

## **BYLAWS OF THE**

### **MetroTex Association of REALTORS<sup>®</sup>, Inc.**

**Amended Effective January 28, 2010**

#### ARTICLE I - NAME AND DEFINITIONS

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

Section 2. REALTORS<sup>®</sup>. Inclusion and retention of the registered collective membership mark REALTORS<sup>®</sup> in the name of the Association shall be governed by the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS<sup>®</sup> as from time to time amended.

#### Section 3. Definitions.

(a) Real Estate Profession. The phrase "real estate profession" shall mean the buying, selling, exchanging, renting, leasing, managing, appraising of real property for compensation, counseling, building, developing, subdividing, or auctioning of real property.

(b) Member. "Member" shall mean an individual who qualifies and is elected to any class of membership in the Association as defined in the Bylaws and who pays applicable membership fees.

(c) Designated REALTOR<sup>®</sup> Member. "Designated REALTOR<sup>®</sup> Member" shall mean either (i) the individual REALTOR<sup>®</sup> Member under whose real estate broker's license a firm's sales associates are sponsored or licensed by the state or under whose license (on behalf of the owners) the firm operates or (ii) the individual REALTOR<sup>®</sup> Member who is licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property. The Designated REALTOR<sup>®</sup> Member is responsible for payment of (i) annual dues based on real estate salespersons and licensed or certified appraisers who (1) are employed by or affiliated as independent contractors with the Designated REALTOR<sup>®</sup> Member and (2) are not REALTOR<sup>®</sup> Members of any local board or association of REALTORS<sup>®</sup> in the State of Texas or a state contiguous thereto, and (ii) Association fees and any other financial commitments owed to the Association by the firm or sales associates or licensed or certified appraisers who are affiliated with the firm of the Designated REALTOR<sup>®</sup> Member, as well as the ethical behavior of all licensees or certified appraisers within that firm.

(d) Life Member. A Life Member shall be an individual who has been (i) a REALTOR<sup>®</sup> Member of the Association for at least twenty (20) consecutive years, (ii) has attained the age of 70 years, and (iii) has retired from the real estate profession or is disabled. A REALTOR<sup>®</sup> Member whose combined memberships exceed twenty (20) consecutive years and meets the other qualifications of this section shall be eligible for Life Membership. Refer to the Texas Association of REALTORS<sup>®</sup> Bylaws for information concerning eligibility for Life Membership in the Texas Association of REALTORS<sup>®</sup>.

(e) Quorum. A quorum for the transaction of business shall consist of those REALTOR® Members present at a duly called meeting who are eligible to vote, except as otherwise provided in these Bylaws.

(f) Executive Committee. The Executive Committee is composed of and is authorized as set forth in Section 8 of Article XIII of the Bylaws. The Executive Committee operates on behalf of the total membership but is responsible directly to the Board of Directors. The role of the Executive Committee is often consultative, but the Executive Committee may be authorized to negotiate contracts or take direct administrative action on personnel problems.

(g) Standing Committee. A Standing Committee considers subjects of a particular category arising during a stated period. Standing Committees are permanent and are assigned certain areas of responsibility on a continuing basis. Standing Committees carry out functions necessary to preserve and operate the organization.

(h) Task Force. A Task Force consists of a group of persons appointed by the President or the Board of Directors and is charged with addressing a particular matter. Task Forces may be classified according to function or longevity or both. Some Associations prefer to call these "committee" task forces. Task Forces deal with organizational and operational procedures or with specific, permanent aspects of the Association.

## 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 interests of home and other real property ownership.

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

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

### ARTICLE III - JURISDICTION

Section 1. 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, except the areas within the corporate limits of the cities of Garland, and Grand Prairie, Texas; (ii) Hunt County, (iii) the County of Rockwall, State of Texas; (iv) the County of Kaufman, State of Texas (v) the County of Van Zandt, State of Texas; (vi) 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 (v) 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.

(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 or she 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 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 Association shall determine whether the applicant is applying for the appropriate class of membership. The Association shall then give written notice to the REALTOR® Members of such application and invite written comment. If one or more of the REALTOR® Members object to the approval of the application, basing such objection on lack of qualification as set forth in these Bylaws, the Association shall invite any objecting Member to appear and substantiate his or her objections. Objections which are not substantiated shall be totally disregarded. The Association may not find objections substantiated without (1) informing the applicant in advance, in writing, of the objections and identifying the objecting Member, and (2) giving the applicant a full opportunity to appear before the Executive Committee and establish his or her qualifications. The Executive Committee shall thereafter make a written report of its findings. The Executive Committee shall conduct all proceedings with strict attention to the principles of due process and compliance with the Bylaws of the Association.

(b) Thereafter, within thirty (30) days, the Executive Committee shall report its recommendation to the Board of Directors in writing. If the recommendation is adverse to the approval

of the application, the reasons shall be specifically stated. If any member of the Executive Committee submits a dissenting recommendation, it shall also be reported to the Board of Directors.

(c) The Board of Directors shall review the qualifications of the applicant and the recommendations of the Executive Committee and then vote on the applicant's eligibility for membership. If the applicant receives a majority vote of the Board of Directors, he or she shall be declared elected to membership and shall be advised by written notice.

(d) The Board of Directors may not reject an application without providing the applicant with advance notice of the findings and recommendations of the Executive Committee, an opportunity to appear before the Board of Directors, to call witnesses on his or her behalf, to be represented by counsel, and to make such statements as he or she deems relevant. The Board of Directors may also have counsel present. The Board of Directors shall require that written minutes be made of any hearing before the Board of Directors or may electronically or mechanically record the proceedings.

(e) If the Board of Directors determines that the application should be rejected, the Board of Directors shall record its reasons with the Secretary. 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, the Board of Directors 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. Continuing Member Code of Ethics Training. Effective January 1, 2001, through December 31, 2004, and for successive four (4) year periods thereafter, each REALTOR® Member of the Association shall be required to complete quadrennial ethics training of not less than two hours and thirty minutes of instructional time. This requirement will be satisfied upon presentation of documentation that the member has completed a course of instruction conducted by this or another association, the State Association of REALTORS®, the NATIONAL ASSOCIATION OF REALTORS®, or any other recognized educational institution or provider which meets the learning objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTORS® from time to time. REALTOR® Members who have completed training as a requirement of membership in another association and REALTOR® Members who have completed the New Member Code of Ethics Orientation during any four year cycle shall not be required to complete additional ethics training until a new four year cycle commences. Failure to satisfy this requirement shall be considered

a violation of a membership duty for which REALTOR<sup>®</sup> membership shall be suspended until such time as the training is completed.

Members suspended for failing to meet the requirement for the first four (4)-year cycle (2001 through 2004) will have until December 31, 2005 to meet the requirement. Failure to meet the requirement by that time will result in automatic termination of membership. Failure to meet the requirement for the second (2005 through 2008) cycle and subsequent four (4)-year cycles will result in suspension of membership for the first two months (January and February) of the year following the end of any four (4)-year cycle or until the requirement is met, whichever occurs sooner. On March 1 of that year, the membership of a member who is still suspended as of that date will be automatically terminated.

#### Section 6. Status Changes.

(a) A REALTOR<sup>®</sup> who changes the conditions under which he or she holds membership shall be required to provide written notification to the Association within thirty (30) days. A REALTOR<sup>®</sup> (non-principal) who becomes a principal in the firm with which he or she has been licensed or, alternatively, becomes a principal in a new firm which will be comprised of REALTOR<sup>®</sup> principals may be required to satisfy any previously unsatisfied membership requirements applicable to REALTOR<sup>®</sup> (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<sup>®</sup> (principal). If the REALTOR<sup>®</sup> (non-principal) does not satisfy the requirements established in these Bylaws for the category of membership to which said REALTOR<sup>®</sup> (non-principal) has transferred within sixty (60) days of the date he or she advised the Association of such change in status, his or her 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.

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 Bylaws 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<sup>®</sup> are not subject to the *Code of Ethics* nor its enforcement by the Association, such

Members are encouraged to abide by the principles established in the *Code of Ethics* of the NATIONAL ASSOCIATION OF REALTORS® and conduct their business and professional practices accordingly. Further, Members other than REALTORS® may, upon recommendation of the Executive Committee, or upon recommendation by a hearing panel of the Professional Standards Committee, be subject to discipline as described above, for any conduct, which in the opinion of the Board of Directors, applied on a nondiscriminatory basis, reflects adversely on the terms REALTOR® or REALTORS®, and the real estate industry, or for conduct that is inconsistent with or adverse to the objectives and purposes of this Association, the State Association, and the NATIONAL ASSOCIATION OF REALTORS®.

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 his or her 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 with an ethics complaint or arbitration request pending, or otherwise causes membership to terminate, the Board of Directors may condition the right of the resigning Member to reapply for membership upon the applicant's certification that he or she will submit to the pending ethics or arbitration proceeding and will abide by the decision of the hearing panel; or if the Member resigns or otherwise causes

membership to terminate, the duty to submit to arbitration continues in effect even after membership lapses or is terminated, provided that the dispute arose while the former member was a REALTOR®.

#### Section 6. 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 himself or herself from any form or degree of management control of the firm for the term of the suspension or until readmission to membership, whichever may apply. Removal of an individual from any form or degree of management control must be certified to the 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 his or her 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®.

Note: The Association may establish the rights and privileges to be conferred on Institute Affiliate Members except that no Institute Affiliate Member may be granted the right to use the term REALTOR®, REALTOR-ASSOCIATE®, or the REALTOR® logo; to serve as President of the Association; or to be a Participant in the Multiple Listing Service.

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 Association of 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 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 October 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.

Section 15. Sexual Harassment. Any Member of the Association may be reprimanded, placed on probation, suspended, or expelled for harassment of an Association or MLS employee or Association Officer or Director after an investigation in accordance with the procedures of the Association. As used in this Section, harassment means any verbal or physical conduct including threatening or obscene language, unwelcome sexual advances, stalking, action including strikes, shoves, kicks, or other similar physical contact, or threats to do the same., or any other conduct with the purpose or effect of unreasonably interfering with an individual's work performance by creating a hostile intimidating or offensive work environment. The decision of the appropriate disciplinary action to be taken shall be made by the investigatory team comprised of the President, the Vice President, and one member of the Board of Directors selected by the highest ranking officer not named in the complaint, upon consultation with counsel for the Association. Disciplinary action may include any sanction authorized in the association's Code of Ethics and Arbitration Manual. If the complaint names the President or Vice President, such officer may not participate in the proceedings and shall be replaced by the immediate Past President or, alternatively, by another member of the Board of Directors selected by the highest ranking officer not named in the complaint.

## ARTICLE VII - PROFESSIONAL STANDARDS AND ARBITRATION

Section 1. 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 Association of 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 THE TERMS 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®.

## 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 ASSOCIATION of REALTORS®. By reason of the Association's Membership, each REALTOR® Member of the Member Association shall be entitled to membership in the NATIONAL ASSOCIATION OF REALTORS® and the TEXAS ASSOCIATION of REALTORS® without further payment of dues. The Association shall continue as a Member of the 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 and the TEXAS ASSOCIATION of REALTORS®.

## ARTICLE X - DUES AND ASSESSMENTS

Section 1. Application Fee. The Board of Directors may adopt an application fee for REALTOR® membership in reasonable amount, not exceeding three 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®.

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®.

Note: The Institutes, Societies and Councils of the National Association shall be responsible for collecting and remitting dues to the National Association for Institute Affiliate Members (\$75.00). The National Association shall credit \$25.00 to the account of a local association for each Institute Affiliate Member whose office address is within the assigned territorial jurisdiction of that association, provided, however, if the office location is also within the territorial jurisdiction of a Commercial Overlay Board (COB), the \$25.00 amount will be credited to the COB, unless the Institute Affiliate Member directs that the dues be distributed to the other board. The National Association shall also credit \$25.00 to the account of the state associations for each Institute Affiliate Member whose office address is located within the territorial jurisdiction of the state association. Local and state associations may not establish any additional entrance, initiation fees or dues for Institute Affiliate Members, but may provide service packages to which Institute Affiliate Members may voluntarily subscribe.

Section 3. Dues Payable. Dues for all Members shall be payable annually in advance on 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 his or her 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 ASSOCIATION OF 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 ASSOCIATION OF REALTORS® and/or the NATIONAL ASSOCIATION OF REALTORS®.

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

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, Vice President, Secretary/ Treasurer and Chief Executive Officer. Each officer shall be elected, with the exception of 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:

(1) 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 his or her term of office.

(2) The Vice President shall be a REALTOR® Member who has served as Director for twenty-four (24) consecutive months during the sixty (60) months immediately preceding his or her term of office.

(3) The Secretary/Treasurer shall be a REALTOR® Member having served as Director for twenty-four (24) consecutive months during the sixty (60) months immediately preceding his or her term of office.

(4) The Chief Executive Officer shall be the chief operating and administrative officer of the Association and perform such duties as prescribed by the Board of Directors.

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 Past President appointed by the current President, and for

calendar year 2005 three (3) additional directors and for calendar year 2006 one (1) additional director. Such additional directors will be former members of Northeast Tarrant County Board of REALTORS<sup>®</sup>, Inc. who are elected by the members of Northeast Tarrant County Board of REALTORS<sup>®</sup>, Inc. and shall be appointed by the MetroTex President. Two (2) such additional directors will serve one-year terms for 2005 and one such additional director will serve a two-year term, beginning January 1, 2005.

(a) Terms. The elected Officers of this Association as specified in Section 1 of this Article shall be Directors for one (1) year, the immediate Past President and one (1) Past President appointed by the current President shall also be a Director for one (1) year. Each other Director shall be elected for a term of two (2) years. Eight (8) REALTOR<sup>®</sup> Members shall be elected to the Board of Directors each year.

(b) Non-voting Directors. The president or a designated appointee of the president of the North Texas Commercial Association of REALTORS<sup>®</sup> (NTCAR) and one Affiliate Member appointed by the President of the Association shall serve as non-voting members of the Board of Directors for a one year term. The Affiliate Member appointee shall be a Member of the Association.

(c) Qualifications.

(1) Each Director shall be a REALTOR<sup>®</sup> Member at the time of such election.

(2) Each Director shall be a REALTOR<sup>®</sup> Member in good standing for the two (2) years immediately preceding his or her term of office.

(d) Attendance. Directors shall attend all regularly scheduled or called meetings of the Board of Directors. Absence of a Director from three (3) regularly scheduled or called Directors' meetings during any calendar year shall automatically terminate the Director's tenure of office. The Board of Directors shall elect, by majority vote, a new Director to serve the unexpired term.

(e) 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.

(f) Director Liaison. The President shall appoint members of the Board of Directors as liaisons to each standing committee or task force for a given calendar year. Each Director Liaison will attend all meetings of the committee or task force for which such Director serves as liaison and will be prepared at all times to report to and keep the Board of Directors informed of activities of such committee or task force.

#### Section 4. Election of Officers and Directors.

(a) Appointment of the Nominating Committee. At the Board of Directors' meeting in January of each year, the Directors shall designate a list of candidates to be considered for service on the Nominating Committee. Such list shall contain at least thirty (30) candidates, all of whom shall be

REALTORS®. The Directors shall submit such list of candidates promptly to the Executive Committee. The Executive Committee shall select twenty (20) REALTORS® from the list to be Nominees for the Nominating Committee. The list of Nominees shall be submitted to the Board of Directors for approval at the February Board of Directors' meeting. Such Nominees shall then be listed by the Chief Executive Officer on a ballot which shall be promptly mailed or electronically transmitted (no later than the 15th day of March) to all REALTOR® Members of this Association entitled to vote under the provisions of Article VI. Ballots of Members must be received in the Association's office no later than 5 p.m. on the 31st day of March to be counted. Each REALTOR® Member shall vote for seven (7) of the twenty (20) Nominees. The seven (7) Nominees receiving the most votes, and who agree to serve, shall be elected to serve on the Nominating Committee. Such elected seven (7) Nominees, the three (3) Nominees serving the second year of their two (2) year term and the Immediate Past President, who shall be Chairperson and a voting Member, shall constitute the Nominating Committee. The current President shall serve as an ex officio Member of the Nominating Committee. Each year, at its first meeting, the Nominating Committee shall select three (3) of its Members to serve a two (2) year term. Nominating Committee Members shall not be eligible as Nominees for an Association Office or Director. No REALTOR® Member may serve on the Nominating Committee for more than two (2) consecutive terms. In the event the Immediate Past President is unable to serve, the Board of Directors shall appoint another Past President who shall serve as Chairperson and a voting Member.

(b) Member Recommendations. The Chief Executive Officer shall solicit written recommendations from the REALTOR® Members for Nominees for Association Offices and Directorships. Written solicitation shall be mailed or electronically transmitted to Members no later than the 15th day of May of each year. Written recommendations for Nominees must be received in the Association's office no later than 5 p.m. on the 5th day of June of each year to be considered. The Chief Executive Officer shall provide the Nominating Committee with written tabulation of results.

(c) Duties. The Nominating Committee shall deliver the list of Nominees for Association's Offices and Directorships to the Secretary/Treasurer no later than the 10th day of July of the current year. The Nominating Committee shall obtain the acceptance of the nomination by each Nominee. Any Director who is elected as an Officer shall vacate the current position effective at the end of the current year, and the Nominating Committee shall nominate a person to fill such vacancy. The Secretary/Treasurer shall post the list of Nominees in the Association's office no later than the 20th day of July, and shall cause a list of said Nominees to be mailed or electronically transmitted to REALTOR® Members no later than the 31st day of July.

(d) Members Nominations. After notification to the REALTOR® Members of the list of Nominees, 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.

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

(f) 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 Nominees, 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 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 Nominee shall be prepared, certified as correct by all Committee Members, and delivered to the President. The Nominee 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 or by the 15th day of September, to each REALTOR® Member qualified to vote a ballot listing the Nominees 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 25th day of September to be counted. The Ballot Canvassing Committee shall convene in the Association's office no later than the 30th day of September to tabulate the votes cast and report to the President. Results of the election will be posted and REALTOR® Members notified.

Section 5. Vacancies. Vacancies among the Association's Offices and Directorships shall be filled 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 Vice President shall succeed to such office. If the Vice President serves as President by succession as provided herein, he or she shall be eligible to serve a full term the following year as President. If the office of Vice President or Secretary/Treasurer becomes vacant, the Board of Directors will fill the vacancy.

Section 6. Terms. Each Officer and Director shall hold office until his or her successor shall have been duly elected and qualified, or until his or her 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 and signed by not less than three percent (3%) of the REALTOR® membership entitled to vote or a majority of all Directors shall be filed with the President, or if the President is the subject of the petition, with the next ranking Officer, and shall specifically set forth the reasons the individual is deemed disqualified from further service.

(b) Upon receipt of the petition, and not less than twenty (20) days or more than forty-five (45) days thereafter, a special meeting of the Membership of the Association entitled to vote shall be held. The sole business of said meeting shall be to consider the charge against said Officer or Director and to render a decision on such petition.

(c) Notice of the call of said special meeting shall be mailed or electronically transmitted to all REALTOR® Members at least fourteen (14) days prior to the date of the meeting. Said meeting shall be conducted by the President of the Association. If the President's continued service in office is being considered at the meeting, the next ranking Officer will conduct the meeting of the Members. Three percent (3%) of the Membership qualified to vote must be present at the special meeting. The petition to remove must be approved by seventy-five percent (75%) of the Members present at such special meeting and entitled to vote on the petition.

## ARTICLE XII - MEETINGS

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

Section 2. Other Meetings. 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 3. Notice of Meetings. Written notice of the date, time, and place of the meeting shall be given to each Member entitled to participate in said meeting 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 4. Electronic Transaction of Business. To the fullest extent permitted by law, the Board of Directors or membership may conduct business by electronic means.

Section 5. 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 all of the directors. The consent shall be evidenced by one or more written approvals, each of which sets forth the action taken and bears the signature of one or more directors. All the approvals evidencing the consent shall be delivered to the Chief Executive Officer to be filed in the corporate records. The action

taken shall be effective when all the directors have approved the consent unless the consent specifies a different effective date.

### ARTICLE XIII – COMMITTEES

Section 1. Standing Committees. The President shall appoint from among the REALTOR® Members, subject to confirmation by the Board of Directors, the following standing committees:

Affiliate Forum	Leadership
Budget & Finance	Leasing & Property Management
Community Outreach	Nominating
DFW REALTORS® In Action	Professional Development
Forms & Contracts	Public Education
Government Affairs	TREPAC
Investment	

The creation of any additional standing committee(s), the sunset of any standing committee(s) or the change in name of any standing committee(s) shall be designated by the President, subject to confirmation by the Board of Directors.

Section 2. Other Committees/Task Forces. The President shall appoint, subject to confirmation by the Board of Directors, committees or task forces as deemed necessary from time to time. All standing committees and 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 standing committees and task forces will be maintained at the Association.

Section 3. Organization. All committees shall have such duties, functions, and powers as assigned by the President or the Board of Directors, except as otherwise provided in these Bylaws. The number of Members constituting each committee shall be designated by the President, unless otherwise provided in these Bylaws.

Section 4. President. The President or any other Officer of the Association appointed by the President shall be an ex-officio Member of all committees (with voting rights) and shall be notified of all committee meetings.

Section 5. Chairpersons. The Chairperson of each committee, except the Executive Committee, the Budget and Finance Committee, and the Nominating Committee, shall be designated by the President. Except for the Affiliate Forum Committee and the Forms and Contract Committee, the Chairperson of each committee of the Association shall be a voting Member. A quorum at any committee meeting shall be the committee members present and qualified to vote.

Section 6. Attendance. A committee Member who fails to attend three (3) of the regular or called meetings may be removed from the committee upon the recommendation of the Chairperson. A replacement shall be appointed by the President.

Section 7. Approval of Action. The action of all committees shall be subject to approval of the Board of Directors, except the actions of the Executive Committee, the Nominating Committee, and Arbitration Hearings as provided in *Code of Ethics and Arbitration Manual* of this Association.

Section 8. Executive Committee. The immediate Past President and the elected officers shall constitute the Executive Committee, with authority to take executive action on matters that may arise between the regular meetings of the Directors, and with the duty to recommend to the Directors appropriate action in regard to policy decisions and general executive decisions that the Directors must make from time to time.

#### 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 nonagency 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 or she 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 - EDUCATION FOUNDATION

The Declaration of Trust of the MetroTex Association of REALTORS®, Inc., Education Foundation shall govern the operations of the Educational Foundation.

#### ARTICLE XVIII - 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 XIX - 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 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. Amendments 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.

#### ARTICLE XX - 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 Association of REALTORS® or any other non-profit tax-exempt organization.

#### ARTICLE XXI - EFFECTIVE DATE

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