

ARTICLE I—NAME

Section 1. NAME.

The name of this organization shall be the HOUSTON ASSOCIATION OF REALTORS® Inc., hereafter referred to as the Association.

Section 2. REALTOR®.

Inclusion and retention of the Registered collective Membership Mark Realtors® in the name of the Association shall be governed by the Constitution and By-Laws of the NATIONAL ASSOCIATION OF REALTORS® as from time to time amended.

ARTICLE II—OBJECTIVES

Section 1. Objectives

A. To unite those engaged in the recognized branches of the real estate profession for the purpose of exerting a beneficial influence upon the profession and related interests.

B. To promote and maintain high standards of conduct in the real estate profession as expressed in the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®.

C. To provide a unified medium for real estate owners and those engaged in the real estate profession whereby their interests may be safeguarded and advanced.

D. To further the interests of home ownership and other real property ownership.

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

F. To designate, for the benefit of the public, those individuals authorized to use the term “REALTOR®” or “REALTORS®” as licensed, prescribed and controlled by the NATIONAL ASSOCIATION OF REALTORS®.

ARTICLE III—JURISDICTION

Section 1. The territorial jurisdiction of the Association as a member Association of the NATIONAL ASSOCIATION OF REALTORS® shall include the city limits of the City of Houston, Texas, which embraces the City of Bellaire, West University Place and South Side Place and incorporated villages in the Memorial Drive-Spring Branch area; plus all areas in Harris County outside the city limits of the City of Houston which have not been allocated to the North NASA ASSOCIATION OF REALTORS®, as allocated by the Board of Directors of the National Association; plus;

WESTERN BOUNDARY: Beginning at a point on the north shore of Clear Lake and the east bank of Middle Bayou, where said Middle Bayou empties into the said Clear Lake following the meanderings of the east bank of said Middle Bayou northerly and northwesterly to the junction between Middle Bayou and Willow Springs Gully, following the meanderings of Willow Springs Gully to Red Bluff Road, thence northwesterly along Red Bluff Road to a line that would be projected southward from Cunningham Street to the south at a point in Red Bluff Road to Spencer Highway, thence eastwardly to Underwood Road, on the east side of said Underwood Road, northwardly to the intersection of said Underwood Road and State Highway 225, thence westerly along the north side of State Highway 225 to its intersection with State Highway 134, thence along the east side of State Highway 134 northwardly to its terminus, and the beginning of Battleground Road and along said Battleground Road to the Houston Ship Channel at Lynchburg Ferry Landing, thence westerly along the east bank of the San Jacinto River northerly to Highway 90;

NORTHERN BOUNDARY: Northerly along the east bank of the San Jacinto River to Lake Houston, thence northerly along the east bank of Lake Houston to the east fork of the San Jacinto River, following the meanderings of the east fork of the San Jacinto River to the north boundary of Harris County to the Liberty County line and thence southwardly along the Liberty County line to the point of intersection with Chambers County line, thence due east along the north line of Chambers County to the west bank of the Trinity River;

EASTERN BOUNDARY: Following the meanderings of the Trinity River on its west bank in a southerly, southeasterly direction to the point where the Trinity River enters Trinity Bay;

SOUTHERN BOUNDARY: And thence southwesterly and westerly along the shore of Trinity Bay to Camp Ross Sterling of the YMCA, thence southwesterly along a line projected across Galveston Bay to Red Bluff, and thence southwesterly along Red Bluff Shore of Galveston Bay to the point where Clear Lake and Clear Creek empty into Galveston Bay and thence westerly along the north bank and north shore of clear Lake and Clear Creek to the point of beginning, and including the cities of Baytown, LaPorte, Highlands, Crosby, Barrett Station, and Seabrook.

Plus; Ft. Bend County, Texas; Montgomery County, Texas, and; the former jurisdiction of the Bay Area Association of Realtors:

NORTHERN BOUNDARY: Beginning at the Ft. Bend/Brazoria County line where it meets the Harris County line; thence easterly along the Harris County line meandering along Clear Creek to where the Brazoria County and Galveston County line intersect; thence continuing to meander along Clear Creek where it crosses Hwy. 45; then northwesterly along the east line to the Gulf Freeway (I-45) to the city limits of Houston; skirting the city limits of South Houston, thence following Allendale Road, being the city limits between Houston and Pasadena, and going easterly along the Allendale Road, to the intersection of Allen-Genoa Road to the LaPorte Road (Hwy. 225); and then following the existing city limits of Houston and Pasadena and continuing to the Houston Ship Channel; at that point going westerly along the Houston Ship Channel to a point west on the west city limits of Galena Park and Jacinto City, better known as Burns Road; thence northwardly to Oates Road and continuing northerly to the intersection of Hwy 90, thence easterly along Highway 90 (Old Beaumont Highway) to the San Jacinto River.

EASTERN BOUNDARY: Thence southward along the meandering of the east bank of the San Jacinto river to its intersection with the Houston Ship Channel; thence following the meandering of the Houston Ship Channel along its south bank in an easterly direction to the Battleground Road at Lynchburg Ferry Landing; thence easterly and southwesterly along the Houston Ship Channel until it meets Galveston Bay; thence southerly and southwesterly along a line projected across Galveston Bay to the Galveston Causeway;

SOUTHERN BOUNDARY: Thence meandering along the shoreline of Galveston Bay to Virginia Point including the communities of Bayou Vista, Omega Bay and Freddieville to include the Incorporated area of Hitchcock;

WESTERN BOUNDARY: Thence northwesterly then northwesterly along Highway 2917 passing through the city of Liverpool to where Highways 2917, 1462 and 521 intersect, and north along the Brazoria, Fort Bend County line to the place where it intersects with the Harris County line.

Section 2. Territorial jurisdiction is defined to mean:

A. The right and duty to control the use of the terms “REALTOR®” or “REALTORS®”, subject to the conditions set forth in the bylaws, and those of the NATIONAL ASSOCIATION OF REALTORS®, in return for which the Association agrees to protect and safeguard the property rights of the National Association in the terms.

Section 3. Principal Office

The principal office of the Association in the State of Texas shall be located in the City of Houston, County of Harris.

Section 4. Registered Office

The Association shall have and continuously maintain in the State of Texas a registered office, and a registered agent whose office is identical with such registered office, as required by the Texas Non-Profit Corporation Act. The registered office shall be identical with the principal office in the State of Texas.

ARTICLE IV—MEMBERSHIP

Section 1. Classes

A. REALTOR® MEMBERS. REALTOR® Members, whether primary or secondary, shall be:

(1) Individuals 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 in the state of Texas or a state contiguous thereto. All persons who are partners in a partnership, or all officers in a corporation who are actively engaged in the real estate profession within the state or a

state contiguous thereto shall qualify for REALTOR® Membership only, and each is required to hold REALTOR® Membership (except as provided in the following paragraph) in an Association of REALTORS® within the state or a state contiguous thereto unless otherwise qualified for Institute Affiliate Membership.

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 board in which one of the firm's principals holds Realtor® membership, shall be required to hold Realtor® membership unless otherwise qualified for Institute Affiliate Membership as described in Section 1 (b) of Article IV.

(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) 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.

(4) Designated REALTOR® Members. Each firm or office in the case of firms with multiple office locations shall designate in writing one REALTOR® member licensed as a Texas real estate broker or licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, 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 Association 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.

(5) 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, state and National Association.

B. LIFE MEMBERS. Such individuals as have performed extraordinary community service and notable service for the Association, its institutes, societies, councils and/or committees, etc., have attained the age of 75, have been REALTOR® members for at least 35 consecutive years, is retired from the real estate brokerage profession, have written sponsorship from the Past Chair Advisory Group following recommendation from three of its members, and have received at least 75% vote of the Board of Directors, shall become Life Members with full REALTOR® member privileges. Such Life Members shall pay all normal Association fees and expenses, however, subject to annual budget approval by the Board of Directors, Association dues shall be waived and the Association shall pay such Life member dues to TAR and NAR.

C. 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.

D.& AFFILIATE MEMBERS. Affiliate members shall be real estate owners and other individuals or firms who, while not engaged in the real estate profession as defined in this section, have interests requiring information concerning real estate, and are in sympathy with the objectives of the Association, and do not hold a real estate license and are not licensed or certified appraisers. An affiliate firm shall designate from time to time in writing the Designated Affiliate for the firm and other members of the firm shall join as Additional Affiliates.

ARTICLE V—ELECTION AND QUALIFICATION

Section 1. Application

A. An application for membership shall be made in such a 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 Constitution, 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 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. Qualifications

A. An applicant for REALTOR® Membership who is a sole proprietor, partner, corporate officer or branch office manager of a real estate firm shall supply evidence that he or she is actively engaged in the real estate profession, and maintains a current, valid Texas real estate broker's or salesperson's license or is licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, has a place of business within the state or a state contiguous thereto, (unless a Secondary Member), has no record of official sanctions involving unprofessional conduct, agrees to complete, within 60 days of making application, 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, he will abide by such Constitution, Bylaws, Rules and Regulations, and Code of Ethics.

B. Individuals who are actively engaged in the real estate profession other than as sole proprietors, partners, 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 a Designated REALTOR® Member of another Association (if a Secondary Member) and maintain a current, valid Texas real estate broker's or salesperson's license or be licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, shall complete, within 60 days of making application, 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 they will abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, and by the Constitution, Bylaws, and Rules and Regulations of the local Board, State Association, and the National Association.

Section 3. Election

A. Applicants for REALTOR® membership shall 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 subsequent review of the application by the Association Staff. 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, within 60 days from the association's receipt of their application, membership may, at the discretion of the Board of Directors, be terminated except as provided for in Section 5 of this Article.

B. Dues shall be computed from the first day of the calendar month of the date of application and granting of provisional membership and shall be non-refundable unless

the Association's Board of Directors terminates the individual's membership in accordance with subsection (a) above. 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.

C. The Board of Directors may not terminate any provisional membership except as provided for in Section 5 of this Article, without providing the provisional member with advance notice, an opportunity to appear before the Board of Directors, to call witnesses on its behalf, to be represented by counsel, and to make such statements as it 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 or may electronically or mechanically record the proceedings.

D. If the Board of Directors determines that provisional membership should be terminated, it shall record its reasons with the Secretary. If the Board of Directors believes that termination of provisional membership may become the basis of litigation and a claim of damage by a provisional member, it may specify that termination shall become effective upon entry in a suit by the Board for a declaratory judgment by a court of competent jurisdiction of a final judgment declaring that the termination violates no rights of the individual.

Section 4. Membership Status

A. A REALTOR® who changes the conditions under which he holds membership shall be required to provide written notification to the Association within 30 days. A REALTOR® (non-principal) who becomes a principal in the firm with which he 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 they have transferred within 30 days of the date they advised the Association of their change in status, their new membership application will terminate automatically unless otherwise so directed by the Board of Directors. The Board of Directors, at its discretion, may waive any qualification which the applicant has already fulfilled in accordance with the Association's Bylaws.

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 quarter 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.

Section 5. 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 60 days of the date of application will result in automatic termination of membership.

Section 6. Continuing 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. REALTOR® members who have completed training as a requirement of membership in another association and REALTOR® members who have completed the New Member Code of Ethics Orientation during any three year cycle shall not be required to complete additional ethics training until a new three year cycle commences.

Failure to satisfy the required periodic ethics training shall be considered a violation of a membership duty. Failure to meet the requirement in any three year cycle will result in suspension of membership for the first two months (January and February) of the year

following the end of any three 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.

ARTICLE VI—PRIVILEGES AND OBLIGATIONS

Section 1. In addition to those otherwise provided in these Bylaws, shall be specified in this Article.

Section 2. 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 and 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 other than REALTOR® may, upon recommendation of the Membership task force, 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 the local Association, the State Association, and the NATIONAL ASSOCIATION OF REALTORS®.

Section 3. 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 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 owned.

Section 5. If a Member resigns from the Association or otherwise causes membership to terminate with an ethics complaint pending, the complaint shall be processed until the decision of the association with respect to disposition of the complaint is final by this association (if respondent does not hold membership in any other association) or by any other association in which the respondent continues to hold membership. If an ethics respondent resigns or otherwise causes membership in all Boards to terminate before an ethics complaint is filed alleging unethical conduct occurred while the respondent was a REALTOR®, the complaint, once filed, shall be processed until the decision of the association with respect to disposition of the complaint is final. In any instance where an ethics hearing is held subsequent to an 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.

REALTOR® Members, whether Primary or Secondary, in good standing entitled to vote and hold elective office in the Association and may use the term "REALTOR®". For purposes of this section, the term "good standing" means the member satisfies the "Obligations of REALTOR® Members", is current with all financial and disciplinary obligations to the Association and MLS, has completed any new member requirements, and complies with NAR's trademark rules.

A. If a REALTOR® Member is a sole proprietor in a firm, a partner in a partnership or an officer in a corporation, and is suspended or expelled, the firm, partnership or corporation shall not use the terms REALTOR® or REALTORS® in connection with its business during the period of suspension, or until readmission to REALTOR® Membership, unless connection with the firm, partnership or corporation is severed, or management control is relinquished, whichever may apply. The membership of all other principals, partners or corporate officers shall suspend or terminate during the period of

suspension of the disciplined Member, or until readmission of the disciplined Member or unless connection of the disciplined Member with the firm, partnership, or corporation is severed, or unless the REALTOR® who is suspended or expelled removes himself from any form or degree of management control of the firm for the term of the suspension or until readmission to membership, whichever may apply. Removal of an individual from any form or degree of management control must be certified to the Association by the Member who is being suspended or expelled and by the individual who is assuming management control, and the signatures of such certification must be 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® or REALTORS® in connection with its business during the period of suspension or until the former Member is readmitted to membership in the Association. The foregoing is not intended to preclude a suspended or expelled Member from functioning as an employee or independent contractor, providing no management control is exercised. Further, the membership of REALTORS® other than principals who are employed or affiliated as independent contractors with the disciplined Member shall suspend or terminate during the period of suspension of the disciplined Member, or until readmission of the disciplined Member, or unless connection of the disciplined Member with the firm, partnership, or corporation is severed, or management control is relinquished, or unless the REALTOR® member (non-principal) elects to sever its 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 sole proprietor in a firm, partner in a partnership, or an officer of a corporation is suspended or expelled, the use of the terms REALTOR®” or “REALTORS® by the firms, partnership or corporation shall not be affected.

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

Section 7. Life Members

Life Members shall have all of the rights, privileges and obligations of a REALTOR® Member, except the right to hold elective office.

Section 8. Institute Affiliate Members

Institute Affiliate Members shall have all of the rights and privileges of members, including the right to vote and hold elective office, and be subject to obligation prescribed by the Board of Directors consistent with the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS®.

Section 9. Affiliate Members

Affiliate Members shall have all of the rights, and privileges of members, including the right to vote and hold elective office, except the right to use the term Realtor®, or the Realtor® logo; to serve as Chair of the Association; or to be a Participant in the Multiple Listing Service, and be subject to obligations prescribed by the Board of Directors consistent with the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS®.

Section 10. Certification by Realtors®

“Designated” REALTOR® Members of the Association shall certify to the Association during such months as may be determined by the Association, on a form provided by the Association, a complete listing of all individuals licensed or certified with the REALTOR®’ firm(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 of the Bylaws. “Designated” REALTOR® members shall also notify the Association of any additional individuals licensed or certified with the firm(s) within 30 days of the date of affiliation or severance of the individual.

Section 11. Harassment

Any member of the Association may be reprimanded, placed on probation, suspended or expelled for harassment of an Association or MLS employee, 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, actions 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, and President-elect and/or Vice President and one member of the Board of Directors selected by the highest ranking officer not named in the complaint, upon consultation with legal counsel for the association. Disciplinary action may include any sanction authorized in the association's Code of Ethics and Arbitration Manual. If the complaint names the President, President-Elect or Vice President, they may not participate in the proceedings and shall be replaced by the Immediate Past President or, alternatively, by another member of the Board of Directors selected by the highest ranking officer not named in the complaint.

ARTICLE VII—PROFESSIONAL STANDARDS AND ARBITRATION

Section 1.

The responsibility of the 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 from time to time amended, 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 laws.

Section 2. It shall be the duty and responsibility of every REALTOR® Member of this Association to safeguard and promote the standards, interests, and welfare of the Association and the real estate profession., and to protect against conduct that may cause a lack of public confidence in the real estate profession or in REALTORS®. REALTOR® members also must abide by the 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 Ethics and Arbitration Manual.

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

Section 3. The Association and Association members are also responsible for the enforcement of the Code of Ethics, the disciplining of members, the arbitration of disputes, and the organization and procedures incident thereto, consistent with the cooperative professional standards enforcement agreement entered into by the Association and the Texas Association of Realtors®, which by this reference is made a part of these Bylaws.

ARTICLE VIII—USE OF THE TERMS REALTOR® AND REALTORS®

Section 1. Use of the terms REALTOR®" or "REALTORS® by Members shall, at all times, be subject to the provisions of the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS®, and to the Rules and Regulations prescribed by its Board of Directors. The Association shall have the authority to control jointly and in full cooperation with the NATIONAL ASSOCIATION OF REALTORS®, use of the terms within its jurisdiction. Any misuse of the terms by members is a violation of a membership duty and may subject members to disciplinary action by the Board of Directors after a hearing as provided for in the association's Code of Ethics and Arbitration Manual.

Section 2.

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

Section 3. REALTOR® Member who is a principal of a real estate firm, partnership, or corporation may use the term REALTOR®” or “REALTORS® only if all of the principals of such firm, partnership, or corporation who are actively engaged in the real estate profession within the state or a state contiguous thereto are REALTOR® Members of the Association or Institute Affiliate Members.

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 Members shall not use the terms REALTOR® or “REALTORS®, nor the imprint of the emblem seal of the NATIONAL ASSOCIATION OF REALTORS®.

ARTICLE IX—STATE AND NATIONAL MEMBERSHIPS

Section 1.

The 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 its REALTOR® Members a decision is made to withdraw, in which case the State and National Associations shall be notified at least one month in advance of the date designated for the termination of such membership.

Section 2.

The Association recognizes the exclusive property rights of the NATIONAL ASSOCIATION OF REALTORS®, in the terms “REALTOR® ” or “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 use of the terms.

Section 3.

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 and 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 a non-refundable application fee for each class of membership in reasonable amount, not exceeding three times the amount of the annual dues for such membership, which shall be required to accompany each application for such membership and which shall become the property of the Association upon final approval of the application.

Section 2. Dues

Annual non-refundable dues of Members shall be as follows:

A. All categories of Membership. Annual dues for all membership classification shall be determined each year by the Board of Directors; such dues to be effective for the ensuing year only. However, the annual dues of each Institute Affiliate Member shall be as established in Article II of the Bylaws of the National Association of Realtors®.

B. REALTOR® Members. The annual dues of each Designated REALTOR® member shall be an amount set by the Directors plus an additional amount equal to such amount of annual dues times the number of real estate salespersons and licensed or certified appraisers who (1) are employed by or affiliated as independent contractors, or who are otherwise directly or indirectly licensed with such REALTOR® member, and (2) are not

REALTOR® Members of any Association in the state or a state contiguous thereto or Institute Affiliate Members of the Association. In calculating the dues payable to the Association by a Designated REALTOR® Member, non-member licensees as defined in Section 2 of this article shall not be included in the computation of dues if the Designated REALTOR® has paid dues based on said non-member licensees in another Association in the state, or a state contiguous thereto, provided the Designated REALTOR® notifies the Association in writing of the identity of the Association to which dues have been remitted. In the case of a Designated Realtor® Member in a firm, partnership, or corporation whose business activity is substantially all commercial, any assessments for non-member licensees shall be limited to licensees affiliated with the Designated Realtor® (as defined in (1) and (2) of this paragraph) in the office where the Designated Realtor® holds membership, and any other offices of the firm located within the jurisdiction of this board. For the purpose of this Section, a REALTOR® member of a Member Association shall be held to be any Member who has a place or places of business within the state or a state contiguous thereto and who, as a principal, partner, corporate officer, or branch office manager of a real estate firm, partnership, or corporation is actively engaged in the real estate profession as defined in Article III, Section 1, of the Constitution of the NATIONAL ASSOCIATION OF REALTORS®. An individual shall be deemed to be licensed with a REALTOR® if the license of the individual is held by the REALTOR®, or by any broker who is licensed or affiliated with the REALTOR®, or by an 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 (B) 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, 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.

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

Designated REALTORS® shall notify the association within three (3) days of any change in status of licensees in a referral firm.

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

Section 3. Dues Payable

A. Member dues shall be payable annually in advance on the first day of December for the following year's dues. Dues for new members shall be computed from the first day of the calendar month of the date of application and granting of provisional membership.

B. 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 with the Designated REALTOR® firm, the dues obligation of the "Designated" REALTOR® (as set forth in Article X, Section 2.B(1)) will be increased to reflect the addition of a non-Member licensee. Dues shall be calculated from the first day of the current fiscal year and payable within 30 days of the notice of termination.

Section 4. Non-Payment of Dues, Fees, Fines, Assessments, and Other Financial Obligations

Any member failing to pay any dues, fees, fines, assessments, reinstatement fees, transfer fees, or other financial obligations excluding those payable to MLS or CIE, for ten (10) days after the due date thereof shall be notified of the delinquency. Failure to pay within ten (10) days immediately following such notice shall automatically suspend such delinquent member. All Association services, excluding those provided by MLS and CIE, to a suspended member shall cease during the time of such suspension. Following such suspension, such delinquent member shall have ten (10) days in which to become reinstated by payment in full of all sums due plus a reinstatement fee in an amount determined by the Board of Directors. Failure to pay within the ten (10) day

period shall automatically terminate the membership of such delinquent member and all rights there under and the suspended member shall be notified of such termination. A former member who has resigned or had its membership terminated may apply for reinstatement in the manner prescribed for new applicants for membership, after making payment in full of all past due accounts as of the date of termination, however, such former member shall not be required to attend orientation if he had been a member of the Association within the prior two calendar years.

Section 5. The dues of the REALTOR® Members who are REALTOR® Emeriti (as recognized by the National Association), Past Presidents and past treasurers of the National Association or recipients of the Distinguished Service Award shall be as determined by the Board of Directors.

ARTICLE XI—BOARD OF DIRECTORS

Section 1. Authority and Responsibility

The governing body of the Association shall be the Board of Directors (sometimes referred to as the “Board”). The Board of Directors shall have supervision, control and direction of the affairs of the Association, shall determine its policies and supervise the disbursements of its funds. The Board may adopt such rules and regulations for the conduct of its business as shall be deemed advisable, and may, in the execution of the powers granted, delegate certain of its authority and responsibility to the Executive Committee.

Section 2. Composition and Position Categories

A. The Board of Directors shall be composed of certain Members in such numbers from the various Director Position categories as follows:

- (1) LARGEST FIRMS – (firms having 700 or more REALTOR Members).
- (2) LARGE FIRMS – (firms having 100-699 REALTOR Members).
- (3) MEDIUM FIRMS – (firms having 10-99 REALTOR Members).
- (4) SMALL FIRMS – (firms having 1-9 REALTOR Members).
- (5) GEOGRAPHIC DISTRICTS – Six Geographic District Directors who are either REALTOR Members, Institute Affiliate Members or Affiliate Members, apportioned two Directors per Geographic District (North, South and Central) each having his or her office location in one of the following geographic areas:

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- (a) North District – Two Directors:
- (i) Northeast – the area between IH–45 North, Loop 610 and IH–10 East
- (ii) Northwest – the area between IH–45 North. Loop 610 and IH–10 West
- (b) South District – Two Directors:
- (i) Southeast – the area between IH–10 East, Loop 610 and SH 288 South
- (ii) Southwest – the area between IH–10 West, Loop 610 and SH 288 South

(c) Central District – Two Directors – the area within Loop 610.

(6) COMMERCIAL MEMBERS – REALTOR Members primarily engaged in Commercial Real Estate. “Primarily” means 90% of the dollar volume of transactions are commercial for the prior calendar year.

(7) APPOINTMENT – Two Directors appointed by the Executive Committee at its August meeting each of whom shall be a Past President/Chair.

(8) EXECUTIVE COMMITTEE – Members of the Executive Committee.

B. Firm size is determined by identifying the candidate’s sponsoring or associated broker and therefore counting how many members are affiliated with that broker per Association records on April 30 of each year. For the purpose of determining office location for a geographic area, it is the office address of the REALTOR® Member, Institute Affiliate Member or Affiliate Member as reflected by the Association records on April 30 of each year.

Section 3. Election

A. On or before May 10 each year, Members shall be notified of the annual election of Directors and the opportunity to seek election for a Director position for which he or she is eligible. A member who desires to seek election for a Director position shall notify the Association in writing on the HAR Board of Directors Candidacy Notification Form of the Director position category for which he or she seeks election. Such notice must be received by Association on or before 5:00 p.m. on the second Monday in June (filing deadline).

B. The annual election of Directors shall conclude at 5:00 p.m. on the first Monday in August. Election shall be by ballot. The ballot shall contain the Director positions by

category and the names in alphabetical order by last name, of all candidates in each category. Ballots shall be transmitted electronically via the Internet to each Member eligible to vote at least four (4) days prior to conclusion of the annual election. Members may not write in the name of additional candidates for Director.

C. Any member in good standing whose dues have been paid as of July 1 of the current year may vote in the director election.

D. The candidate receiving the highest number of votes in each Director position category shall be declared elected for a two year term. If there are more director candidates from the same broker who are elected than are eligible to serve, the elected candidate(s) receiving the most votes among such elected candidate(s) from the same broker shall be elected. Such candidates elected are sometimes referred to herein as Directors-Elect. In case of a tie in any Director position in the election, the selection shall be made by lot.

E. After a Director has served the maximum consecutive terms allowed for the category to which he or she was elected, he or she will not be eligible to serve again as a Director until he or she has been out of office for one year. This provision does not prevent the election to an officer position, of a currently serving Director or Officer whose term on the Board of Directors is expiring, or has expired. No Member may hold the same office more than once per term of Director service. Any elected Officer shall serve as a member of the Board of Directors and have the same vote as other Directors.

F. For the purposes of the Director elections held annually:

(a) For the Director position categories, other than the Geographic Districts, only one Director shall be elected from each such Director position category annually.

(b) For the Geographic Districts category a Director from the Northeast and Southeast will be elected annually for terms beginning in even numbered years and a Director from the Northwest and Southwest will be elected annually for terms beginning in odd numbered years and a director from the Central will be elected annually.

Section 4. Term

A Director shall serve for a term of two years and may serve no more than two consecutive terms; provided, however, an appointed Director shall serve for a term of

one year. Eight Directors shall be elected annually. A director may complete serving the term for which they were elected regardless of changed circumstances, i.e., changes in firm size, geographic area, type of real estate practice, number of directors from same firm, etc.

Section 5. Eligibility

Any member in good standing whose dues have been paid as of April 30 of the current year may seek election to the Board of Directors for a Director position category specified in Section 2 for which he or she is eligible; provided, however, a Past President/Chair shall not be eligible to seek election to the Board of Directors. A Member may only seek election to the Board of Directors from one category of the Director positions. No broker shall have more than two of its sponsored or associated members as directors on the Board of Directors at any time; provided, however, this limitation shall not apply to Officers and elected directors with changed circumstances as described in Section 4. If a broker will have the maximum number of directors serving during the year following an election, no other member sponsored by or associated with that broker will be eligible to seek election to the Board of Directors. If a candidate is no longer eligible to seek the director position in the category for which they are seeking election due to changed circumstances at any time after the filing deadline and before the election concludes at 5 p.m. on the first Monday in August, then such candidate will be automatically disqualified from the election.

Section 6. Voting

The members shall vote by secret ballot via the Internet, and in conformity with such additional rules and regulations as the Board of Directors may adopt.

Section 7. Vacancies

A. In the event a vacancy exists or is created on the Board of Directors, the Board of Directors shall appoint a Director to serve for the unexpired term.

B. Any Director failing to attend any four regular meetings of the Board of Directors with or without excuse in any calendar year shall automatically be removed from the Board of Directors, and a vacancy shall exist for that position.

Section 8. Removal

Any Director may be removed by a secret vote of two-thirds (2/3) of the Board of Directors present and voting; provided however, the vote on removal shall occur at the next regular meeting of the Board of Directors following the meeting at which a motion for removal of a Director is made and seconded.

Section 9. Meetings

The Board of Directors shall provide by resolution the time and place for the holding of regular meetings of the Association without other notice than such resolution. Special meetings of the Board of Directors shall be called by the Chair. Notice of any special meetings of the Board of Directors shall be given at least three (3) days previously thereto by telephone or as provided in Article XXIV, to each Director. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed with postage thereon prepaid. Any director may waive notice of any meeting. The attendance of a Director at any such meeting shall constitute a waiver of notice of such meeting, excepting where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the Board of Directors need to be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these Bylaws. A Director is expected to be present at the meetings of the Board of Directors. Attendance may be accomplished in person or by remote communications technology as provided in Article XXV.

Section 10. Quorum

At meetings of the Board of Directors a majority shall constitute a quorum. The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or by these Bylaws.

Section 11. Action Without a Meeting

Any action required or permitted to be taken by the Board of Directors or any committee, advisory group or task force under these Bylaws may be taken without a meeting if a majority of Directors or committee, advisory group or task force members consent in writing or email or facsimile to the action to be taken.

Section 12. Legal Counsel

The Board of Directors may retain legal counsel and fix the terms of compensation.

Section 13. Installation Meeting

An Installation Meeting of the Association shall be held for the purpose of formally installing all officers and directors of the Association whose terms of office began on the first day of January. It is recognized and understood that the installation of officers and directors is strictly ceremonial and that they assume office on January 1, following their election.

Section 14. Task Forces

A. AUDIT TASK FORCE. The function of this task force is to monitor on an ongoing basis the internal fiscal controls of the Association, and recommend to the Board of Directors an outside firm to conduct an annual audit. The task force shall be made up of the Chair, Chair-Elect and the Secretary/Treasurer.

B. BUDGET AND FINANCE TASK FORCE. The duties of this task force shall be to review the budget and expenditures of the preceding year, to recommend to the Board of Directors the budget for the coming year, and to consult with the Board of Directors as needed on fiscal matters during the year. This task force shall be under the direction of the current Chair and shall include the Secretary/ Treasurer, the incoming Chair, Incoming Chair-Elect and incoming Secretary/Treasurer.

C. BYLAWS TASK FORCE. The duties of this task force shall be to examine the Bylaws and to recommend to the Board of Directors any changes deemed necessary. The Task Force shall be made up of the Executive Committee.

Section 15. Vote On Tax Increase

Any motion to support an increase in fees, costs, assessments or taxes to property owners in the jurisdiction of HAR requires a 2/3 majority vote of the Board of Directors present and voting.

ARTICLE XII—OFFICERS

Section 1. Positions

The elected officers of the Association shall consist of a Chair, Chair-Elect, two Vice-Chairs and a Secretary/Treasurer. A Past Chair shall not be eligible for election as an officer.

A. CHAIR. The Chair shall be the chief elected officer of the Association and shall exercise general supervision over the business and affairs of the Association with the aid and assistance of the President. The Chair shall preside at all meetings of the members and serve as Chair of both the Board of Directors and Executive Committee. The Chair may sign with the Secretary or other proper officer of the Association authorized by the Board of Directors, any deeds, mortgages, bonds, contracts or other instruments which the Board of Directors have authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws or by statute to some other officer or agent of the Association; and in general he shall perform all duties incident to the office of the Chair and such other duties as may be prescribed by the Board of Directors from time to time.

B. CHAIR-ELECT. The duties may be such as assigned by the Chair and/or the Board of Directors.

The Chair-Elect shall when necessary perform the duties of the Chair, and shall succeed to the office of Chair in the event of the death, disability, removal from office or resignation of the Chair. The Chair-Elect shall succeed to the office of Chair upon completion of its elective year unless the Chair-Elect has succeeded to the office of Chair through the failure of the Chair to fill its term of office for any reason, which in such case the Chair-Elect shall fill the unexpired term of the Chair and in addition shall then succeed to the office of the Chair for a full term, unless prevented by a vote of two thirds (2/3) of the total Board of Directors, in which case the Board of Directors shall select a Chair, notwithstanding the provision of Article XII, Section 2.C.

C. VICE-CHAIRS. The Vice Chairs shall perform such duties as from time to time may be assigned by the Chair or the Board of Directors. One Vice Chair selected by the Chair shall serve as Parliamentarian to advise the Chair, and further, if requested, the Board of Directors on parliamentary matters and procedures.

D. SECRETARY/TREASURER. The Secretary/Treasurer shall:
Keep or cause to be kept the minutes of meetings of the members and the Board of Directors in one or more books provided for that purpose; issue or cause to be issued all notices in accordance with the provision of these Bylaws or as required by law; be

custodian of the Association records and of the Seal of the Association which shall be in the form of a circle and shall have inscribed thereon the words "Corporate Seal of H OUSTON ASSOCIATION OF REALTORS®, and Incorporated" and see that the Seal of the Association is affixed to all documents, the execution of which on behalf of the Association under its Seal is duly authorized in accordance with the provisions of these Bylaws; keep or cause to be kept a register of the post office address of each member which shall be furnished to the Secretary/Treasurer by such member. The Secretary/Treasurer shall have charge and custody of and be responsible for all funds and securities of the Association; receive and give receipts for or cause the same to be done for monies due and payable to the Association from any source whatsoever and deposit or cause to be deposited all such monies in the name of the Association in such banks or other depositories as shall be selected in accordance with the provisions of these Bylaws; and in general perform all duties incident to the office of Secretary/Treasurer and such other as from time to time may be assigned to him/her by the Chair or by the Board of Directors.

Section 2. Election

A. A special meeting of the Directors immediately following the August meeting of the Board of Directors shall be held for the sole purpose of electing the officers of the Association for the ensuing year. For purposes of this section all current Directors shall constitute the Board of Directors. Only current elected Directors shall be eligible for election to officer positions, provided however, candidates for Chair-Elect shall be a current officer. The Chair-elect shall automatically become Chair unless prevented from becoming Chair by a vote of two-thirds (2/3) of the total Board of Directors as defined in this section. The offices of Vice-Chair and Secretary/Treasurer shall be of equal rank and there shall be no automatic succession of those officers.

B. Officers shall be elected in the following manner:

(1) By 5:00 p.m. on the day of the annual election of Directors, any current Director who desires to seek an officer position for which the Director is eligible, shall notify the Chair in writing of his or her candidacy for election to one of the following officer positions: Chair-Elect, Vice-Chair (Position 1), Vice Chair (Position 2) or Secretary/Treasurer. An officer candidate shall, in the notice to the Chair, designate the officer position for which he or she seeks election. A candidate may only run for one officer position. Each candidate for an officer position may present their qualifications by video, in writing or in person to the Board of Directors prior to the election of officers.

(2) Each officer shall be elected by a majority vote of the Board of Directors in attendance or by proxy if unable to attend the meeting. The vote shall be by written or electronic secret ballot. If there are three or more candidates for any officer position and no candidate receives a majority vote, the two candidates receiving the highest number of votes shall proceed to a run-off vote. In case of a tie in an officer position the selection shall be made by lot.

C. A vacancy in any office other than Chair because of death, resignation, removal, or otherwise, may be filled by the Board of Directors for the unexpired portion of their term. Any Officer elected or appointed by the Board of Directors, pursuant to this Section 2, may be removed, by a secret vote of two-thirds (2/3) of the Board of Directors present and voting, provided, however, the vote on removal shall occur at the next regular meeting of the Board of Directors following the meeting at which a motion for removal of an Officer is made and seconded.

Section 3. Duties

The duties of the officers shall be such as their titles, by general usage, would indicate and such as may be assigned to them respectively by the Board of Directors from time to time, and such as are required by law.

Section 4. Past Chairs

For the purposes of these Bylaws, Past Presidents who served as Chief Elected Officers of the Association shall be referred to as Past Chairs.

ARTICLE XIII—EXECUTIVE COMMITTEE

There shall be an Executive Committee comprised of the Chair, Chair-Elect, two Vice-Chairs, Secretary/Treasurer, and Immediate Past Chair. The Executive Committee shall review action motions to come before the Board of Directors and make recommendations to the Board.

ARTICLE XIV—FINANCE

Section 1. Administration

The Board of Directors shall administer the finances of the Association. They may invest its funds at their discretion.

Section 2. Budget

The annual budget, prepared by the Budget and Finance Task Force, shall be submitted to the Board of Directors for their consideration, alteration, and approval in final forms and they shall have the sole authority for the appropriation of money for expenditure in accordance with the approved annual budget.

Section 3. Obligation

The Board of Directors shall not incur an obligation nor authorize an expenditure in excess of the available cash on hand, without the approval of a majority of the Board of Directors. It is specifically understood the phrase “available cash on hand” includes the reserve invested in bonds or other savings.

Section 4. Accounting

At the end of each fiscal year, and at any other time that the Board of Directors may determine, the accounts of the Treasurer shall be audited or reviewed in such manner, as the Board of Directors shall determine.

Section 5. Bonds

The Secretary/Treasurer, other officers and staff may be required to furnish surety bond as and in such amount as the Board of Directors may deem necessary, the cost to be paid by the Association.

Section 6. Indemnification

Each person who at any time shall serve, or shall have served, as a director, officer, employee or agent of the Association and such other persons as specified from time to time by the Board of Directors, shall be entitled to indemnification as and to the fullest extent permitted by Texas law. The foregoing right of indemnification shall be in addition to and not exclusive of any other rights to which those indemnified may be entitled.

ARTICLE XV—EXECUTIVE AND STAFF

Section 1. President

The Board shall employ a salaried chief executive who shall have the title of President.

Section 2. Authority and Responsibility

The President, as Chief Executive Officer, shall manage and direct the activities of the Association subject to the policies of the Board of Directors and through the office of the Chair. The President shall employ and may terminate the employment of members of the staff necessary to carry on the work of the Association and fix their compensation within the approved budget. The Executive Committee shall annually review and evaluate the performance and establish the compensation of the President. The President shall define the duties of the staff, supervise their performance, establish their titles, and delegate those responsibilities of management as shall be in the best interest of the Association. The President shall serve without vote as an ex-officio member of the Executive Committee and Board of Directors.

ARTICLE XVI—MEETINGS

Section 1. Annual

The annual business meeting of the Association shall be held in December of each year, the date, place and hour to be designated by Board of Directors.

Section 2. Other

Meetings of the members may be held at such other times as the Chair or the Board of Directors may determine or upon written request of at least ten percent (10%) of the Members eligible to vote.

Section 3. Notice

Written notice shall be communicated to every member entitled to participate in the meeting not less than ten (10) nor more than fifty (50) days preceding all meetings. If a special meeting, it shall be accompanied by a statement of the purpose of the meeting.

Section 4. Quorum

A quorum for the transaction of business shall consist of one percent (1%) of the Members eligible to vote as of the date of the meeting. If a quorum is not present at any meeting of members, a majority of the members present may adjourn the meeting from time to time without further notice.

Section 5. Proxy

At any meeting of members a member entitled to vote may vote by proxy, executed in writing by the member.

ARTICLE XVII—MEMBER INVOLVEMENT

Section 1. Advisory Groups

A. APPOINTMENTS. The Chair shall appoint all advisory groups except those otherwise provided for herein with due consideration given to the overall diversity of appointees sufficient to represent the broadest possible cross section of the Association membership. All advisory groups shall have such duties functions and powers, as may be assigned to them by the Chair or the Board of Directors except as otherwise provided in these Bylaws.

B. TERM. Advisory group members shall be appointed for a term of one year.

C. CHAIR. The Chair shall be an ex-officio member of all advisory groups and shall be notified of their meetings.

D. ACTIONS. All actions of advisory groups shall be subject to approval by the Board of Directors.

E. ELIGIBILITY. All members of the Association may serve upon advisory groups, except as otherwise provided in these Bylaws.

F. QUORUM. At advisory group meetings, held on an as needed basis, a majority shall constitute a quorum.

G. ABSENCES. Any member who remains absent from two consecutive meetings of an advisory group shall automatically forfeit its appointment, unless a request for excused absence is received by the association prior to the meeting.

H. APPOINTED ADVISORY GROUPS. The Chair shall appoint the Chair of the following advisory groups, who shall serve at the pleasure of the Chair, except those otherwise provided herein and the Chair-Elect shall appoint Vice-Chairs who may succeed as Chairs the following year:

1. HAR NETWORKING ADVISORY GROUP. The duties of this advisory group shall be to facilitate communication between members, to provide education

programs and fellowship among the members and to coordinate the entire Association activities. The areas to be served and the organization of the advisory group shall be determined by the Board of Directors.

2. POLITICAL AFFAIRS ADVISORY GROUP. The duties of this advisory group shall be to interview candidates and make recommendations to the Board of Directors regarding endorsements and contributions. The advisory group will mobilize members to assist in candidate and issue campaigns.
3. GOVERNMENTAL AFFAIRS. This advisory group shall maintain an awareness of all matters bearing upon the real estate industry or having impact upon the ownership of private property and suggest appropriate positions, measures and actions to the Board of Directors.
4. HAR ANNUAL CONFERENCE ADVISORY GROUP. This advisory group shall facilitate the association's annual event, that includes educational sessions designed to help members increase their productivity as well as a themed tradeshow.
5. TREPAC ADVISORY GROUP. This advisory group shall assist in organizing, hosting, and participating in TREPAC fundraising efforts throughout HAR's membership. Members serve as TREPAC liaisons educating members on the importance of investing in their industry as well as informing members of the legislative issues facing members and the real estate industry.
6. PROFESSIONAL DEVELOPMENT ADVISORY GROUP. The PROFESSIONAL DEVELOPMENT Advisory Group is made up of members who review existing educational programs and recommend new training programs.
7. COMMUNICATIONS ADVISORY GROUP. This group enhances the strategic efforts of the HAR Communications Department by ensuring HAR communications products and programs are responsive to member needs and promote and support the value of using a Realtor®
8. RISK MANAGEMENT ADVISORY GROUP. This advisory group addresses those areas in both residential and commercial real estate in which non-compliance issues present risk to our membership and alerts the membership as to their existence in an effort to resolve or minimize the risk.
9. YOUNG PROFESSIONALS NETWORK (YPN) ADVISORY GROUP. This advisory group welcomes young professionals into the HAR Realtor community and encourages, promotes, supports and empowers their success through education, training, high technology, engagement, involvement and community volunteerism.

10. GLOBAL ADVISORY GROUP. The Global Advisory Group shall coordinate Association activities that relate to the international real estate industry.

I. PAST-CHAIR ADVISORY GROUP. There shall be an Advisory Group, composed of all Past Chairs of the Association who continue to be REALTOR® members whose duty it shall be to act in an advisory capacity to the Directors as needed. This Advisory Group will meet at the call of the immediate Past Chair, who shall serve as its Chair.

Section 2. Task Forces. The Chair shall appoint task forces as he may deem necessary that expire at the end of each year, with due consideration given to the overall diversity of appointees sufficient to represent the broadest possible cross section of the Association membership.

Section 3. Representation for the Association

No individual, committee, advisory group, task force, or member thereof shall assume to speak for or represent the Association before any legislative, administration, judicial or public body, or otherwise unless authorized to do so by the Board of Directors. No report, recommendation or other action of any advisory group or task force of the Association shall be considered as the action of the Association unless and until it shall have been approved or authorized by the Board of Directors.

Section 4. Focus Groups

Focus groups shall be appointed with due consideration given to the overall diversity of appointees sufficient to represent the broadest possible cross section of the Association membership, and shall be used for member input.

ARTICLE XVIII—FISCAL & ELECTIVE YEAR

Section 1. The fiscal and elective year of the Association shall be the Calendar Year.

ARTICLE XIX—RULES OF ORDER

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

ARTICLE XX—AMENDMENTS

Section 1. These Bylaws may be amended by a majority vote of the members present and eligible to vote at any annual membership meeting, or at any special meeting called for that purpose, provided that such amendments shall be plainly stated in the notice of the meeting at which they are to be considered 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. Amendments to the Bylaws affecting the admission or qualification of REALTORS® an Institute Affiliate Members, the use of the term REALTOR®” or “REALTORS® or any alteration in the territorial jurisdiction of the Association shall become effective upon their approval by the NATIONAL ASSOCIATION OF REALTORS®.

Section 2. Due notice of meetings at which amendments are to be considered must be communicated to every member at least ten (10) days prior to the time of the meeting.

Section 3. All amendments shall become effective January 1 of the following year unless otherwise provided for.

ARTICLE XXI—DISSOLUTION

Section 1. Upon the dissolution or winding up of the affairs of this Association, the Board of Directors, after providing for the payment of all obligations, shall distribute any remaining assets to the TEXAS ASSOCIATION OF REALTORS® or, within its discretion, to any other nonprofit tax exempt organization.

ARTICLE XXII—MULTIPLE LISTING SERVICE (MLS)

Section 1. AUTHORITY

The Association arranges for a Multiple Listing Service (MLS) to be available for the use of MLS participants and subscribers, which shall be owned and operated by HRIS, a lawful corporation of the State of Texas, all of the stock of which shall be owned by Association.

ARTICLE XXIII – COMMERCIAL INFORMATION EXCHANGE (CIE)

Section 1 AUTHORITY

The Association arranges for a Commercial Information Exchange (CIE) to be available for the use of CIE Subscribers and Users, which shall be owned and operated by HRIS, a lawful corporation of the State of Texas, all of the stock which shall be owned by Association.

ARTICLE XXIV– AUTHORIZED MEANS OF COMMUNICATIONS

Wherever in these bylaws it provides for notices, communications or consents, the authorized means of communication or delivery of such notice, communication or consent shall include mail (postage thereon prepaid), hand delivery, facsimile transmission, and electronic mail.

ARTICLE XXV– MEETINGS BY REMOTE COMMUNICATIONS TECHNOLOGY

A meeting of the members of the Association, the Board of Directors, the Executive Committee or any Advisory Group, Task Force or committee may be held by means of a remote electronic communications system, including videoconferencing technology or the Internet. Attendance by remote communications technology is considered consent of its use.

The latest amendments and revisions are effective APRIL 10, 2023.