

Dear Texas REALTORS® Director,

At our February 10 Board meeting, you will be asked to consider approval of a significant ong-term investment: a comprehensive remodel and modernization of the Texas REALTORS® headquarters. Leaders on our Executive Board and our Budget & Finance Committee have worked on elements of this proposal for several years. However, we recognize that the topic may be new to some members of our Board of Directors. This message includes important details regarding the intent of the proposed initiative.

This project is about more than a building renovation. It is about stewardship, advocacy, and positioning Texas REALTORS® for the future.

Why This, Why Now

Our headquarters was built in 1989 and has never undergone a comprehensive modernization—that's 37 years! Over time, real estate has changed. The association has changed. How we work, collaborate, advocate, and engage with members has changed. Initial discussion about this project began in 2023. But for several years, we deliberately paused this project due to national legal and external risk factors. That was the right decision at the time. Conditions have since stabilized, and we remain in a position of exceptional financial strength. We will present full details about our financial position as well as the financial implication of this proposal during the February 10 Board meeting. Good governance means ensuring our assets—financial, structural, and physical—remain aligned with operations and strategic direction.

Why This Decision Comes to the Board of Directors

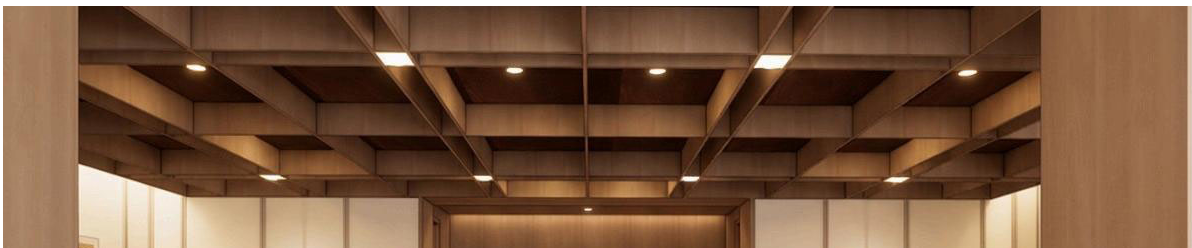
Most budgeting and capital decisions are appropriately handled by our Budget & Finance Committee and the Executive Board. This proposal will come before the full Board for vote because our bylaws require it. Specifically, **any expenditure from general reserves that exceeds 10% of the association's annual budget must be approved by the Board of Directors**. This requirement exists to assure transparency, accountability, and appropriate oversight when decisions of this scale are considered.

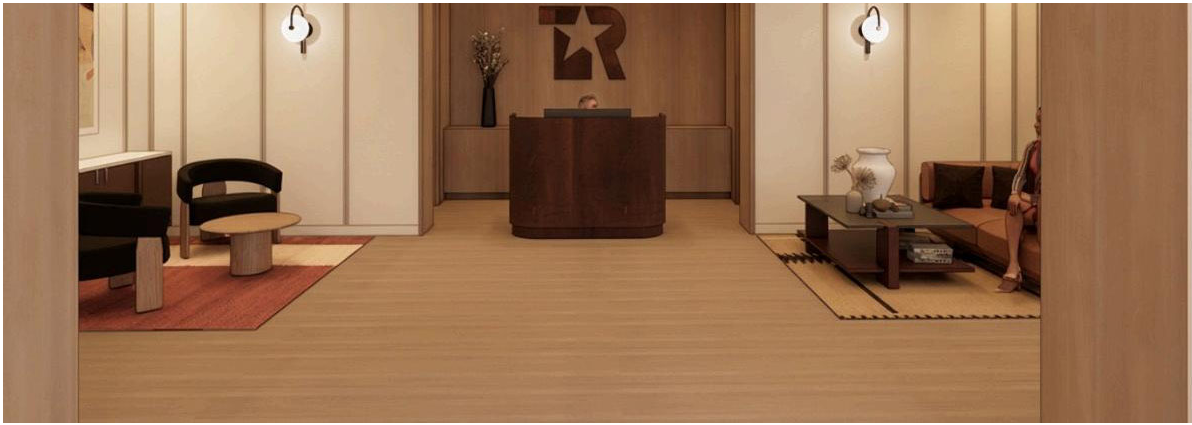
What This Project Is

This project is a long-term investment in:

- Operational effectiveness
- Member engagement and leadership development
- Staff productivity and collaboration
- And most importantly, advocacy impact

The design-work completed to date focuses on functionality, flexibility, expanded meeting space, and future adaptability — ensuring that the building serves members and leaders as effectively in 2040 as it does today.





A Strategic Advocacy Advantage We Are Not Fully Using Today

Our headquarters sits directly across the street from the Texas Capitol, a location that differentiates Texas REALTORS® from all other real estate organizations in the state. Today, the building functions primarily as office space. The proposed redesign fundamentally changes that.

The new layout intentionally establishes key meeting spaces that draw focus to the Capitol. In this design, the visibility of the Capitol reinforces our purpose, mission, and the important role volunteers play in shaping the future of real estate.

Beyond the internal impact, this project transforms Texas REALTORS® into an **advocacy destination**. Instead of always taking advocacy to the Capitol, we can also bring advocacy to us:

- Hosting legislators, policymakers, and staff for briefings and receptions
- Convening coalitions and stakeholder meetings
- Enhancing REALTOR® Day at the Texas Capitol with meaningful gathering space
- Using a proposed north-facing terrace overlooking the Capitol and Waterloo Park to host high-impact advocacy events

This becomes another tool in our advocacy portfolio—one that strengthens relationships, elevates our credibility, and allows us to engage year-round, and beyond legislative sessions.





Oversight, Expertise, and Accountability

This project is being guided by a **Texas REALTORS® Building Oversight Committee**, made up of experienced commercial real estate professionals from across the state. Their charge is not only to oversee this remodel, but to preserve, protect, and enhance the association's most visible real estate asset over the long term. The committee is advising leadership on scope, design priorities, budget realism, and long-term asset stewardship. This is disciplined, professional oversight.

Financial Responsibility

The proposed funding request is \$15 million, which includes appropriate contingency and non-construction costs. Importantly:

- This investment does not threaten the financial viability of the organization
- It does not impact bylaw-required reserves
- It converts a portion of long-held cash reserves into a long-term physical asset
- It preserves flexibility to continue investing in member services, advocacy, legal resources, and education

Texas REALTORS® began its investment portfolio in 1996 originally to help pay the building note. That note was paid off in the early 2000s, and the portfolio has continued to grow and compound since then. This project represents a responsible use of that strength.

What Comes Next

This email is not intended to answer every question. It is intended to provide context for the important decision coming before you. Between now and February 10, you will receive additional information that addresses anticipated concerns and details the project, the process, and how this investment supports the mission of Texas REALTORS®. We encourage you to approach this proposal as a **strategic leadership decision** about advocacy, stewardship, and the long-term effectiveness of our organization.

Thank you for your service and your thoughtful consideration. We look forward to continuing the conversation with you.

Sincerely,