

BYLAWS OF THE LUBBOCK ASSOCIATION OF REALTORS®, INCORPORATED

December 19, 2019

All personal pronouns used in these Bylaws include the other genders, whether used in the masculine or feminine or neuter gender, and the singular includes the plural whenever and as often as may be appropriate.

Article I – Name

Section 1. Name. The name of this Organization shall be the LUBBOCK ASSOCIATION OF REALTORS®, Incorporated, hereinafter referred to as the “Association.”

Section 2. REALTORS®. Inclusion and retention of the Registered Collective Membership Mark REALTORS®, in the name of the Association shall be governed by the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS®, as from time to time amended.

Article II – Objectives

The objectives of the Association are:

Section 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.

Section 2. To promote and maintain high standards of conduct in the real estate profession as expressed in the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®.

Section 3. To provide a unified medium for real estate owners and those engaged in the real estate profession whereby their interests may be safeguarded and advanced.

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

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

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

Article III – Jurisdiction

Section 1. The territorial jurisdiction of the Association as a Member of the NATIONAL ASSOCIATION OF REALTORS® is Lubbock County, Texas.

Section 2. Territorial jurisdiction is defined to mean: The right and duty to control the use of the terms REALTOR® and REALTORS®, subject to the conditions set forth in these Bylaws and those of the NATIONAL ASSOCIATION OF REALTORS®, in return for which the Association agrees to protect and safeguard the property rights of the National Association in the terms.

Article IV – Membership

Section 1. There shall be six classes of Members as follows:

(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, or financing, 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 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 a Board of REALTORS® within the state of Texas or a state contiguous thereto unless otherwise qualified for Institute Affiliate Membership as described in Section 1(b) of Article IV.

In the case of a real estate firm, partnership, or corporation, whose business 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 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) 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 this 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 board or association. One of the principals in a real estate firm must be a Designated REALTOR® Member of this Association in order for licensees affiliated with the firm to select this 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 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.

(b) Institute Affiliate Members. Institute Affiliate Members shall be individuals who hold a professional designation awarded by a qualified Institute, Society, or Council affiliated with the NATIONAL ASSOCIATION OF REALTORS® that addresses a specialty area other than residential brokerage or individuals who otherwise hold a class of Membership in such Institute, Society or Council that confers the right to vote or 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 real estate owners and other individuals or firms who, while not engaged in the real estate profession as defined in paragraphs (a) or (b) of this Section, have interests requiring information concerning real estate, and are in sympathy with the objectives of the Association. Affiliate Members must be recommended or sponsored by a Designated REALTOR® Member.

(d) Public Service Members. Public Service Members shall be individuals who are interested in the real estate profession as employees of or affiliated with educational, public utility, governmental or other similar organizations, but are not engaged in the real estate profession on their own account or in association with an established real estate business and are not licensed as a real estate broker or salesman.

(e) Honorary Members. Honorary Members shall be individuals not engaged in the real estate profession who have performed notable service for the real estate profession, for this Association, or for the public.

(f) 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 and are not licensed as a real estate brokers or salesmen.

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 this Association, the State and National Associations, and if elected a Member, will abide by the Constitutions and Bylaws and Rules and Regulations of this 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, through its Association Executive or otherwise, 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 this 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, Rules and Regulations, and Code of Ethics referred to above.

Section 2. Qualification.

(a) An applicant for REALTOR® Membership who is a sole proprietor, partner, corporate officer, or branch office manager of a real estate firm shall supply evidence satisfactory to the Membership Committee that he is actively engaged in the real estate profession, and maintains a current, valid real estate broker's or salesman'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 of Texas or state contiguous thereto, 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 this Association, the Bylaws of the State Association, and the Constitution and Bylaws and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, and shall pass such reasonable and nondiscriminatory written examination thereon as may be required by the Committee, and shall agree that if elected to Membership, he will abide by such Constitution, Bylaws, Rules and Regulations, and Code of Ethics.

Note: *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.

Note: **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, and (4) findings of violations of the REALTORS® Code of Ethics resulting in suspension or expulsion from any Member Board/Association in which applicant is or was a Member.

Note: ***Article IV, Section 2, of the NATIONAL ASSOCIATION OF REALTORS® Bylaws prohibits Member Boards from knowingly granting REALTOR® membership to any applicant who has an unfulfilled sanction pending which was imposed by another Board or Association of REALTORS® for violation of the 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 Board (if a Secondary Member) and must maintain a current, valid real estate broker or salesman license 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 this Association, the Bylaws of the State Association, and the Constitution and Bylaws and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and shall pass such reasonable and nondiscriminatory written examinations thereon as may be required by the Membership Committee and shall agree in writing that if elected to Membership he/she will abide by such Constitution, Bylaws, Rules and Regulations, and the Code of Ethics.

(c) The 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 any other 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's MLS

"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 association (except for violations of the Code of Ethics; See Article V, Section 2 (a) NOTE ***) 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) 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 Board of Directors. If the Board of Directors determines that the individual does not meet all of the qualifications for membership as established in the Association's Bylaws, or, if the individual does not satisfy all of the requirements of membership (for example, completion of a mandatory orientation program), membership may, at the discretion of the Board of Directors, be terminated.

The applicant must complete a mandatory orientation program by the first date the orientation is available after receipt of their application. Should the applicant be unable to attend the first available orientation for a reason deemed valid by the Executive Officer, the applicant must attend the next available orientation. *(Modified 12/2009)*

(b) Dues shall be computed from the date of application 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 without providing the Provisional Member with advance notice, an opportunity to appear before the Board of Directors, to call witnesses on his behalf, to be represented by counsel, and to make such statements, as he 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 Executive Officer. 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 Association 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. New Member Code of Ethics Orientation. Applicants for REALTOR® membership and provisional REALTOR® members (where applicable) 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 or provisional members who have completed comparable orientation in another Association, provided that REALTOR® membership has been continuous, or that a break in membership is for one year or less.

Failure to satisfy this requirement within 90 days of the date of application (or, alternatively, the date that provisional membership was granted) will result in denial of the membership application or termination of provisional membership.

Note: Orientation programs must meet the learning objectives and minimum criteria established from time to time by the NATIONAL ASSOCIATION OF REALTORS®.

Section 5. Continuing Member Code of Ethics Training. Effective January 1, 2017, through December 31, 2018, and for successive two-year periods thereafter, each REALTOR® member of the Association 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 members 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 two (2) year cycle shall not be required to complete additional ethics training until a new two (2) 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 two (2) year cycle will result in suspension of membership for the first two (2) months (January and February) of the year following the end of two (2) 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. Legal Liability Training. Within two calendar years of the date of election to Membership, and every two calendar years thereafter, each REALTOR® Member of the Association shall be required to demonstrate that they have completed a course of instruction on antitrust laws, agency laws and civil rights laws.

This requirement will be considered satisfied upon presentation of evidence to the Association Executive that the Member has completed an educational program conducted by another member association or board, the TEXAS ASSOCIATION OF REALTORS®, the NATIONAL ASSOCIATION OF REALTORS® or any of its affiliated Institutes, Societies or Councils, or any other recognized educational institution which, in the opinion of the Association Executive, is an adequate substitute for the training programs conducted by the Association. Permission to substitute a course must be obtained in writing from this Association before the course is taken.

Failure to satisfy this requirement will result in Membership being suspended from the date it otherwise would be renewed until such time that the Member provides evidence of completion of the aforementioned educational requirements.

Section 7. Status Changes.

(a) A REALTOR® who changes the conditions under which he holds membership shall be required to provide written notification to the Board within 10 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 he has transferred within 10 days of the date they advised the Board of their change in status, their new membership application will terminate automatically unless otherwise so directed by the Board of Directors.

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

(b) Local Association dues shall not be prorated. State and national 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.

Article VI - Privileges and Obligations

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

Section 2. Any member of the 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 or 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 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 Texas Association, and the NATIONAL ASSOCIATION OF REALTORS®.

Section 3. Any REALTOR® Member of this 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 this 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 shall condition the right of the resigning member to reapply for membership upon payment in full of all such monies owed.

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

(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, 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 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 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 firm, partnership or corporation shall not be affected.

(b) In any action taken against a REALTOR® Member for suspension or expulsion under Section 6(a) hereof, notice of such action shall be given 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(a) shall apply.

Section 7. Institute Affiliate Members. Institute Affiliate Members shall have rights and privileges and be subject to obligations prescribed by the Board of Directors consistent with the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS®.

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

Section 9. Public Service Members. Public Service Members shall have rights and privileges and be subject to obligations prescribed by the Board of Directors.

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

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

Section 12. Certification by REALTOR®. Designated REALTOR® Members of the Association shall certify to the Association during the month of January each year 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 1 of the Bylaws.

“Designated REALTOR®” Members shall also notify the Association of any additional individual(s) licensed or certified with the firm(s) within ten (10) days of the date of affiliation or severance of the individual.

Section 13. Harassment. Any member of the Association may be reprimanded, suspended, or expelled for harassment of another member or Association employee after a hearing in accordance with the established procedures of the Association. Disciplinary action may also consist of any sanction authorized in the Association’s Bylaws and/or Standard Operating Procedures Manual. "Harassment" means verbal or physical conduct including threatening or obscene language, sexual advances, stalking, physical harm, threat of physical harm, or other conduct whether verbal, written, or inferred that effects an individuals work, profession, or reputation by creating a hostile, intimidating, or offensive environment. The panel that will render a decision at the hearing will be comprised of the President of the Association, the President Elect, Association Executive, and one member of the Board of Directors selected by the highest ranking officer not named in the complaint and will decide the appropriate disciplinary action to be taken with consultation from legal counsel for the Association. If the complaint involves the President, President Elect, or Association Executive, they may not participate in the proceedings and will be replaced by the Immediate Past President of the Association, or alternatively, by another member of the Board of Directors selected by the highest ranking officer not named in the complaint. All members named in the complaint and those filing the complaint will have an opportunity to be heard by the panel with 14 days written notice to all parties. The decision of the panel will be final except that a member who is disciplined may, not later than 20 days after receiving notice of the decision, file with the Board of Directors, a motion for rehearing if the member alleges with specificity in the motion that the member was not afforded due process at the hearing. If the motion is sustained, a new hearing will be convened in accordance with established procedures of the Association and the Directors will appoint another panel of REALTOR® members not named in the complaint to conduct a new hearing and render a decision.

Section 13. (a) Harassment Disciplinary Actions. If the panel (as defined in Section 13 above), finds that a member has harassed another member as defined above, then such harassing member shall receive disciplinary action as determined by the panel which might include: a letter of reprimand; suspension from all types of membership of the Lubbock Association of REALTORS® for a period of 12 months, 24 months, or permanent expulsion; and/or pay a fine of up to \$500. Member may re-apply and pay applicable new member fees to rejoin after the disciplinary period is over. If the same member harasses any member again, then member shall be expelled from all types of membership of the Lubbock Association of REALTORS® permanently.

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 amended from time to time, which is by this reference incorporated into these Bylaws, provided, however, that any provision deemed inconsistent with state law shall be deleted or amended to comply with state law.

Section 2. It shall be the duty and responsibility of every REALTOR® Member of this Association to abide by the Constitution and Bylaws and the Rules and Regulations of the Association, the Constitution and Bylaws of the Texas 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. The responsibility of the Association and of Association members relating to the enforcement of the Code of Ethics, the disciplining of members, the arbitration of disputes, and the organization and procedures incident thereto, shall be consistent with the cooperative professional standards enforcement agreement entered into by the Association with the Texas Association of REALTORS®, which by this reference is made part of these Bylaws.

Article VIII - Use of the Terms REALTOR® and REALTORS®

Section 1. 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.

Section 2. REALTOR® Members of the Association shall have the privilege of using the terms REALTOR® and REALTORS® in connection with their places of business within the state 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. 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 Texas or a state contiguous thereto are REALTOR® Members of the Association or Institute Affiliate Members as described in Section 1(b) of Article IV.

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 Membership

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 Board shall be entitled to Membership in the NATIONAL ASSOCIATION OF REALTORS® without further payment of dues and upon payment of dues as established by the TEXAS ASSOCIATION OF REALTORS® to Membership in the State Association. 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 Texas 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® 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. 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, Fees, Assessments & Finances

Section 1. All dues, fees and assessments shall be established by the Board of Directors and published to the Members at least seven days prior to the December General Membership meeting.

Section 2. The application fee for Membership can be adjusted by the Board of Directors to a reasonable amount, not exceeding three times the annual dues applicable for REALTOR® Membership, which will be required to accompany each application for REALTOR® Membership, and will become the property of the LUBBOCK ASSOCIATION OF REALTORS® upon final approval of application, and shall not be prorated.

Section 3. The dues and fees of the Members shall be as set out in the following paragraphs or sections. For the purpose of this Section, a REALTOR® Member of the LUBBOCK ASSOCIATION OF REALTORS® shall be held to be any REALTOR® Member who, as a principal, partner, or corporate officer 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 or associated 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 any entity in which the REALTOR® has a direct or indirect ownership interest and which is engaged in soliciting, and/or which is engaged in other aspects of the real estate business, and/or referring clients or

customers to the REALTOR® or his firm on a substantially exclusive basis 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) Designated REALTOR® First Principal. The annual dues of each Designated REALTOR® First Principal shall be in such amount as established by the Board of Directors, plus an additional amount established 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 Designated REALTOR® First Principal, and (2) are not REALTOR® Members of any Board/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® First Principal member, non-member licensees as defined in (1) and (2) of this paragraph shall not be included in the computation of dues if the Designated REALTOR® First Principal has paid dues on said non-member licensees in another Board/Association in the state of Texas or a state contiguous thereto, provided the Designated REALTOR® First Principal notifies the Association in writing of the identity of the Board/Association to which dues have been remitted. If two or more REALTOR® members are principals in the same firm, partnership, or corporation, then only the REALTOR® member designated as Designated REALTOR® First Principal from time to time in writing by the firm, partnership, or corporation shall be required to pay that portion of the dues which is computed on the basis as defined in (1) and (2) of this paragraph. In the case of a Designated REALTOR® First Principal 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® First Principal (as defined in (1) and (2) of this paragraph) in the office where the Designated REALTOR® First Principal holds membership, and any other offices of the firm located within the jurisdiction of this Association.

(b) Broker. The dues of a Broker who is a REALTOR® Member affiliated with the Designated REALTOR® First Principal as an employee or independent contractor and who sponsors licensees under his broker's license shall be an amount established by the Board of Directors, plus an additional amount to be established by the Board of Directors times the number of licensees sponsored by said Broker who are not REALTOR® Members.

(c) REALTOR® Member. The dues of each REALTOR® Member, other than a principal, partner, or corporate officer shall be established by the Board of Directors.

(d) Institute Affiliate Member. The dues of each Institute Affiliate Member shall be established in Article II of the Bylaws of the National Association of REALTORS®.

(e) Secondary Member. The dues of each Secondary Member shall be the same as this Association's dues for a Designated REALTOR® First Principal or REALTOR® Member, whichever applies.

(f) Honorary Member. No dues are payable.

(g) Student Member. Dues payable, if any, shall be at the discretion of the Board of Directors.

(h) Public Service Member. The dues of Public Service Members shall be in such amount as established by the Board of Directors.

(i) Affiliate Member. The dues of each Affiliate Member shall be established by the Board of Directors.

(j) REALTOR® Emeritus and Distinguished Service Award Recipients. Dues of REALTOR® Members who are REALTOR® Emeritus and recipients of the Distinguished Service Award as recognized by the National Association of REALTORS® shall be determined by the Board of Directors.

(k) A fee established by the Board of Directors will be charged any Member when transferring from one Designated REALTOR® First Principal's office to another Designated REALTOR® First Principal's office.

(l) Dues and fees of all REALTOR® members are due on the first day of the month.

(m) The portion of the annual dues billed this Association for each licensee by the NATIONAL ASSOCIATION OF REALTORS® and the TEXAS ASSOCIATION OF REALTORS® will be due on the first day of January each year.

(n) Dues shall begin on the first day of the month in which a member is notified of election to membership.

Section 4. Adjustment of Dues and Fees and Assessments by the Directors. Dues of any class of membership of the LUBBOCK ASSOCIATION OF REALTORS® can increase or decrease no more than twenty percent (20%) in a calendar year as approved by the Board of Directors by two-thirds vote of a quorum. Any variance from the aforesaid must be voted on by the Membership at the Annual Meeting or at a meeting called for that purpose. Dues, fees and assessments shall be defined as any monies charged for any and all professional services mandatory or elective provided by the LUBBOCK ASSOCIATION OF REALTORS® other than those considered social, i.e., luncheons and banquets. The schedule of dues, fees and assessments shall be established in the annual budget by the Finance Committee and submitted for approval by the Board of Directors.

Section 5. Deposit. All money received by this Association for any purpose shall be deposited to the credit of this Association in a financial institution or institutions selected by resolution of the Board of Directors.

Section 6. Expenditures.

(a) The Board of Directors shall administer the finances of this Association but shall not incur any capital expenditure exceeding twenty-five thousand dollars (\$25,000) that was not previously approved in the annual budget without authorization by vote of a majority of the quorum of REALTOR® Members. The Membership shall be informed of such action immediately.

Section 7. Nonpayment of Dues, Fines, Assessments and Other Financial Obligations. If dues, fees, fines, assessments or other financial obligations including amounts owed to this Association or this Association's Multiple Listing Service are not paid within one month after due date, the nonpaying Member is subject to services being discontinued and/or Membership suspension at the discretion of the Board of Directors. If not paid two months after due date, the nonpaying Member will be suspended, his service discontinued and his Membership may be terminated at the discretion of the Board of Directors. If not paid three months after due date, the nonpaying Member's Membership shall be automatically terminated. Partial payment of past due dues or fees will not suspend the rules concerning dues and fees payment. All dues, fees, fines, assessments or other financial obligations to this Association or Multiple Listing Service shall be noticed to the delinquent Member in writing setting forth the amount owed and due date.

Section 8. Membership Reinstatement.

(a) If a former Member who was in good standing at the time of his termination rejoins this Association in the same calendar year, all monthly dues and fees from termination date to reinstatement date will be due plus a reinstatement fee established by the Board of Directors.

(b) A former member whose membership was terminated because of nonpayment of dues, fees, fines, assessments or other financial obligations to this Association or the Multiple Listing Service may apply for reinstatement as a Member in the manner prescribed for new applicants for Membership after making payment in full of all past due accounts.

Section 9. Status Change of Current Association Members.

(a) 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.

(b) Dues shall be 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 XI - Officers and Directors

Section 1. Officers, Chairman of the Board, and Parliamentarian.

(a) **Elective Officers.** The elected officers of this ASSOCIATION shall be: a President, a President Elect, a Secretary/Treasurer. They shall be elected for terms of one (1) year.

(b) **Association Executive.** The Board of Directors shall employ an Association Executive who shall not be an officer but the active manager of the Association. This person shall have such power and perform such

duties as may be granted or required by the Board of Directors and shall remain in office at the pleasure of the Board of Directors.

(c) **Chairman of the Board.** At the January meeting, the Board of Directors shall elect a Chairman of the Board.

(d) **Parliamentarian.** The President, together with the Executive Committee, shall appoint annually a Parliamentarian who shall be a non-voting Member of the Board of Directors. The qualifications of the position are the same as a Member of the Board of Directors, except that the Parliamentarian shall have had parliamentary policy and procedures training or knowledge prior to taking office.

Section 2. Duties of Officers. The duties of the officers shall be such as their titles, by general usage, would indicate and such as may be assigned to them by the Board of Directors and the Bylaws of this Association.

(a) **President.** The President of this Association shall be the Chairman of the Executive Committee and chair meetings of the general membership.

(b) **President Elect.** The President Elect shall have the following duties:

- (1) Chair the Strategic Planning Committee.
- (2) Conduct the Board of Directors Orientation with the assistance of the Association Executive.
- (3) Chair the Governmental Affairs Committee.

(c) **Chairman of the Board.** The Chairman of the Board shall preside at the meetings of the Board of Directors.

(d) **Secretary/Treasurer.**

- (1) Chair the Finance Committee.
- (2) Call roll and determine a quorum at Board of Director meetings.
- (3) Report correspondence to the Board of Directors.

Section 3. Board of Directors. The governing body of this Association shall be a Board of Directors consisting of the Elected Officers and twelve (12) REALTOR® Members of the Board plus Ex-officio Members as described in Section 3 (a) below. Directors shall be elected to serve for a term of two (2) years. The management of the affairs of this Association shall be vested in the Board of Directors.

No more than four (4) Officers and Directors shall be from the same real estate office, excluding ex-officio members. If an Officer or Director transfers to an office subsequently making that office have more than four (4) board members, that member shall resign at the end of the calendar year. The vacancy shall be filled according to Article XI, Section 5 of the association bylaws.

(a) **Ex-Officio Directors.** Ex-Officio Directors shall be the Immediate Past President of this Association and all REALTOR® Members of this Association who hold an elective office as an officer or director in the TEXAS ASSOCIATION OF REALTORS® and/or the NATIONAL ASSOCIATION OF REALTORS® and/or is a Member of the Texas Real Estate Commission and shall have the same rights, privileges, responsibilities and duties as elected directors.

(b) **Executive Committee.** Within the Board of Directors there shall be an Executive Committee consisting of the Elected Officers, the Chairman of the Board, and a Member-at-Large elected from among the Directors by the Directors. Each shall have voting privileges in Executive Committee meetings.

This committee will preview all Association business items, policy changes, Bylaws, Rules and Regulations, financial matters including, but not limited to, budget annual or otherwise, and will make their recommendations for action to the Board of Directors at any scheduled or called meeting of the Board of Directors. The recommendation of the Executive Committee, if any, will be made before the item is put to a vote of the Directors.

(1) Meetings of the Executive Committee will be held on a regular basis but previous to any stated Board of Directors' meeting and at such other times designated by the President.

(2) Recommendations of the Executive Committee will be reported to the Board of Directors by this Association President or a Member of the Committee selected by the President.

(3) To carry on the function and business of this Association, the Executive Committee may make decisions for the proper operation of this Association when time or feasibility does not lend to calling a Directors' Meeting. The Executive Committee will report their action to the Directors at the Directors' Meeting immediately following the decisions or at a Directors' Meeting called for that purpose.

Section 4. Election of Officers and Directors and Nominating Committee.

(a) Nominating Committee. The Nominating Committee shall consist of seven Members elected by the Board of Directors at least sixty (60) days prior to the annual election each year. A minimum of fourteen (14) nominees shall be proposed by the Board of Directors, and seven (7) shall be elected by plurality vote. No currently serving Officer or Member of the Board of Directors may be nominated. No more than two (2) Members from any firm may be elected to the Nominating Committee. In the event three (3) Members from the same firm receive enough votes to be elected, the firm Member with the fewest votes shall be dropped from the top seven and the nominee in the eighth position shall be advanced to the open position. Should the two Members from the same firm have an equal number of votes, a coin toss shall be used to eliminate one. No elected Member shall serve two consecutive terms. After election, the Members of the Nominating Committee shall choose a chairman.

(1) The Secretary of the Association shall advise the Nominating Committee in writing of the offices to be filled. The Nominating Committee shall solicit names from the membership for nominees and shall choose candidates for President Elect, and Secretary/Treasurer and shall choose candidates for Directors equal to twice the number of vacancies to be filled. The written report of the Nominating Committee shall be presented to the Board of Directors and then distributed to each REALTOR® Member at least twenty-one (21) days preceding the election.

(2) The nomination for State Officers and Directors shall be made by the Nominating Committee and ratified by the Board of Directors.

(b) Additional Candidates. Additional candidates for the offices to be filled may be placed in nomination by petition signed by at least ten percent (10%) of the REALTOR® Members. The petition must show the candidate's willingness to serve and a statement stating this on the petition must be signed by the candidate. The candidate must qualify according to qualification criteria specified in Article XI, Section 4(f) 1,2,3 and (g) 1,2. The petition shall be filed with the Executive Officer at least ten (10) days before the election. The Executive Officer shall send notice of such additional nominations to all REALTOR® Members at least 48 hours before the election. No write-in candidates will be permitted and no nominations accepted from the floor.

(c) Election Procedures. The election of local Officers and Directors shall take place on the third Thursday in September. Election shall be by ballot and all votes shall be cast in person, or by electronic means by the Member eligible to vote, in accordance with procedures established by the Board of Directors on a ballot prepared by the LUBBOCK ASSOCIATION OF REALTORS® for the election. Early voting is permitted and will take place at the Association office or by electronic means, commencing two (2) weeks prior to the election.

(d) Election Committee. The President, together with the Executive Committee, and with the approval of the Board of Directors, shall appoint an Election Committee of five (5) REALTOR® Members to conduct the election. A Member of the Election Committee or a member of the staff shall always be in control of the ballot box.

(e) Election. Elected officers shall be decided by majority vote of the votes cast. Those nominees for Directors receiving the greatest number of votes from the votes cast shall be elected. In the case of a tie vote for the last position, the issue shall be determined by lot. Total votes cast per nominee will be made available to REALTOR® members upon written request. At the January meeting, the Board of Directors shall elect a Chairman of the Board.

(f) Qualification for Officers and Directors.

(1) President

- a. REALTOR® Member in good standing.
- b. Holds a valid, active Texas real estate broker or salesman license.
- c. Served at least one term as an elected Director and at least one (1) term as an elected Officer.
- d. An elected President cannot succeed himself in office.

(2) President Elect

- a. REALTOR® Member in good standing.
- b. Holds a valid, active Texas real estate broker or salesman license.
- c. Served at least one (1) term as a Director.

(3) Secretary/Treasurer

- a. REALTOR® Member in good standing.
- b. Holds a valid, active Texas real estate broker or salesman license.
- c. Served at least one (1) term as a Director.
- d. Served at least one (1) term as a Member of the Finance Committee.

(5) Director

- a. REALTOR® Member in good standing.
- b. Holds a valid, active Texas real estate broker or salesman license.
- c. REALTOR® Member of the LUBBOCK ASSOCIATION OF REALTORS® at least two (2) years immediately prior to election and served as a member of a standing committee or task force.
- d. Elected Directors cannot serve more than two (2) consecutive terms.

(g) Qualifications for recommendation to State Offices.

- (1) REALTOR® Member in good standing.
- (2) Holds a valid, active Texas real estate broker or salesman license.
- (3) Has served at least one term as an elected local Director or at least one term as an elected local Officer and served on at least one standing committee or task force.

Section 5. Vacancies. Vacancies among the Officers and the Board of Directors shall be filled by the Board of Directors until the next annual election using criteria of qualifications in Article XI Section 4 (f) and (g). Nominations for vacancies in State offices shall be made by the Nominating Committee and ratified by the Board of Directors.

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

(a) A petition requiring the removal of an Officer or Director, and signed by not less than one-third of the voting Membership or a majority of all Directors, shall be filed with the President, or if the President is the subject of the petition, with the next ranking officer, and shall specifically set forth the 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 voting Membership of this Association shall be held, and the sole business of the meeting shall be to consider the charge against the Officer or Director and to render a decision on such petition.

(c) The special meeting shall be noticed to all voting Members at least ten (10) days prior to the meeting, and shall be conducted by the President of this Association unless the President's continued service in office is being considered at the meeting. In such case, the next ranking officer will conduct the meeting of the hearing by the Members. Provided a quorum is present, a three-fourths (3/4) vote of Members present and voting shall be required for removal from office.

Section 7. Defense and Indemnification of Officers and Directors. In the event of suits or claims in which one or more current or past officers or directors of the Association are named as a result of their status as such or decisions or actions taken in good faith and reasonably understood are named as a result of their status as such or decision or actions taken in good faith and reasonably understood to be within the scope of their authority during their term as such, the Association shall, directly or through insurance secured for the benefit of such officers and directors and employees, secure counsel to act on behalf of and provide a defense for such officers and directors and employees; pay reasonable defense expenses incurred in advance of final disposition of such case; and indemnify such officers, directors and employees with respect to any liability assessed or incurred as a result of any such claim, suit or action.

Section 8. The above stated defense and indemnification of officers and directors shall extend to those individuals when serving at the request of the Association as a director or officer of another entity, but only after indemnification and insurance coverage from such other entity has been exhausted.

Article XII - Meetings

Section 1. Annual Meetings. The annual Membership meeting of the Association shall be held during the month of December each year. The date, place, and hour will be designated by the Board of Directors. The purpose of the meeting shall be to present to the Membership the Strategic Plan for the following year, to present the current financials, next year's budget, and the Schedule of Dues, Fees and Assessments. The Strategic Plan, financials, Schedule of Dues, Fees and Assessments, and budget shall be distributed to the general Membership seven days in advance of the meeting.

Section 2. Meetings of Directors. The Board of Directors shall designate a regular time and place of meetings. Absence from three (3) stated meetings without an excuse deemed valid by the Board of Directors shall be construed as resignation.

Section 3. Other Meetings. Meetings of the general membership may be held at other times as the President or the Board of Directors may determine, or upon the written request of at least ten (10) % of the members eligible to vote. Voting procedures shall be the same as in Article XI, Section 4 (c).

Section 4. Notice of Meetings. Notice shall be distributed to every Member entitled to participate in the meeting at least seven (7) days preceding all meetings. If a special meeting is called, it shall be accompanied by a statement of purpose of the meeting.

Section 5. Quorum. A quorum for the transaction of business by the general membership shall consist of fifteen percent (15%) of the members eligible to vote. A quorum of the Board of Directors shall be two-thirds (2/3) of the Directors.

Section 6. Electronic Transaction of Business. To the fullest extent permitted by law, the Board of Directors or membership may conduct business by electronic means, with the exception of a meeting for removal of an officer or director or for capital expenditures.

Article XIII – Committees

Section 1. Standing Committees. Committees shall be appointed by the President, together with the Executive Committee, subject to confirmation by the Board of Directors, as outlined in the Standard Operating Procedures.

All committees shall be of such size and shall have duties, functions and powers as assigned by the President with the Executive Committee or the Board of Directors except as otherwise provided in these Bylaws.

Section 2. President. The President shall be an ex-officio Member of all standing committees and shall be notified of their meetings.

Article XIV - Multiple Listing Service

Section 1. Authority. The LUBBOCK ASSOCIATION OF REALTORS® shall maintain for the use of its Members, a Multiple Listing Service, which shall be subject to the Bylaws of the LUBBOCK ASSOCIATION OF REALTORS® and such Rules and Regulations as may be hereinafter adopted by the Board of Directors of this 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 as subagents, buyer agents, or in other agency or non-agency capacities defined by law); by which cooperation among participants is enhanced; by which information is accumulated and disseminated to enable authorized Participants to prepare appraisals, analyses, and other valuations of real property for bona fide clients and customers; by which Participants engaging in real estate appraisal

contribute to common databases; and is a facility for the orderly correlation and dissemination of listing information so Participants may better serve their clients and the public. Entitlement to compensation is determined by the cooperating broker's performance as a procuring cause of the sale (or lease). (Amended 09/06)

Section 3. Participation. Any REALTOR® Member of this or any other Board/Association who is a principal, partner, corporate officer, or branch office manager acting on behalf of a principal, without further qualification, shall be eligible to participate in the Association's Multiple Listing Service upon agreeing in writing to conform to the rules and regulations thereof and to pay the costs incidental thereto.* Any applicant for MLS participation and any licensee (including licensed or certified appraisers) affiliated with an MLS Participant who has access to and use of MLS generated information shall complete an orientation of no more than three classroom hours devoted to the MLS rules and regulations and computer training related to MLS information entry and retrieval within 90 days after access has been provided. However, under no circumstances is any individual or firm, regardless of membership status, entitled to Multiple Listing Service "membership" or "participation" unless they hold a valid, active real estate broker's license and offer or accept compensation to and from other participants or are licensed or certified by an appropriate Texas regulatory agency to engage in the appraisal of real property.** Use of information developed by or published by this Association's Multiple Listing Service is strictly limited to the activities authorized under a participant's licensure(s) or certification and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey "participation" or "membership" or any right of access to information developed by or published by this Association's Multiple Listing Service where access to such information is prohibited by law.

Note: 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 on-going 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 on a nondiscriminatory manner to all Participants and potential Participants.

Section 4. Supervision. The activity shall be operated under the supervision of the Multiple Listing Service Committee, in accordance with the Rules and Regulations, subject to the approval of the Board of Directors.

Section 5. Access to Comparable and Statistical Information. REALTORS® who are actively engaged in real estate brokerage, management, appraising, land development or building, but do not participate in the MLS, are nonetheless entitled to receive, by purchase or lease, information other than current listing information that is generated wholly or in part by the MLS including "comparable" information, "sold" information and statistical reports. This information is provided for the exclusive use of these members and individuals affiliated with these 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 MLS Rules and Regulations. REALTORS® who receive such information, whether as an Association service or through this Association's MLS, are subject to the applicable provisions of the MLS Rules and Regulations whether they participate in the MLS or not. (Amended 09/06)

Article XV - Fiscal and Elective Year

Section 1. The fiscal and elective year of the Association shall be January 1 to December 31.

Article XVI - Standard Operating Procedures

Standard Operating Procedures shall be developed to provide guidance and instruction for the operation of the Association and its Committees. Such operating procedures shall be the responsibility of the Association Executive and an appointed task force and shall require a two-thirds (2/3) vote of the Board of Directors to be approved or amended.

Article XVII- Rules of Order

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

Article XVIII- Amendments

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

(a) Proposed amendments to these Bylaws will be presented to the Executive Committee and the Board of Directors. If proposed amendments are approved, an appointed task force will review, wordsmith, and put into proper Bylaws format.

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

Section 3. Amendments to these Bylaws affecting the admission or 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®.

Article XIX - Dissolution

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 the Board of Directors' discretion, to any other nonprofit tax exempt organization.

END

Note: The LUBBOCK ASSOCIATION OF REALTORS® Education Foundation is a 501c3 corporation with one of its Trustees elected annually by the Board of Directors of LAR.