status as such or decisions or actions taken in good faith and reasonably understood to be within the scope of their authority or employment during their term as such, the Association will, directly or through insurance secured for the benefit of such officers, directors, or employees, secure counsel to act on behalf of and provide a defense for such officers, directors, or employees; pay reasonable defense expenses incurred in advance of final disposition of such case; and indemnify such officers, directors, or employees with respect to any liability assessed or incurred as a result of such claim, suit, or action.

Section 2. Other Entities

The above stated defense and indemnification of officers, directors, and employees extends to those individuals when serving at the request of the Association as a director, officer, or employee of another entity, but only after indemnification and insurance coverage from such other entity has been exhausted.

ARTICLE XVII. Dissolution

Section 1. Dissolution

Upon the dissolution or winding up of the affairs of the Association, the Board of Directors, after providing for payment of all obligations, must distribute any remaining assets to a nonprofit, tax-exempt organization chosen within the discretion of the Board of Directors.

ARTICLE XVIII. Notices

Section 1. Waiver of Notice

Whenever any notice is required to be given under the provisions of the Texas Non-Profit Corporation Act, as amended, or under the provision of the articles of incorporation or by the bylaws of this Association, a waiver in writing signed by the person or persons entitled to such notice, whether before or after the time stated in the notice, is equivalent to the giving of such notice.

Section 2. Delivery of Notice

Written notice under these bylaws may be delivered by:

- (a) certified mail;
- (b) regular mail;
- (c) overnight delivery;
- (d) hand-delivery;
- (e) facsimile transmission; or
- (f) electronic mail with the required notice or information in the text of the electronic mail or in attachments or electronic links to sites containing the required notice or information.

ARTICLE XIX. Disclosure of Interest

Section 1. Disclosure Required.

If a person, a member of that person's immediate family, or an entity represented by that person has a special financial interest in an issue under consideration by a decision-making body of the Association, that person must disclose that financial interest prior to speaking to or voting on that issue.

Section 2. Immediate Family.

Immediate family means a person's spouse, parent, grandparent, child, brother, or sister.

Section 3. Financial Interest.

Financial interest means any interest involving more than \$5,000. Financial interest does not include financial gains or losses resulting from ownership of less than one percent of stock in a publicly-traded corporation.

Section 4. Represented Entity.

An entity is represented by a person if the person:

- (a) owns greater than one percent of the entity;
- (b) holds membership in the entity;
- (c) serves in a decision-making capacity for the entity; or
- (d) receives compensation from the entity.