



ASSOCIATION BYLAWS

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**Bylaws of
MetroTex Association of REALTORS®, Inc.
Approved 12/14/2023**

ARTICLE I - NAME

Section 1. Name. The name of this organization shall be the MetroTex Association of REALTORS®, Inc., hereinafter referred to as the "Association."

—Section 2. REALTORS®. Inclusion and retention of the registered collective membership mark REALTORS® in the name of the Association shall be governed by the Constitution and Bylaws of the National Association of REALTORS® as from time to time amended.

ARTICLE II - OBJECTIVES

The objectives of the Association are:

1. To unite those engaged in the recognized branches of the real estate profession for the purpose of exerting a beneficial influence upon the profession and related interests.
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®.
3. To provide a unified medium for real estate owners and those engaged in the real estate profession whereby their interests may be safeguarded and advanced.
4. To further the interest of home and other real property ownership.
5. To unite those engaged in the real estate profession in this community with the Texas 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.
6. To designate, for the benefit of the public, individuals authorized to use the terms REALTOR® and REALTORS® as licensed, prescribed, and controlled by the National Association of REALTORS®

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ARTICLE III - JURISDICTION

Section 1. Territorial Jurisdiction Boundaries. The territorial jurisdiction of the Association as a Member of the National Association of REALTORS® shall include (i) the County of Dallas, State of Texas, (ii) the City of Grand Prairie as determined by the official city limits, including extra territorial jurisdiction of the city being

located in Dallas, Tarrant, and Ellis counties; (iii) Hunt County, (iv) the County of Rockwall, State of Texas; (v) the County of Kaufman, State of Texas (the County of Van Zandt, State of Texas; (vii) beginning at the Northeast corner of Tarrant County, Texas; thence West along the North county line to its intersection with U.S. Highway No. 377 thence South along U.S. 377 line to the Ed Bourland Road; thence East along with the Ed Bourland Road on a straight line to the J.T. Ottinger; thence South along the Ottinger Road to State Farm to Market Road 1709; thence West along said Farm to Market Road 1709 to County Road 4095 (also known as the Needham Allen Road); thence South along County Roads 4095 and 4079 (also known as the Keller Smithfield Road) to County Road 4092; thence West along 4092 to County Road 4093; thence South then East along 4093 to County Road 3113, continuing East on 3113 and a straight line (to the North City limit line of North Richland Hills as of 1963; thence East along the North City limit line of North Richland) to County Road 3035; thence South along County Road 3035 to its intersection with State Highway 121; thence Southwesterly along 121 to the Booth-Calloway Road; thence South long Booth-Calloway Road to the Rock Island and Gulf Railroad track; thence Easterly along said railroad track to the Souder-Hurst Road; thence South along said road to the Rock Island and Gulf Railroad spur track; then East along said spur track to the Bedford-Arlington Road to its intersection with the Chicago Rock Island railroad track; thence Easterly and Northerly along the North side of said railroad track to its intersection with the East County line of Tarrant County, Texas; thence due North along said County line to the Northeast corner of Tarrant County, Texas and the place of beginning ; and (viii) the portion of the County of Denton, Texas, that is located within the perimeter boundaries described as follows:

- (a) Western Boundary: Lewisville Independent School District ("LISD") boundary beginning at the junction of said line with the common line of Denton County and Dallas County; thence proceeding north and east until the point at the intersection of the LISD boundary line and the Carrollton city limits boundary line; thence north along the Carrollton city limits boundary line to a point at the intersection of Highway 544; thence west to a point at the junction of Highway 423; thence north to a point at the junction of Highway 121; thence southwest along Highway 121 to a point at the junction of the Lewisville city limits; thence north and west along the Lewisville city limits boundary line to a point at the junction of the northern LISD boundary line.

Note: In instances where roads are used as boundaries, the center line of the road will be the dividing line.

- (b) Northern Boundary: The northern Lewisville Independent School District boundary line.
- (c) Eastern Boundary: Denton/Collin County common line.
- (d) Southern Boundary: Denton/Dallas County common Line.

Section 2. Territorial jurisdiction is defined to mean: The right and duty to control the use of the term "REALTOR®" or "REALTORS®" subject to the conditions set forth in these Bylaws and the Bylaws of the National Association of REALTORS®. In return, this Association safeguards the property rights of the National Association of REALTORS® in the use of these terms.

ARTICLE IV - MEMBERSHIP

Section 1. Classes of Members. There shall be five (5) classes of Members as follows:

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

- (1) Individuals having a currently issued Texas real estate broker's license or are licensed or certified appraisers who, as sole proprietors, partners, corporate officers, or branch office managers, are engaged actively in the real estate profession, including buying, selling, exchanging, renting or leasing, managing, appraising for others for compensation, counseling, building, developing or subdividing real estate, and who maintain or are associated with an established real estate office located within the State of Texas or a state contiguous thereto. All persons who are partners in a partnership or officers of a corporation who are actively engaged in the real estate profession within the State of Texas or a state contiguous thereto shall qualify for REALTOR® membership only, and each is required to hold REALTOR® membership (except as provided in the following paragraph) in an association of REALTORS® within the State of Texas or a state contiguous thereto unless otherwise qualified for Institute Affiliate Membership as described in Article IV, Section 1(b). In the case of a real estate firm, partnership, or corporation, whose business activity is substantially all commercial, only those principals actively engaged in the real estate business in connection with the same office, or any other offices within the jurisdiction of the association in which one of the firm's principals holds REALTOR® membership, shall be required to hold REALTOR® membership unless otherwise qualified for Institute Affiliate Membership as described in Article IV, Section 1(b).

Note: REALTOR® Members may obtain membership in a "secondary" association in another state.

- (2) Individuals who are engaged in the real estate profession other than as sole proprietors, partners, corporate officers, or branch office managers and are associated with a REALTOR® Member and meet the qualifications set out in Article V.
- (3) Franchise REALTOR® Membership. Corporate officers (who may be licensed or unlicensed) of a real estate brokerage franchise organization with at least one hundred fifty (150) franchisees located within the United States, its insular possessions and the commonwealth of Puerto Rico, elected to membership pursuant to the provisions in the NAR Constitution and Bylaws. Such individuals shall enjoy all of the rights, privileges and 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.

- (4) Primary and Secondary REALTOR® Members. An individual is a primary Member if the Association pays state and National dues based on such Member. An individual is a secondary Member if state and National dues are remitted through another association. One of the principals in a real estate firm must be a Designated REALTOR® Member of the Association in order for licensees affiliated with the firm to select the Association as their "primary" Association.
- (5) Designated REALTOR® Members. Each firm (or office in the case of firms with multiple office locations) shall designate in writing one REALTOR® Member who shall be responsible for all duties and obligations of Membership including the obligation to arbitrate pursuant to Article 17 of the *Code of Ethics* and the payment of 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.
- (6) Elected Officers of the State Association. The current elected officers of the State Association of REALTORS® shall be members in good standing without further payment of dues. At the direction of the association, one of the current elected officers of the State Association of REALTORS® may be the delegate who casts the vote for the association at the Annual Meeting of the National Association of REALTORS®. In accordance with the State Association bylaws, the elected officers of the State Association are the Chairman of the Board, Chairman-Elect and Secretary/Treasurer. Elected Officers of the State Association are not eligible for any other privileges of REALTOR® membership including the right to vote or hold office locally.
- (b) Institute Affiliate Members. Institute Affiliate members shall be individuals who hold a professional designation awarded by an Institute, Society, or Council affiliated with the National Association of REALTORS® that addresses a specialty area other than residential brokerage or individuals who otherwise hold a class of membership in such Institute, Society, or Council that confers the right to hold office. Any such individual, if otherwise eligible, may elect to hold REALTOR® membership, subject to payment of applicable dues for such membership.
- (c) Affiliate Members. Affiliate Members shall be:
- (1) Principal Affiliate Members shall be real estate owners and other individuals of firms who, while not engaged in the real estate profession as defined in paragraphs (a) or (b) of this Section, have interests requiring information concerning real estate, and are in sympathy with the objectives of the Association.
- (2) Additional Affiliate Members shall be employees of or associated with Principal Affiliate Members and shall be employed by or associated with the same firm as the Principal Affiliate Member. The

Principal Affiliate Member shall be a member in good standing of the Association in order for an Additional Affiliate Member to apply for and maintain membership.

(d) Honorary Members. Honorary Members shall be individuals approved by the Board of Directors who are not engaged in the real estate profession but who have performed notable service for the real estate profession, for the Association, or for the public.

(e) Student Members. Student Members shall be individuals who are seeking an undergraduate or graduate degree with a specialization or 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.

Section 2. Transfer of Membership. Memberships are not transferable.

ARTICLE V - QUALIFICATION AND ELECTION

Section 1. Application. 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 with the *Code of Ethics* of the National Association of REALTORS®, the Constitutions, Bylaws, and Rules and Regulations of the Association, the State and National Associations, and if elected a Member, will abide by the Constitutions and Bylaws and Rules and Regulations of the Association, State and National Associations, and if a REALTOR® Member, will abide by the *Code of Ethics* of the National Association of REALTORS® including the obligation to arbitrate controversies arising out of real estate transactions as specified by Article 17 of the *Code of Ethics*, and as further specified in the *Code of Ethics and Arbitration Manual* of the National Association of REALTORS®, as from time to time amended, and (2) that applicant consents that the Association may invite and receive information and comment about applicant from any Member or other persons, and that applicant agrees that any information and comment furnished to the Association by any person in response to the invitation shall be conclusively deemed to be privileged and not form the basis of any action for slander, libel, or defamation of character. The applicant shall, with the form of application, have access to a copy of the Bylaws, Constitution, Rules and Regulations, and *Code of Ethics* referred to above.

Section 2. Qualification for REALTOR® and Institute Affiliate.

(a) An applicant for REALTOR® membership who is a sole proprietor, principal, partner, corporate officer, or branch office manager of a real estate firm shall supply evidence satisfactory to the Association that he/she/they is actively engaged in the real estate profession, and maintains a current, valid real estate broker's or salesperson's license issued by the State of Texas or a state contiguous thereto, 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 of Texas or a state contiguous thereto (unless a secondary member), has no record of 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 Association, the Bylaws of the State Association, and the Constitution and Bylaws and *Code of Ethics* of the National Association of REALTORS®, and shall agree that if elected to membership, will abide by such Constitution, Bylaws, Rules and Regulations, and *Code of Ethics*.

* 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 Association establishes that its interests and those of its members and the public could not be adequately protected by requiring that the bankrupt applicant pay cash in advance for Association and MLS fees for up to one (1) year from the date that membership is approved or from the date that the applicant is discharged from bankruptcy (whichever is later). In the event that an existing member initiates bankruptcy proceedings, the member may be placed on a “cash basis” from the date that bankruptcy is initiated until one (1) year from the date that the member has been discharged from bankruptcy.

** No record of official sanctions involving unprofessional conduct is intended to mean that the Association may only consider judgments within the past three (3) years of violations of (1) civil rights laws; (2) real estate license laws; (3) or other laws prohibiting unprofessional conduct against the applicant rendered by the courts or other lawful authorities.

(b) Individuals who are actively engaged in the real estate profession other than as sole proprietors, principals, partners, or corporate officers, or branch office 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 Association or another association of REALTORS® (if a secondary member) and must maintain a current, valid real estate broker's or salesperson's license issued by the State of Texas or a state contiguous thereto or be licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, shall complete a course of instruction covering the Bylaws and Rules and Regulations of the Association, the Bylaws of the State Association, and the Constitution and Bylaws and *Code of Ethics* of the National Association of REALTORS® and shall agree in writing that if elected to membership, will abide by the *Code of Ethics* of the National Association of REALTORS®, and by the Constitution, Bylaws, and Rules and Regulations of this Association, the State Association, and the National Association.

(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 Ethics violations and violations of other membership duties in this or any other REALTOR® association within the past three (3) years.
2. Pending ethics complaints (or hearings)
3. Unsatisfied discipline pending
4. Pending arbitration requests (or hearings)
5. Unpaid arbitration awards or unpaid financial obligations to any other association or association MLS

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

“Provisional” membership may be granted in instances where ethics complaints or arbitration requests (or hearings) are pending in other associations or where the applicant for membership has unsatisfied discipline pending in another (except for violations of the Code of Ethics; See Article V, Section 2 (a) NOTE 2) provided all other qualifications for membership have been satisfied. Associations may reconsider the membership status of such individuals when all pending ethics and arbitration matters (and related discipline) have been resolved or if such matters are not resolved within six months from the date that provisional membership is approved.

Provisional members shall be considered REALTORS[®] and shall be subject to all of the same privileges and obligations of REALTOR[®] membership. If a member resigns from another association with an ethics complaint or arbitration request pending, the association may condition membership on the applicant's certification that he/she/they will submit to the pending ethics or arbitration proceeding (in accordance with the established procedures of the association to which the applicant has made application) and will abide by the decision of the hearing panel.

Section 3. Election.

The procedure for election to membership shall be as follows:

(a) 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 60 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/they 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 advance 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/they 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 should 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.

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 hours and thirty minutes of instructional time. This requirement does not apply to applicants for REALTOR® membership who have completed comparable orientation in another association, provided that REALTOR® membership has been continuous, or that any break in membership is for one year or less. Failure to satisfy this requirement within sixty (60) days of the date of application will result in denial of the membership application.

Section 5. REALTOR® Code of Ethics Training. Effective January 1, 2019, through December 31, 2021 and for successive three year periods thereafter, each REALTOR® member of the association (with the exception of REALTOR® members granted REALTOR® Emeritus status by the National Association) shall be required to complete ethics training of not less than two (2) hours and thirty (30) minutes of instructional time. This requirement will be satisfied upon presentation of documentation that the member has completed a course of instruction conducted by this or another REALTOR® association, the State Association of REALTORS® or the NATIONAL ASSOCIATION OF REALTORS®, which meets the learning objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTORS® from time to time.

REALTORS® completing such training during any three (3) year cycle shall not be required to complete additional ethics training in respect of this requirement as a requirement of membership in any other Board or Association.

A REALTOR® completing the new member Code of Ethics orientation during any three (3) year cycle shall not be required to complete additional ethics training in respect of this requirement until a new three (3) year cycle commences.

Failure to complete the required periodic ethics training shall be considered a violation of a membership duty. Failure to meet the requirement will result in suspension of membership for the first two months (January and February) of the year following the end of any three (3) year cycle or until the requirement is met, whichever occurs sooner. On March 1 of that year, the membership of a member who is still suspended as of that date will be automatically terminated.

Section 6. Status Changes.

(a) A REALTOR® who changes the conditions under which he/she/they holds membership shall be required to provide written notification to the Association within thirty (30) days. A REALTOR® (non-principal) who becomes a principal in the firm with which he/she/they has been licensed or, alternatively, becomes a principal in a new firm which will be comprised of REALTOR® principals may be required to satisfy any previously unsatisfied membership requirements applicable

to REALTOR® (principal) Members but shall, during the period of transition from one status of membership to another, be subject to all of the privileges and obligations of a REALTOR® (principal). If the REALTOR® (non-principal) does not satisfy the requirements established in these Bylaws for the category of membership to which said REALTOR® (non-principal) has transferred within sixty (60) days of the date he/she/they advised the Association of such change in status, their new membership application will terminate automatically unless otherwise so directed by the Board of Directors.

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

(c) Dues shall be prorated from the first 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.

ARTICLE VI - PRIVILEGES AND OBLIGATIONS

Section 1. Privileges of Members. The privileges and obligations of Members, in addition to those otherwise provided in these Bylaws, shall be specified in this Article.

It shall be the duty and responsibility of every REALTOR® member of this association to safeguard and promote the standards, interests, and welfare of the association and the real estate profession, and to protect against conduct that may cause a lack of public confidence in the real estate profession or in REALTORS®. REALTOR® members also must abide by the governing documents and policies of the association, the State Association, and the NATIONAL ASSOCIATION OF REALTORS®, as well as the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS including the duty to arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics, and in accordance with the procedures set forth in the Code of Ethic and Arbitration manual.

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

Section 2. Sanctions of Members. Any Member of the Association may be reprimanded, fined, placed on probation, suspended, or expelled by the Board of Directors for a violation of these Bylaw or Association Rules and Regulations not inconsistent with these Bylaws, after a hearing as provided in the *Code of Ethics and Arbitration Manual* of the 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 may, upon recommendation of the Executive Committee, or upon recommendation by a hearing panel of the Professional Standards Committee, be subject to discipline as described above, for any act or conduct which, in the opinion of the Board of Directors, applied on a nondiscriminatory basis, may cause disrespect for or lack of public confidence in the real estate profession or in the name "REALTOR®."

Section 3. Authorized Discipline. 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.

Section 4. Resignations of Members.

(a) Resignations of Members shall become effective when received in writing by the Board of Directors, provided, however, that if any Member submitting the resignation is indebted to the Association for dues, fees, fines, or other assessments of the Association or any of its services, departments, divisions, or subsidiaries, the Association may condition the right of the resigning Member to reapply for membership upon payment in full of all such monies owed.

(b) Designated REALTOR® Members shall notify the Association of all individuals who are currently issued a Texas real estate license and who are employed by or affiliated with them as Independent Contractors (Licensees) within the State of Texas. Designated REALTOR® Members shall also notify the Association when a Licensee ceases affiliation with said Designated REALTOR® Member. Each notification shall be in writing and shall be received in the Association's office within thirty (30) days after the commencement or cessation of such affiliation.

(c) In the event a primary REALTOR® Member, other than a Designated REALTOR® Member, terminates their affiliation with a Designated REALTOR® Member (either temporarily or otherwise) then, in such event, the primary membership of said REALTOR® Member in the Association shall cease until such time as said REALTOR® Member is again affiliated with a Designated REALTOR® Member as set forth in Article V, Section 2 (a) & 2 (b) of these Bylaws.

Section 5. Reapplication Condition. If a Member resigns from the Association or otherwise causes membership to terminate with an ethics complaint or arbitration request pending, the complaint shall be processed until the decision of the association with respect to the disposition of 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 ethic respondent's resignation or membership termination, any discipline ratified by the Board of Directors shall be held in abeyance until such time as the respondent rejoins 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®.

Section 6. Rights of REALTOR® Members.

(a) REALTOR® Members, whether primary or secondary, in good standing whose financial obligations to the Association are paid in full shall be entitled to vote and to hold elective office in the Association; may use the terms REALTOR® and REALTORS®, which use shall be subject to the provisions of Article VIII; and have the primary responsibility to safeguard and promote the standards, interests, and welfare of the Association and the real estate profession.

(b) If a Designated REALTOR® Member is a sole proprietor in a firm, a partner in a partnership or an officer in a corporation, and is suspended or expelled, the firm, partnership or corporation shall not use the terms REALTOR® or REALTORS® in connection with its business during the period of suspension, or until readmission to REALTOR® membership, 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, partners, or corporate officers shall suspend or terminate during the period of suspension of the disciplined Member, or until readmission of the disciplined Member or unless connection of the disciplined Member with the firm, partnership, or corporation is severed, or unless the REALTOR® who is suspended or expelled removes them self from any form or degree of management control of the firm for the term of the suspension or until readmission to membership, whichever may apply. Removal of an individual from any form or degree of management control must be certified to the Association by the Member who is being suspended or expelled and by the individual who is assuming management control, and the signatures of such certification must be notarized. In the event the suspended or expelled Member is so certified to have relinquished all form or degree of management control of the firm, the membership of other partners, corporate officers, or other individuals affiliated with the firm shall not be affected, and the firm, partnership or corporation may continue to use the terms REALTOR® and REALTORS® in connection with its business during the period of suspension or until the former Member is admitted to membership in the Association. The foregoing is not intended to preclude a suspended or expelled Member from functioning as an employee or independent contractor, providing no management control is exercised. Further, the membership of REALTORS® other than principals who are employed or affiliated as independent contractors with the disciplined Member shall suspend or terminate during the period of suspension of the disciplined Member or until readmission of the disciplined Member, or unless connection of the disciplined Member with the firm, partnership, or corporation is severed, or management control is relinquished, or unless the REALTOR® Member (non-principal) elects to sever their connection with the REALTOR® and affiliate with another REALTOR® Member in good standing in the Association, whichever may apply.

If a REALTOR® Member other than a Designated REALTOR® Member is suspended or expelled, the use of the terms REALTOR® or REALTORS® by the firm, partnership or corporation shall not be affected.

(c) In any action taken against a Designated REALTOR® Member for suspension or expulsion under Section 6(b) hereof, notice of such action shall be given to all REALTORS® employed by or affiliated as independent contractors with such REALTOR® Member and they shall be advised that the provisions in Article VI, Section 6(b) shall apply.

Section 7. Institute Affiliate Members. Institute Affiliate Members shall have 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®.

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

Section 9. Life Members. Life Members shall have the same rights and privileges as REALTOR® Members and be subject to obligations prescribed by the Board of Directors. However, Life Members who do not pay that portion of Association dues which is allocated to the Texas REALTORS® and the National Association of REALTORS® shall not have the right to use the term REALTOR®. Life Members shall not be entitled to vote or hold elective office in the Association.

Section 10. Secondary Members. Secondary Members shall have all the rights and privileges and be subject to all the obligations of REALTOR® Members, including the right to vote and to hold elective office.

Section 11. Honorary Members. Honorary Membership shall have only the right to attend meetings and participate in discussions.

Section 12. Student Members. Student Members shall have rights and privileges and be subject to obligations prescribed by the Board of Directors except the right to vote and hold elective office.

Section 13. Certification by REALTOR®. Designated REALTOR® Members of the Association shall certify to the Association during the month of September on a form provided by the Association, a complete listing of all individuals licensed or certified in the REALTOR'S® office(s) and shall designate a primary Association for each individual who holds membership. Designated REALTORS® shall also identify any non-member licensees in the REALTOR'S® office(s) and if Designated REALTOR® Dues have been paid to another Association based on said non-member licensees, the Designated REALTOR® shall identify the Association to which dues have been remitted. These declarations shall be used for purposes of calculating dues under Article X, Section 2(a) of the Bylaws. Designated REALTOR® Members shall also notify the Association of any additional individual(s) licensed with the firm(s) within thirty (30) days of the date of affiliation or severance of the individual.

Section 14. Change of Address. A REALTOR® Member who changes the address of such REALTOR®'s principal place of business or the address of any branch office of such REALTOR® shall, within ten (10) days of each such change of address, notify the Association in writing of the new address.

ARTICLE VII - PROFESSIONAL STANDARDS AND ARBITRATION

Section 1. Governing Manual. 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 2. Compliance with Manual. It shall be the duty and responsibility of every REALTOR® Member of this Association to abide by the Constitution and Bylaws and the Rules and Regulations of the Association, the Constitution and Bylaws of the State Association, the Constitution and Bylaws of the National Association of REALTORS®, and to abide by the *Code of Ethics* of the National Association of REALTORS®, including the duty to arbitrate controversies arising out of real estate transactions as specified by Article 17 of the *Code of Ethics*, and as further defined and in accordance with the procedures set forth in the *Code of Ethics and Arbitration Manual* of this Association as from time to time amended.

Section 3. Association Members. The term "Association Members" shall apply only to REALTOR® Members.

Section 4. Amendment of Manual. Amendments to the *Code of Ethics and Arbitration Manual* of this Association, which are a part of these Bylaws, shall be approved by majority vote of the Board of Directors.

Section 5. Administration of Professional Standards and Arbitration. The Association has entered into an agreement with the Texas REALTORS® to provide services for the administration of grievances, professional standards, and arbitrations involving members of the Association, to which agreement reference is hereby made and such agreement is deemed incorporated herein by reference.

ARTICLE VIII - USE OF COPYRIGHT, REGISTRATIONS AND TRADEMARKS REALTOR® AND REALTORS®

Section 1. Authorized Use. 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. Limitations on Use. 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 of Texas 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. Qualification of Use. A REALTOR® Member who is a principal of a real estate firm, partnership, or corporation may use the terms REALTOR® and REALTORS® only if all the principals of such firm, partnership, or corporation who are actively engaged in the real estate profession within the State of Texas or a state contiguous thereto are REALTOR® Members of the Association or another association/board of REALTORS® or Institute Affiliate Members as described in Section 1(b) of Article IV.

(a) In the case of a REALTOR® Member who is a principal of a real estate firm, partnership, or corporation whose business activity is substantially all commercial, the right to use the term REALTOR® or REALTORS® shall be limited to office locations in which a principal, partner, corporate officer, or branch office manager of the firm, partnership, or corporation holds REALTOR® membership. If a firm, partnership, or corporation operates additional places of business in which no principal, partner, corporate officer, or branch office manager holds REALTOR® membership, the term REALTOR® or REALTORS® may not be used in any reference to those additional places of business.

Section 4. Institute Affiliate Prohibition. Institute Affiliate Members shall not use the terms REALTOR® or REALTORS®, nor the imprint of the emblem seal of the National Association of REALTORS®.

Section 5. Association and Association Logo. The Association logo is trademark work in which the Association retains all rights. Any use of this logo without the express written consent of the Association is prohibited. If the use of any Association logo is permitted by the Association, the person using the logo must clearly indicate that logo is trademarked.

Section 6. Copyright. Use of any materials that holds a copyright, without expressed written consent of the owner of the copyright, is prohibited.

ARTICLE IX - STATE AND NATIONAL MEMBERSHIPS

Section 1. State and National Associations. The Association shall be a Member of the National Association of REALTORS® and the Texas REALTORS®. By reason of the Association's Membership, each REALTOR® Member of the Member Association shall be entitled to membership in the National Association of REALTORS® and the Texas REALTORS® without further payment of dues. The Association shall continue as a Member of the State and National Associations, unless by a majority vote of all of its REALTOR® Members, decision is made to withdraw, in which case the State and National Associations shall be notified at least one month in advance of the date designated for the termination of such membership.

Section 2. Ownership of Service Marks. The Association recognizes the exclusive property rights of the National Association of REALTORS® in the terms REALTOR® and REALTORS®. The Association shall discontinue use of the terms in any form in its name, upon ceasing to be a Member of the National Association, or upon a determination by the Board of Directors of the National Association that it has violated the conditions imposed upon the terms.

Section 3. Adoption of Code. The Association adopts the Code of *Ethics* of the National Association of REALTORS® and agrees to enforce the Code among its REALTOR® Members. The Association and all of its Members agree to abide by the Constitution, Bylaws, Rules and Regulations, and policies of the National Association of REALTORS® and the Texas 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 times the amount of the annual dues for REALTOR® membership, which shall be required to accompany each application for REALTOR® membership and which shall become the property of the Association upon final approval of the application.

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

(a) —REALTOR® Members. The annual dues of each Designated REALTOR® Member shall be such an amount as established annually in advance by the Board of Directors in accordance with Article X, Section 8(a), 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 local board or association in the State of Texas or a state contiguous thereto or Institute Affiliate Members of the Association. In calculating the dues payable to the Association by a Designated REALTOR® Member, non-member licensees as defined in Section 2(a)(1) and (2) of this Article shall not be included in the computation of dues if the Designated REALTOR® Member has paid dues based on said non-member licensees in another association in the State of Texas or a state contiguous thereto, provided the Designated REALTOR® notifies the Association in writing of the identity of such other local board or association to which dues have been remitted. In the case of a Designated REALTOR® Member in a firm, partnership, or corporation whose business activity is substantially all commercial, any assessments for non-member licensees shall be limited to licensees affiliated with the Designated REALTOR® (as defined in Section 2(a) (1) and (2) of this Article) in the office where the Designated REALTOR® holds membership, and any other offices of the firm location within the jurisdiction of this Association.

(1) For purposes of this Section, a REALTOR[®] Member of a Member Association/Board shall be held to be any Member who has a place or places of business within the State of Texas 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, or corporate officer of the entity.

A REALTOR[®] with a direct or indirect ownership interest in an entity engaged exclusively in soliciting and/or referring clients and customers to the REALTOR[®] for consideration on a substantially exclusive basis shall annually file with the association on a form approved by the association a list of the licensees affiliated with that entity and shall certify that all of the licensees affiliated with the entity are solely engaged in referring clients and customers and are not engaged in listing, selling, leasing, 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 licensee in a referral firm.

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

Membership dues shall be prorated for any licensee included on a certification form submitted to the association who during the same calendar year applies for REALTOR[®] or REALTOR[®]-Associate membership in the association. However, membership dues shall not be prorated if the licensee held REALTOR[®] or REALTOR[®]-Associate membership during the preceding calendar year.

(b) Other Categories of Membership. The dues of REALTOR[®] Members (other than a Designated REALTOR[®] Member), Institute Affiliate, Affiliate, Honorary, and Student Members shall be in such amount as established annually in advance by the Board of Directors.

(c) Institute Affiliate Members. The annual dues of each Institute Affiliate Member shall be as established in Article II of the Bylaws of the National Association of REALTORS[®].

Section 3. Dues Payable. Dues for all Members shall be payable annually ~~in advance on or~~ before the first day of January of each year and are not refundable. Dues 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.

(a) In the event a sales licensee or licensed or certified appraiser who holds REALTOR® membership is dropped for nonpayment of Association dues, and the licensee remains affiliated with the Designated REALTOR® Member, the dues obligation of the Designated REALTOR® Member [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 calendar year and are payable within sixty (60) days after the notice of termination.

Section 4. Nonpayment of Financial Obligations. If dues, fees, fines, or other assessments including amounts owed to the Association or the Association's Multiple Listing Service are not paid within one (1) month after the due date, the nonpaying Member is subject to suspension 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 their membership terminated for nonpayment of dues, fees, fines, or other assessments duly levied in accordance with the provisions of these Bylaws or the provisions of other Rules and Regulations of the Association or any of its services, departments, divisions or subsidiaries may apply for reinstatement in a manner prescribed for new applicants for membership, only after making payment in full of all accounts due as of the date of termination.

Section 5. Deposit. Deposits and expenditures of funds shall be in accordance with policies established by the Board of Directors.

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 Association or Association Multiple Listing Service shall be noticed to the delinquent Association Member in writing setting forth the amount owed and due date.

Section 7. Increase in Dues or Fees.

(a) The Board of Directors shall be authorized to increase or decrease dues, fees, fines, assessments, or other financial obligations of Members. Any increase of dues and/or fees exceeding twenty (20%) percent of the current dues and/or fees in one calendar year shall be approved by majority vote of the REALTOR® Members present and qualified to vote at a meeting called for such purpose.

(b) In the event the Texas REALTORS® and/or the National Association of REALTORS® increases or decreases the Association's dues, the Board of Directors shall likewise increase or decrease the dues of Association Members, as the case may be, in an amount equal to such increase or decrease by the Texas REALTORS® and/or the National Association of REALTORS®.

(c) The dues of REALTOR® Members who are REALTOR® Emeriti (as recognized by the National Association of REALTORS®), Past Presidents and past treasurers of the National Association of REALTORS®, or recipients of the Distinguished Service Award shall be as determined by the Board of Directors.

Section 8. Special Fees and Assessments. Any special fee or assessment levied against the entire Membership shall be considered a portion of the twenty (20%) percent limitation provided in Article X, Section 7(a).

Section 9. Waiver of Dues. The Board of Directors may waive, suspend, or modify the requirements for payment of dues and other monies due the Association.

ARTICLE XI - OFFICERS, AND DIRECTORS

Section 1. Officers. The officers of the Association shall be: President, President-Elect, Secretary/ Treasurer and Chief Executive Officer. Each officer shall be elected, with the exception of the President and the Chief Executive Officer, for a term of one (1) year beginning on the 1st day of January of the year next succeeding such election. The Chief Executive Officer shall be selected by, responsible to, and shall serve at the discretion of the Board of Directors.

Section 2. Duties and Qualifications of Officers. The duties of the officers shall be such as their titles, by general custom, would indicate and such as may be assigned to them by the Board of Directors. The qualifications for officers are as follows:

(a) The President shall be a REALTOR® Member who has served as an elected officer of the Association during a portion of the sixty (60) months immediately preceding their term of office.

(b) The President-Elect shall be a REALTOR® Member who has (i) served as Director for twenty-four (24) consecutive months during the sixty (60) months immediately preceding their term of office and (ii) served on the Budget & Finance Committee for at least one full year or served as chair of a standing committee of the Association for at least one full year. The President- Elect shall assume the duties of the President, if the President is absent or unable to perform the duties of the President.

(c) The Secretary/Treasurer shall be a REALTOR® Member who (i) has served as Director for twenty-four (24) consecutive months during the sixty (60) months immediately preceding

their term of office and (ii) served on the Budget & Finance Committee for at least one full year or served as chair of a standing committee of the Association for at least one full year.

(d) The Chief Executive Officer shall be the chief operating and administrative officer of the Association. The Chief Executive Officer 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. The Chief Executive Officer shall not hold an active Texas real estate license.

Section 3. Board of Directors. The governing body of the Association shall be a Board of Directors consisting of the elected officers, immediate Past President, sixteen (16) REALTOR® members of this Association, and one Affiliate Member and one Past President appointed by the current President.

(a) Terms. The elected Officers of this Association as specified in Section 1 of this Article shall serve as Directors for a term of one (1) year. The President-Elect shall automatically be elected President upon expiration of their one-year term as President-Elect. The immediate Past President and one (1) Past President appointed by the current President shall also serve as a Director for a one (1) year term. Each other Director shall be elected for a term of two (2) years. Eight (8) REALTOR® Members shall be elected to the Board of Directors each year.

(b) Non-voting Directors. One Affiliate Member and one past president appointed by the President of the Association shall serve as non-voting members of the Board of Directors for a one- year term. Both appointees shall be a Members of the Association.

(c) Qualifications.

- (1) Each Director shall be a REALTOR® Member at the time of such election.
- (2) Each Director shall be a REALTOR® Member in good standing for the two (2) years immediately preceding their term of office.
- (3) Must have done at least one (1) of the following:
 - (i) Served on a MetroTex Committee or Task Force
 - (ii) Graduated from an Association Leadership Program
 - (iii) Served on a State or NAR Committee or Directorship or President's Advisory Group (PAG)
 - (iv) Served on a Real Estate Industry Committee or Task Force

(d) Quorum. For purposes of conducting the business of the Board of Directors at a duly called or scheduled meeting, a majority of Directors eligible to vote shall constitute a quorum.

Section 4. Election of Officers and Directors

(a) All rules and information regarding the election shall be made available to the membership and published within the timeframe established annually by the Board of Directors

(b) All candidates shall be members in good standing.

(c) A member cannot hold two (2) elected Association positions simultaneously.

(d) Each year, there will be one (1) President-Elect and one (1) Secretary/Treasurer elected to serve as Officers.

(e) Composition of the Board shall always consist of less than twenty five percent (25%) of Officers *or* Directors from the same brokerage (under the same Designated REALTOR®). An Officer position takes precedence over a Director position for elections only.

(f) There shall be only one ballot allowed per member in any election. No proxy votes shall be cast by or for anyone.

(g) Duties. The Nominating Committee shall implement and comply with the Nominating Committee Guidelines and Responsibilities of the Association.

(h) Member Notification. The Secretary/Treasurer shall post the list of Nominees in the Association's office no later than the 10th day of July and shall cause a list of said Nominees to be mailed or electronically transmitted to REALTOR® Members no later than the 15th day of July.

(i) Members Nominations. After notification to the REALTOR® Members of the list of Nominees, other than for the Office of President, additional nominations of qualified Members may be made to the Secretary/Treasurer no later than the 15th day of August, provided that each nomination shall be in writing and signed by not less than three percent (3%) of the REALTOR® Members of the Association.

(j) Election Procedure - If No Additional Nominations. In the event there is no contest for an office or directorship of this Association, the REALTOR® Member nominated shall be declared elected.

(k) Election Procedure - If Additional Nominations.

(1) The Secretary/Treasurer will mail or electronically transmit, no later than the 25th day of August, to each REALTOR® Member qualified to vote, a ballot listing all Candidates, together with notification that said ballot must be received in the Association's office no later than 5 p.m. on the 10th day of September to be counted.

(2) The President shall appoint with the advice and consent of the Executive Committee a Ballot Canvassing Committee of three (3) REALTOR® Members to canvass the ballots. The Ballot Canvassing Committee shall convene in the Association's office no later than the 13th day of September and shall count all ballots that were received timely from REALTOR® Members qualified to vote. A tabulation of the votes cast for each Candidate shall be prepared, certified as correct by all Committee Members, and delivered to the President. The Candidate for each position receiving the most votes shall be elected. The President shall cause a list of the elected Officers and Directors to be posted in the Association's office as soon as the tabulation has been received and determined to be correct. The Chief Executive Officer shall then promptly send notification to all REALTOR® Members of the elected results.

(3) If a tie vote occurs for an Association Office or Directorship, the Secretary/Treasurer will mail or electronically transmit, within five (5) days after the certification of the votes by the Ballot Canvassing Committee to each REALTOR® Member qualified to vote a ballot listing the Candidate who received an equal number of votes, together with notification that said ballot must be completed and received at the Association's office no later than the 30th day of September to be counted. The Ballot Canvassing Committee shall convene in the Association's office no later than the 1st day of October to tabulate the votes cast and report to the President. Results of the election will be posted and REALTOR® Members notified.

Section 5. Vacancies.

(a) The filling of vacancies among the Association's Officers and Director shall be recommended by the Executive Committee and approved by a majority vote of the Board of Directors until the next annual election except for the President. If the office of the President becomes vacant, the President-Elect shall succeed to such office. If the President-Elect serves as President by succession as provided herein, he/she/they shall be eligible to serve a full term the following year as President. If the office of President-Elect or Secretary/Treasurer becomes vacant, the Board of Directors will fill the vacancy. Candidates will be considered from the most recent Nominating Committee interviews and the fulfillment of the vacancies will be approved by a majority vote of the Board of Directors. An appointment to an unfulfilled term of less than one year shall not accrue as part of the term limits.

(b) The Executive Committee shall recommend qualified candidates, from those who submitted the appropriate application, in order to fill vacancies for National Director, State Director, State Regional Vice-President and/or State TREPAC Trustee appointments. Vacancies shall be approved by a majority vote by the Board of Directors. An appointment to an unfulfilled term of less than one year shall not accrue as part of the term limits.

Section 6. Terms. Each Officer and Director shall hold office until their successor shall have been duly, qualified and elected, or until their death, resignation, or removal from office in the manner provided herein.

Section 7. Removal of Officers or Directors. In the event an Officer or Director is deemed to be incapable of fulfilling the duties of the office to which such Officer or Director was elected, but will not resign from office voluntarily, such Officer or Director may be removed from office under the following procedure:

(a) A petition requesting the removal of an Officer or Director, signed by a simple majority of all Directors, will be filed with the President, or, if the President is the subject of the petition, with the President-Elect, or next highest Officer, and will specifically set forth the reason(s) the individual is deemed to be incapable of further service.

(b) Not less than 20 days after or more than 45 days following receipt of such petition, a special meeting of the Board of Directors will be held for the sole purpose of considering the charge against the Officer or Director and rendering a decision on such petition.

(c) The affirmative vote of 75% of those Directors present and voting at such a meeting, at which a quorum is present, will be required to remove such Officer or Director from office, and any such removal will become effective immediately upon the adjournment of the special meeting.

Section 8. State and National Directors, TREPAC Trustees, and Regional Vice Presidents (RVPs):

(a) NAR Directors. MetroTex's NAR Directors shall be recommended by the Executive Committee and approved by the Board of Directors. Candidates will be selected from those that have submitted the appropriate application.

(b) Texas REALTORS® Directors. Texas REALTORS® Directors shall be recommended by the Executive Committee and approved by the Board of Directors. Candidates will be selected from those that have submitted the appropriate application.

(c) Regional Vice Presidents. Regional Vice Presidents shall be recommended by the Executive Committee and approved by the Board of Directors. Candidates will be selected from those that have submitted the appropriate application.

(d) TREPAC Trustees. TREPAC Trustees shall be recommended by the Executive Committee and approved by the Board of Directors. Candidates will be selected from those that have submitted the appropriate application.

ARTICLE XII - MEETINGS

Section 1. Meeting of Directors. The Board of Directors shall designate a regular time and place of meetings.

Section 2. Annual Meeting of Members. The Association shall hold an annual meeting of the Members at the Association's principal office immediately prior to the March meeting of the Board of Directors. A notice of the annual meeting of Members shall be posted on the home page of the Association's website, at least fourteen (14) days prior to the date of the said meeting.

Section 3. Other Meetings. Any other meetings of the Members shall be held at such time as the President or the Board of Directors may determine, or upon the written request of at least three percent (3%) of the Members eligible to vote.

Section 4. Notice of Meetings. notice of the date, time, and place of the meeting shall be given to each Member entitled to participate in said meeting by posting the notice on the home page of the Association's website at least fourteen (14) days prior to said meeting. The notice of the call of a special meeting shall set forth a statement of the purpose of said meeting.

Section 5. Electronic Transaction of Business. To the fullest extent permitted by law, the Board of Directors, committees, or membership may conduct business by electronic means.

Section 6. 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 actions so taken shall be signed by not less than 75% 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 Executive Officer to be filed in the corporate records. The action taken shall be effective when at least 75% of the directors have approved the consent unless the consent specifies a different effective date.

ARTICLE XIII – TASK FORCES

Section 1. Task Forces. The President may appoint with the advice and consent of the Executive Committee subject to confirmation by the Board of Directors, task forces as deemed necessary from time to time. All task forces will conduct their meetings at the Association and will be administered by staff of the Association. Attendance records and minutes of the meetings of all task forces will be maintained at the Association.

Section 2. Chairpersons. The Chairperson of each task force shall be

designated by the President with the advice and consent of the Executive Committee. The Chairperson of each task force of the Association shall be a voting Member of the task force.

Section 3. Attendance. A task force Member who fails to attend 25% of the regular and called meetings shall be removed from the task force. As needed, a replacement may be appointed by the Chairperson.

Section 4. Approval of Action. The action of all task forces shall be subject to approval of the Board of Directors, except the actions of the Executive Committee.

ARTICLE XIV - MULTIPLE LISTING SERVICE

Section 1. Authority. The Association shall maintain for the use of its Members a Multiple Listing Service which shall be a business corporation incorporated under the laws of the State of Texas, all of the issued outstanding stock of which corporation shall be owned by the Association or a subsidiary of the Association.

Section 2. Purpose. A Multiple Listing Service is a means by which authorized Participants make blanket unilateral offers of compensation to other Participants (acting either 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 data bases; and is a facility for the orderly correlation and dissemination of listing information so participants may better serve their clients and the public. Entitlement to compensation is determined by the cooperating broker's performance as a procuring cause of the sale (or lease).

Section 3. Governing Documents. The Association shall cause any Multiple Listing Service established by it pursuant to this Article to conform its corporate Charter, Constitution, Bylaws, Rules, Regulations, Policies, Practices, and Procedures at all times to the Constitution, Bylaws, Rules, Regulations, and Policies of the National Association of REALTORS®.

Section 4. Participation. Any REALTOR® of the Association or any other board/association who is a principal, partner, corporate officer, or branch manager acting on behalf of a principal, without further qualification, shall be eligible to participate in Multiple Listing upon agreeing in writing to conform to the Rules and Regulations thereof and to pay the costs incidental thereto. However, under no circumstances, is any individual or firm, regardless of membership status, entitled to Multiple Listing Service "Membership" or "Participation" unless he/she/they holds a current, valid real estate broker's license issued by the State of Texas or a state contiguous thereto and offer or accept compensation to and from other Participants or is 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 an Association/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 or published by an Association/Board Multiple Listing Service where access to such information is prohibited by law.

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

The key is that the Participant or potential Participant actively endeavors to make or accept offers of cooperation and compensation with respect to properties of the type that are listed on the MLS in which participation is sought. This requirement does not permit an MLS to deny participation to a Participant or potential Participant that operates a "Virtual Office Website" (VOW) (including a VOW that the participant uses to refer customers to other Participants) if the Participant or potential Participant actively endeavors to make or accept offers of cooperation and compensation. An MLS may evaluate whether a Participant or potential Participant actively endeavors during the operation of its real estate business to offer or accept cooperation and compensation only if the MLS has a reasonable basis to believe that the Participant or potential Participant is in fact not doing so. The membership requirement shall be applied in a nondiscriminatory manner to all Participants and potential Participants.

Section 5. Access to Comparable and Statistical Information. Association Members who are actively engaged in real estate brokerage, management, mortgage financing, appraising, land development, or building but who do not participate in the Multiple Listing Service are nonetheless entitled to receive, by purchase or lease, information other than current listing information that is generated, wholly or in part, by the Multiple Listing Service including "comparable" information, "sold" information, and statistical reports. Such information is provided for the exclusive use of Association Members and individuals affiliated with Association Members who are also engaged in the real estate business and may not be transmitted, retransmitted, or provided in any manner to any unauthorized individual, office, or firm except as otherwise specified in the Rules and Regulations of the Multiple Listing Service. Association Members who receive such information, either as an Association service or through the Association's Multiple Listing Service are subject to the applicable provisions of the Multiple Listing Service Rules and Regulations whether they participate in the Multiple Listing Service or not.

Section 6. Subscribers. Subscribers (or users) of the Multiple Listing Service include non-principal brokers, sales associates, and licensed and certified appraisers affiliated with Participants.

ARTICLE XV - FISCAL AND ELECTIVE YEAR

Section 1. The fiscal year of the Association shall commence on the 1st day of January and end on the 31st day of December each calendar year.

Section 2. The elective year of the Association shall commence on the 1st day of January and end on the 31st day of December each calendar year.

ARTICLE XVI - CREATION OF DIVISIONS

The Board of Directors may from time to time create and define the operations of various divisions of the Association based on geographical location or specialized activities of division Members, and the presiding officer of each division shall be an ex-officio Member of the Board of Directors without voting rights, unless such presiding officer is otherwise elected as a Director entitled to vote.

ARTICLE XVII - RULES OF ORDER

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

ARTICLE XVIII - AMENDMENTS TO BYLAWS

Section 1. Majority Vote. These Bylaws may be amended by a majority vote of the Members present and qualified to vote at any meeting of the Members called for such purpose, 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. Notice of the call of any meeting at which one or more amendments are to be considered shall be mailed or electronically transmitted to every Member eligible to vote at least fourteen (14) days prior to the meeting. Such notice shall state the date, time, and location of the meeting. A copy of the proposed amendment or amendments shall be faxed, electronically transmitted, or made available upon request, and will be posted on the Association's website.

Section 3. Approval of NAR. Amendments to these Bylaws affecting their admission or qualification of REALTOR® and Institute Affiliate Members, the use of the terms "REALTOR®" and "REALTORS®" or any alteration in the territorial jurisdiction of the Association shall become effective upon their approval as authorized by the Board of Directors of the National Association of REALTORS®.

Section 4. Code of Ethics. Each amendment to the *Code of Ethics and Arbitration Manual* of this Association, which is a part of these Bylaws, must be approved by a majority vote of the Board of Directors.

Section 5. Governing Policies. The Board of Directors may periodically adopt such policies it deems necessary in the best interests of the Association. Such policies shall not be in conflict with the Association's Articles of Incorporation or Bylaws. Policies may be adopted at any Directors' meeting with advance notice. Policies may be amended at any Directors' meeting with advance notice.

Section 6. Effective Date of Policy Changes. All policy changes shall become effective as designated by and upon approval of the Board of Directors. Any changes in Officer and Director qualifications approved by the Board of Directors shall become effective on the date of publication to the membership. Such changes will not affect the

nominations procedure in process on the date adopted. All changes to the Policy Manual shall be noticed to members and posted on the website.

ARTICLE XIX - DISSOLUTION

Upon the dissolution of this Association, the Board of Directors, after providing for the payment of all obligations, shall distribute any remaining assets to the Texas REALTORS® or any other non-profit tax-exempt organization.

ARTICLE XX - EFFECTIVE DATE

These Bylaws shall be effective from and after the date of adoption by the Membership.

