

# **TARRAGON REALTY INVESTORS, INC.**

## **CORPORATE GOVERNANCE AND NOMINATING COMMITTEE CHARTER**

### **ARTICLE I PURPOSE**

The Corporate Governance and Nominating Committee (the “Committee”) is a committee of, and shall report to the Board of Directors of, Tarragon Realty Investors, Inc. (the “Company”). Through this Charter, the Board delegates certain responsibilities to the Committee to assist the Board in the fulfillment of its duty to the Company and its shareholders, as more fully specified in Article IV below. The Committee shall be given the resources and assistance necessary to discharge these responsibilities, including access to Company personnel and documents. The Committee shall also have the authority, in consultation with the Chairman of the Board, to engage outside advisors as it deems necessary or appropriate, to retain and terminate any search firm to be used to identify Director candidates, and to approve the search firm’s fees and other retention terms.

### **ARTICLE II COMPOSITION**

The Committee shall consist of three or more independent directors, who shall be appointed annually, and be subject to removal at any time, by the Board. The Board shall also designate a chairperson for the Committee. The members of the Committee shall satisfy at all times the requirements for committee membership of any exchange on which the Company’s securities are listed or of any applicable law. The Board will determine, in its business judgment, whether the members of the Committee satisfy all such requirements, including independence standards set forth by such exchange and the Company’s Corporate Governance Guidelines on Director Independence. Each Committee member shall serve until such service is terminated by the Board.

### **ARTICLE III MEETINGS**

The Committee shall meet regularly and as circumstances dictate. Regular meetings of the Committee may be held without notice at such times and at such places as shall from time to time be determined by the chairperson of the Committee, the Chairman of the Board, or the president or secretary of the Company.

A simple majority of the Committee members shall constitute a quorum for the transaction of the Committee’s business. Unless otherwise required by applicable law, the Company’s Articles of Incorporation or Bylaws, or the Board of Directors, the Committee shall act upon the vote or consent of a majority of its members at a duly called meeting at which a quorum is present. The Committee may also take action by a written instrument signed by all of the members of the

Committee. Members of the Committee may participate in Committee proceedings by means of conference telephone or similar communications equipment so long as all persons participating in the proceedings can hear the others, and such participation shall constitute presence in person at such proceedings. Minutes of the Committee's meetings shall be kept, and results of the Committee's meetings will be reported to the full Board.

**ARTICLE IV  
RESPONSIBILITIES**

The Committee's responsibilities shall be:

1. to recommend to the Board appropriate Corporate Governance Guidelines for its adoption, and to thereafter monitor the implementation and operation of such Guidelines;
2. to review from time to time the adequacy of the Corporate Governance Guidelines in light of broadly accepted practices of corporate governance, emerging governance standards and market and regulatory expectations, and to advise and make recommendations to the Board with respect to appropriate modifications;
3. to prepare and supervise the implementation of the Board's annual reviews of director independence;
4. to identify, review and evaluate candidates for election as Director who meet the standards set forth in the Corporate Governance Guidelines, including such inquiries as the Committee deems appropriate into the background and qualifications of candidates and interviews with potential candidates to determine their qualification and interests, and to recommend to the Board of Directors nominees for any election of Directors in accordance with such Guidelines;
5. to advise the Board with respect to such other matters relating to the governance of the Company as the Committee may from time to time approve, including changes to the scope of this Charter and the Committee's overall responsibilities, and to carry out such other tasks as the Board may from time to time delegate to the Committee for action consistent with this Charter, the Company's Articles of Incorporation and Bylaws or governing law, as the Committee or the Board deems necessary or appropriate.

**As Approved by the Board of Directors of Tarragon Realty Investors, Inc.**  
\_\_\_\_\_, 2004