

Bylaws of the Greater Chattanooga Association of REALTORS®, Inc.

ARTICLE I - NAME

Section 1. Name. The name of this organization shall be the Greater Chattanooga 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 Tennessee REALTORS®, Georgia 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 all of Hamilton and Sequatchie Counties in Tennessee and all of Catoosa, Dade and Walker Counties in Georgia.

Section 2. Territorial jurisdiction is defined to mean:

(A) 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, building, developing or subdividing real estate, and who maintain or are associated with an established real estate office in the state of Tennessee 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 as described in Article IV, Section 1. (B).

In the case of a real estate firm, partnership, or corporation, whose business activity is substantially all commercial, only those principals actively engaged in the real estate business in connection with the same office, or any other offices, within the jurisdiction of the Association in which one of the firm's principals holds REALTOR® membership shall be required to hold REALTOR® membership unless otherwise qualified for Institute Affiliate Membership as described in Article IV, Section 1. (B).

NOTE: REALTOR® members may obtain membership in a "secondary" association in another state.

- (2) Individuals who are engaged in the real estate profession other than as sole proprietors, partners, corporate officers, or branch office managers and are associated with a REALTOR® Member and meet the qualifications set out in Article V.
- (3) Franchise REALTOR® Membership. Corporate officers (who may be licensed or unlicensed) of a real estate brokerage franchise organization with at least one hundred fifty (150) franchisees located within the United States, its insular possessions and the commonwealth of Puerto Rico, elected to membership pursuant to the provisions in the NAR *Constitution and Bylaws*. Such individuals shall enjoy all of the rights, privileges and obligations of REALTOR® membership (including compliance with the Code of Ethics) except: obligations related to association mandated education, meeting attendance, or indoctrination classes or other similar requirements; the right to use the term REALTOR® in connection with their franchise organization's name; and the right to hold elective office in the local association, state association and National Association.
- (4) Primary and Secondary REALTOR® Members. An individual is a primary member if the Association pays state and national dues based on such member. An individual is a secondary member if state and National dues are remitted through another association. One of the principals in a real estate firm must be a Designated REALTOR® member of the Association in order for licensees affiliated with the firm to select the Association as their "primary" association.
- (5) Designated REALTOR® Members. Each firm (or office in the case of firms with multiple office locations) shall designate in writing one REALTOR® Member who shall be responsible for all duties and obligations of membership, including the obligation to arbitrate (or to mediate if required by the Association) 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.
- (6) REALTOR® Emeritus Members. A REALTOR® Member, who has achieved forty (40) cumulative years of Membership in the National Association of REALTORS® through Membership in a local or state Association, or as an individual member REALTOR®. In addition to the forty (40) years of Membership, a REALTOR® Emeritus candidate must also have completed at least one (1) year of service at the National Association level.

(B) Institute Affiliate Members. Institute Affiliate members shall be individuals who hold a professional designation by an Institute, Society, or Council affiliated with the National Association of REALTORS® that addresses a specialty area other than residential brokerage or individuals who otherwise hold a class of membership in such Institute, Society or Council that confers the right to hold office. Any such individual, if otherwise eligible, may elect to hold REALTOR® membership, subject to payment of applicable dues for such membership.

(C) Affiliate Members. Affiliate Members shall be real estate owners and other individuals or firms who, while not engaged in the real estate profession as defined in this Article IV, Section 1. (A) and (B), have interests requiring information concerning real estate, and are in sympathy with the objectives of the Association.

(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.

(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 the 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.

ARTICLE V – QUALIFICATION & ELECTION

Section 1. Application

(A) An application for membership shall be made in such manner and form as may be prescribed by the Board of Directors and made available to anyone requesting it. The application form shall contain among the statements to be signed by the applicant (1) that applicant agrees as a condition to membership to thoroughly familiarize himself with the Code of Ethics of the National Association of REALTORS®, the Constitutions, Bylaws, and Rules and Regulations of the Association, the State and National Associations, and if elected a member, will abide by the Constitutions and Bylaws and Rules and Regulations of the Association, State and National Associations, and if a REALTOR® member will abide by the Code of Ethics of the National Association of REALTORS®, including the obligation to arbitrate (or to mediate if required by the Association) 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 Membership Committee 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 the Association by any person in response to the invitation shall be conclusively deemed to be privileged and not form the basis of any action for slander, libel, or defamation of character. The applicant shall, with the form of application, have access to a copy of the Bylaws, Constitution, Rules and Regulations, and Code of Ethics referred to above.

Section 2. Qualification

(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 Association through its Membership Committee or otherwise, that he is actively engaged in the real estate profession, and maintains a current, valid 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 recent or pending bankruptcy *, has no record of official sanctions involving unprofessional conduct **, agrees to complete a course of instruction covering the Bylaws and Rules and Regulations of the Association, the Bylaws of the State Association, and the *Constitution and Bylaws* and Code of Ethics of the National Association of REALTORS®, and shall 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.*

*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, or corporate officer, or branch office manager, is not involved in any pending bankruptcy or insolvency proceedings or, has not been adjudged bankrupt in the past three (3) years. If a bankruptcy proceeding as described above exists, membership may not be rejected unless the Association establishes that its interests and those of its members and the public could not be adequately protected by requiring that the bankrupt applicant pay cash in advance for Association and MLS fees for up to one (1) year from the date that membership is approved or from the date that the applicant is discharged from bankruptcy (whichever is later). In the event that an existing member initiates bankruptcy proceedings, the member may be placed on a "cash basis" from the date that bankruptcy is initiated until one (1) year from the date that the member has been discharged from bankruptcy.

**No record of official sanctions involving unprofessional conduct is intended to mean that the Association may only consider:

- A. Judgments within the past three (3) years of violations of (1) civil rights laws, (2) real estate license laws, and (3) or other laws prohibiting unprofessional conduct against the applicant rendered by the courts or other lawful authorities.
- B. Criminal convictions if:
 - (1) crime was punishable by death or imprisonment in excess of one (1) year under the law under which the applicant was convicted, and
 - (2) no more than then (1) year have elapsed since the date of the conviction or the release of the application from the confinement imposed for that conviction, whichever is the later date.

NOTE: Article IV, Section 2, of the NAR Bylaws prohibits the Association 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 Association (if a secondary member) and must maintain a current, valid 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 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 the Code of Ethics.

*No record of official sanctions involving unprofessional conduct is intended to mean that the Association may only consider:

- A. judgments within the past three (3) years of violations of (1) civil rights laws, (2) real estate license laws, and (3) or other laws prohibiting unprofessional conduct against the applicant rendered by the courts or other lawful authorities.
- B. criminal convictions if (1) crime was punishable by death or imprisonment in excess of one (1) year under the law under which the applicant was convicted, and (2) no more than ten (10) years have elapsed since

the date of the conviction or the release of the applicant from the confinement imposed for that conviction, whichever is the later date.

NOTE: Article IV, Section 2, of the NAR Bylaws prohibits the Association 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.

(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 this or any other REALTOR® association within the past three (3) years
- (2) Pending ethics complaints (or hearings)
- (3) Unsatisfied discipline pending
- (4) Pending arbitration requests (or hearings)
- (5) Unpaid arbitration awards or unpaid financial obligations to any other REALTOR® Association or REALTOR® Association MLS
- (6) Any misuse of the term REALTOR® or REALTORS® in the name of the applicant's firm.

"Provisional" membership may be granted in instances where ethics complaints or arbitration requests (or hearings) are pending in other associations or where the applicant for membership has unsatisfied discipline pending in another 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 (6) months from the date that provisional membership is approved. Provisional members shall be considered REALTORS® and shall be subject to all of the same privileges and obligations of REALTOR® membership. If a member resigns from another association with an ethics complaint or arbitration request pending, the association may condition membership on the applicant's certification that he/she will submit to the pending ethics or arbitration proceeding (in accordance with the established procedures of the association to which the applicant has made application) and will abide by the decision of the hearing panel.

Section 3. Election. The procedure for election to membership shall be as follows:

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

(B) Thereafter, within 75 days, the Member Services Committee shall report its recommendation to the Board of Directors in writing. If the recommendation is adverse to the approval of the application, the reasons shall be specifically stated. If any member of the Membership Committee submits a dissenting recommendation, it shall also be reported to the Board of Directors.

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

(D) The Board of Directors may not reject an application without providing the applicant with advance notice of the findings and recommendations of the Membership Committee, 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 or may electronically or mechanically record the proceedings.

(E) If the Board of Directors determines that the application should be rejected, it shall record its reasons with the Secretary. If the Board of Directors believes that denial of membership to the applicant may become the basis of litigation and a claim of damage by the applicant, it may specify that denial 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 rejection violates no rights of the applicant.

Section 4. New Member Code of Ethics Orientation.

Applicants for REALTOR® membership and provisional REALTOR® members (where applicable) complete an orientation program on the Code of Ethics of not less than two (2) hours and thirty (30) 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 any break in membership is for one (1) year or less.

Failure to satisfy this requirement within ninety (90) days following the date of application 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. REALTOR® Code of Ethics Training.

Effective January 1, 2019, through December 31, 2021, and for successive three (3)- 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 (3)- year cycle shall not be required to complete additional ethics training until a new three (3)- year cycle commences.

Failure to satisfy the required periodic ethics training shall be considered a violation of a membership duty. Failure to meet the in any three (3)- 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 (3)- year cycle or until the requirement is met, whichever occurs sooner. On March 1 of that year, the membership of a member who is still suspended as of that date will be automatically terminated.

Section 6. Status Changes.

(A) A REALTOR® who changes the conditions under which he holds membership shall be required to provide written notification to the Association within thirty (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 sixty (60) 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.

A REALTOR® who is transferring his or her license from one firm comprised of REALTOR® principals to another firm comprised of REALTOR® principals shall be subject to all of the privileges and obligations of membership during the period of transition. If the transfer is not complete within thirty (30) days of the date the Association is advised of the disaffiliation with the current firm, membership will terminate automatically unless otherwise so directed by the Board of Directors.

NOTE: 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 month in which the member is notified of election by the Board of Directors and shall be based on the new membership status for the remainder of the year.

ARTICLE VI – PRIVILEGES & 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 consistent 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 REALTORS® may, upon recommendation of the Membership Committee, or upon recommendation by a hearing panel of the Professional Standards Committee, be subject to discipline as described above, for any conduct, which in the opinion of the Board of Directors, applied on a nondiscriminatory basis, reflects adversely on the terms REALTOR® or REALTORS®, and the real estate industry, or for conduct that is inconsistent with or adverse to the objectives and purposes of the local Board, 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 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 ethics 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 are entitled to vote and to hold elective office in the association, and may use the terms 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, or unless connection with the firm, partnership, or corporation is severed, 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, whichever may apply. Further, the membership of REALTORS® other than principals who are employed by 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 until connection of the disciplined member with the firm, partnership, or corporation is severed, or unless the REALTOR® member (non-principal) elects to sever his/her connection with the REALTOR® and affiliate with another REALTOR® member in good standing in the association, whichever may apply.

If a REALTOR® member who is other than a principal in a firm, partnership, or 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 Article VI, 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®.

NOTE: Local associations establish the rights and privileges to be conferred on Institute Affiliate Members except that no Institute Affiliate Member may be granted the right to use the term REALTOR® or the REALTOR® logo; to serve as President of the local association; or to be a participant in the local association's Multiple Listing Service.

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

Section 9. 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 upon request by the Board of Directors, on a form provided by the Association, a complete listing of all individuals licensed or certified in the REALTOR®'s office(s) and shall designate a primary Association for each individual who holds membership. Designated REALTORS® shall also identify any non-member licensees in the REALTOR®'s office(s) and if Designated REALTOR® dues have been paid to another association based on said non-member licensees, the Designated REALTOR® shall identify the association to which dues have been remitted. These declarations shall be used for purposes of calculating dues under Article X, Section 2. (A). "Designated" REALTOR® members shall also notify the Association of any additional individual(s) licensed or certified with the firm(s) within thirty (30) days of the date of affiliation or severance of the individual.

ARTICLE VII – PROFESSIONAL STANDARDS & 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 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 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, 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. 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 terms REALTOR® and 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. A REALTOR® member who is a principal of a real estate firm, partnership, or corporation may use the terms REALTOR® and REALTORS® only if all the principals of such firm, partnership, or corporation who are actively engaged in the real estate profession within the state or a state contiguous thereto are REALTOR® members of the Association or Institute Affiliate members as described in Article IV, Section 1. (B).

(A) In the case of a REALTOR® member who is 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 location 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®, or the imprint of the emblem seal of the National Association of REALTORS®.

ARTICLE IX – STATE & NATIONAL MEMBERSHIPS

Section 1. The Association shall be a Member of the National Association of REALTORS® and the Tennessee 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 Tennessee REALTORS® without further payment of dues. The Association shall continue as a member of the State and National Associations, unless by a majority vote of all of its REALTOR® Members, decision is made to withdraw, in which case the State and National Associations shall be notified at least one month in advance of the date designated for the termination of such membership.

Section 2. 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 Board and all of its Members agree to abide by the Constitution, Bylaws, Rules and Regulations, and policies of the National Association and the Tennessee REALTORS®.

ARTICLE X – DUES & ASSESSMENTS

Section 1. Application Fee. The Board of Directors may adopt an application fee for REALTOR® Membership in reasonable amount, not exceeding three times the amount of the annual dues for REALTOR® Membership, which shall be required to accompany each application for REALTOR® Membership and which shall become the property of the Association upon final approval of the application.

Section 2. Dues. The annual dues of members shall be as follows:

(A) Designated REALTOR® Members. The annual dues of each Designated REALTOR® Member shall be an amount voted on by the Board of Directors not to exceed a 5% increase over the previous year's annual local dues plus an amount equal to the Association's assessment from State and National for each member plus an amount equal to that total amount times the number of real estate salespersons and licensed or certified appraisers who (1) are employed by or affiliated as independent contractors, or who are otherwise directly or indirectly licensed with such REALTOR® Member, and (2) are not REALTOR® Members of any local 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 (1) and (2) of this paragraph 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 and such payment is verified. 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 association.

- (1) For the purpose of this Section 2. (A), 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 with the REALTOR®, or by any entity in which the REALTOR® has a direct or indirect ownership interest and which is engaged in other aspects of the real estate business (except as provided for in this Article X, Section 2. (A) (1) hereof) provided that such licensee is not otherwise included in the computation of dues payable by the principal, partner, or corporate officer of the entity.

A REALTOR® with a direct or indirect ownership interest in an entity engaged exclusively in soliciting and/or referring clients and customers to the REALTOR® for consideration on a substantially exclusive basis shall annually file with the association on a form approved by the association a list of the licensees affiliated with that entity and shall certify that all of the licensees affiliated with the entity are solely engaged in referring clients and customers and are not engaged in listing, selling, leasing, renting, managing, counseling or appraising real property. The individuals disclosed on such form shall not be deemed to be licensed with the REALTOR® filing the form for purposes of this Section and shall not be included in calculating the annual dues of the Designated REALTOR®. 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.

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.

(B) REALTOR® Members. The annual dues of REALTOR® Members other than the Designated REALTOR® shall be an amount voted on by the Board of Directors not to exceed a 5% increase over the previous year's annual local dues plus an amount equal to the Association's assessment from State and National for each member. The annual dues of each secondary REALTOR® member shall be the same as local dues for REALTOR® members.

(C) REALTOR® Emeritus Members. The honor of qualifying for REALTOR® Emeritus provides a waiver of any further dues obligation, with the exception of the dues liability for Designated REALTOR® Members outlined in this Section 2. (A). The waiver of dues is effective for the calendar year following the year in which an individual is granted REALTOR® Emeritus by the National Association.

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

Note: Institutes, Societies and Councils of the National Association shall be responsible for collecting and remitting dues to the National Association for Institute Affiliate members (\$105). The National Association shall credit \$35 to the account of a local association for each Institute Affiliate member whose office address is within the assigned territorial jurisdiction of that association, provided, however, if the office location is also within the territorial jurisdiction of a Commercial Overlay Board (COB), the \$35 amount will be credited to the COB, unless the Institute Affiliate member directs that the dues be distributed to the other board. The National Association shall also credit \$35 to the account of state associations for each Institute Affiliate member whose office address is located within the territorial jurisdiction of the state association. Local and state associations may not establish any additional entrance, initiation fees or dues for Institute Affiliate Members, but may provide service packages to which Institute Affiliate Members may voluntarily subscribe.

(E) Affiliate Members. The annual dues of each Affiliate member shall be an amount voted on by the Board of Directors not to exceed a 5% increase over the previous year's annual local dues. This amount does not include dues for the Tennessee REALTORS® which may be paid at the option of the Affiliate member.

(F) Public Service Members. The annual dues of each Public Service member shall be an amount voted on by the Board of Directors not to exceed a 5% increase over the previous year's annual local dues.

(G) Honorary Members. The annual dues, if any, of each Honorary member shall be at the discretion of the Board of Directors.

(H) Student Members. The annual dues, if any, of each Student member shall be at the discretion of the Board of Directors.

(I) Transfer Fee. The Board of Directors will establish on an annual basis a transfer fee not to exceed a 5% increase over the previous year's transfer fee and shall be payable to the Association on transfer of any license from one firm to another.

Section 3. Dues Payable. Dues for all members shall be due and owing annually in advance on the fifteenth day of December preceding the calendar year for which services will be provided.

(A) In the event a sales licensee or licensed or certified appraiser who holds REALTOR® membership is dropped for nonpayment of Association dues, and the individual remains with the Designated REALTOR®'s firm, the dues obligation of the Designated REALTOR® (as set forth in Article X, Section 2. (A)) will be increased to reflect the addition of a non-member licensee.

NOTE: A Member Board's dues obligation to the National Association is reduced by an amount equal to the amount which the association is assessed for a REALTOR® member, times the number of REALTOR® Emeriti (as recognized by the National Association), past presidents and past treasurers of the National Association, and recipients of the Distinguished Service Award of the National Association who are REALTOR® members of the association. The dues obligation of such individuals to the local association should be reduced to reflect the reduction in the association's dues obligation to the National Association. The association may, at its option, choose to have no dues requirement for such individuals except as may be required to meet the association's obligation to the State Association with respect to such individuals. Member Boards should determine whether the dues payable by the association to the State Association are reduced with respect to such

individuals. It should be noted that this does not affect a "designated" REALTOR®'s dues obligation to the association with respect to those licensees employed by or affiliated with the "designated" REALTOR® who are not members of the local association.

Section 4. Nonpayment of Financial Obligations.

(A) Excluding annual membership dues and MLS fees, any fees, fines, or other assessments not remitted within thirty (30) days of the due date, shall result in suspension of membership. Any fees, fines, or other assessments not remitted within sixty (60) days of the due dates, shall result in termination of membership. However, no action shall be taken to suspend or expel a Member for nonpayment of disputed amounts until the accuracy of the amount owed has been confirmed by the Board of Directors.

(B) A former Member who has had his membership terminated for nonpayment of dues, fees, fines, or other assessments duly levied in accordance with the provisions of these Bylaws may apply for reinstatement in a manner prescribed for new applicants for membership, after making payment in full of all accounts due as of the date of termination.

(C) The due date of annual membership dues is December 15 of the preceding calendar year.

- (1) On January 1, membership shall be suspended for those persons who have not remitted dues. Members suspended for non-payment of dues shall be reactivated upon remittance of dues.
- (2) After January 7, suspended members shall be reclassified as a non-member salespersons with their firm and notice provided to their Designated REALTOR®.
- (3) On January 15, membership shall be suspended for any Designated REALTOR® who has not remitted all dues for his affiliated licensees and notice provided to all persons suspended by virtue of the Designated REALTOR®'s suspension as outlined in Article VI, Section 6.
- (4) On January 31, services shall be terminated for any Designated REALTOR® who has not remitted all dues for their affiliated licensees and notice provided to all persons terminated by virtue of the Designated REALTOR®'s suspension as outlined in Article VI, Section 6.

(D) The due date of any MLS fees and fines, as well as the sanctions for untimely payment, are governed by the MLS Rules and Regulations.

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

Section 6. Expenditures. The Board of Directors shall administer the day to day finances of the Board. Capital expenditures in excess of amount budgeted may not be made unless authorized by a majority vote of the Directors present.

Section 7. Notice of Dues, Fees, Fines, Assessments, and Other Financial Obligations of Members. All dues, fees, fines, assessments, or other financial obligations to the association or association multiple listing service shall be noticed to the delinquent association member in writing setting forth the amount owed and due date.

ARTICLE XI – OFFICERS & DIRECTORS

Section 1. Officers. The elected officers of the Association shall be: a President, a President-elect and a Secretary/Treasurer. They shall be elected for terms of one year. The Chairman of the MLS committee shall also be an officer of the Association.

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. It shall be the particular duty of the chief staff executive to assist the elected Secretary-Treasurer by keeping the records of the Association and carry on all necessary correspondence with the National Association of REALTORS® and the Tennessee REALTORS®.

Section 3. Board of Directors. The governing body of the Association shall be a Board of Directors consisting of the four (4) officers and eleven (11) REALTOR® Members of the Association, elected or appointed in the following manner:

(A) Ten (10) directors shall be elected to serve staggered, two- (2-) year terms, including a Commercial Director, as outlined below. If needed in any given year, additional Directors will be elected to fill any vacancies as referenced in this Article XI, Section 5.

- (1) For each two- (2-) year term beginning in an even numbered year, the Commercial Services Advisory Group shall provide to the Nominating Committee up to two (2) names, subject to affirmation by the Nominating Committee, to be placed on the ballot to fill the position of Commercial Director serving a two- (2-) year term.
- (2) This Commercial Director shall be subject to the same requirements and limitations as other Directors.
- (3) Any vacancy in the position of the Commercial Director shall be filled by the Directors as outlined in Article XI, Section 5, with the replacement Commercial Director being a qualified member of the Commercial Council.

(B) There shall be an appointed Director position on the Board, with full voting privileges, for the Immediate Past President.

Section 4. Annual Election of Officers and Directors

(A) Company & Firm Caps. Excluding the Officers, no more than three (3) Directors shall be from the same firm, partnership, corporation, or limited liability company. No more than two (2) Officers shall be from the same firm, partnership, corporation, or limited liability company. The President and President-elect may not be from the same firm, partnership, corporation, or limited liability company. The President and MLS Chair may not be from the same firm, partnership, corporation, or limited liability company. These limitations do not apply to firms, partnerships, corporations, or limited liability companies simply because they have franchises through the same franchisor.

- (1) An otherwise qualified member shall be ineligible for nomination if his election could cause four (4) or more Directors (excluding the Officers) to be from the same firm, partnership, corporation, or limited liability company. In the event the submission of names to the Nominating Committee could cause four or more Directors (excluding the Officers) to be from the same firm, partnership, corporation, or limited liability company, the Nominating Committee shall select the candidate or candidates most qualified in the committee's opinion from the names submitted for nomination. In the event an Officer's or Director's transfers to a firm, partnership, corporation, or limited liability company causes four (4) or more Directors (excluding the Officers) or more than two (2) Officers to be from the same firm, partnership, corporation, or limited liability company, or the President and President-Elect to be from the same firm, partnership, corporation, or limited liability company, the transferring Officer or Director shall continue to serve until December 31 of the current calendar year, at which time his position shall be deemed vacant. The members shall be notified of the vacant Director position due to Caps on Firm Representation, and an

Officer or Director shall be elected as outlined in this Article XII, Section 5 to complete the remaining unexpired term.

(B) Appointment of the Nominating Committee. At least one (1) month before the annual election, the Board of Directors shall appoint a Nominating Committee comprised of seven (7) REALTOR® Members as follows:

- (1) No less than two (2) of the seven (7) of the appointments shall be Past Presidents.
- (2) The remaining appointments shall be REALTOR® Members, who currently, or serve currently or served within the previous ten (10) years, as Officers, Directors, or committee chairmen.
- (3) The President shall appoint a chairman from among the Nominating Committee members.
- (4) By accepting appointment to the Nominating Committee, each member shall be ineligible for candidacy for the immediate election of the Directors.
- (5) The Nominating Committee shall also serve as the Election Committee, which is responsible for the counting of the ballots and reporting the results of the Annual Election.

(C) Preparation of Ballot.

- (1) The Nominating Committee shall invite all eligible members to apply to be considered by the Committee. Said invitation may be electronically submitted, where permitted by state law.
- (2) Upon review of all applicants, the Nominating Committee shall conduct interviews of any person whose name will appear on the ballot.
- (3) In preparing the final ballot, the Nominating Committee shall give consideration to the following:
 - (a) All candidates shall have a minimum of two (2) years of consecutive membership in the Greater Chattanooga Association of REALTORS® prior to the date of their election.
 - (b) No person shall serve more than two (2) consecutive terms in an Officer or Director position.
 - (c) The Nominating Committee shall strive but is not required to put forth a ballot containing two (2) candidates for each open position.
 - (d) The Nominating Committee shall strive to put forth a ballot containing the most qualified candidate(s) for each open position.
 - (e) For Director positions, the Nominating Committee shall give consideration, but is not limited, to members who:
 - (i) Have been actively involved on a local, state or national Association committee or task force; or
 - (ii) Have served as an officer of a local council or chapter; or
 - (iii) Have participated in a local, state or national Association leadership development program.

(D) Election of Directors.

- (1) The date, time and place of the Annual Election shall be fixed by the Directors with notice given to all REALTOR® members at least fifteen (15) days prior to the Annual Election. Said notice shall include the ballot of candidates. Said notice may be electronically submitted, subject to Tennessee law.
- (2) Election of the Directors shall be conducted by electronic ballot, which shall not include the option for write-in candidates or to vote by proxy. Voting shall begin no less than seven (7) days prior to the Annual Election and shall cease at 5:00 p.m. on the day preceding the Annual Election.
- (3) The candidate receiving the highest number of votes for each position shall be declared elected.
- (4) In the event of a tie vote, the issue shall be determined by lot at the Annual Election.

(E) Special Meeting for the Election of Officers.

- (1) Prior to the Annual Election of Directors, the Members shall be notified of a special meeting of the current and following year's Officers and Directors. Said notice shall invite those persons eligible to serve as President-Elect to submit in writing, no later than three (3) days following the Annual Election, their interest in serving as President-Elect for the following calendar year.
- (2) The special meeting of the Officers and Directors described above shall take place no sooner than five (5) days following the Annual Election and no later than November 1 of the current calendar year. Said meeting shall be for the purpose of:
 - (a) Approving the President-Elect to become the President for the following calendar year;
 - (b) Interviewing candidates who have submitted in writing by the required deadline their interest in serving as President-Elect for the following calendar year;
 - (c) Nominating from among the qualified candidates persons to be included on the ballot to serve as President-Elect the following calendar year; and
 - (d) Electing a Secretary-Treasurer from among those person elected to serve as a Director the following calendar year.
- (3) Election & Qualifications for President-Elect.
 - (a) No outgoing Director who is nominated, and accepts such nomination, for the office of President-Elect for the following year, shall be entitled to vote in the election of the President-Elect for the following calendar year.
 - (b) The President-Elect shall be serving or have served previously on the Board of Directors. Special consideration shall also be given to a nominee's reputation in the real estate profession and the community; experience and specialty designations for professionalism; extent and effectiveness of service as a Director, and any service as an Officer or committee chairman of the Association and effectiveness while serving in these positions; past leadership in state and national real estate association or their affiliates; leadership in the community; and willingness to serve.
 - (c) No individual whose term on the Board of Directors extends into the following calendar year shall be eligible for nomination or election to the office of President-Elect; however, an outgoing Director shall be eligible for election to the office of President-Elect for the following calendar year.

- (d) Election of the President-Elect for the following calendar year shall be by majority vote of such persons present and voting at the meeting of Officers and Directors described in this Article XI, Section (E), a quorum of seventy percent (70%) of those eligible to vote being present. Voting shall be by secret ballot. The President shall then inform the President-Elect of his election and he shall appear before the Directors, officially accept the President-Elect position, and participate in the election of the Secretary-Treasurer for the following calendar year.
 - (e) In the event of failure to elect a President-Elect for the following calendar year, the steps outlined in this Section 4. (E) may be repeated as many times as necessary until a new President-Elect is elected prior to November 15.
- (4) Election of Secretary-Treasurer.
- (a) With the exception of the Officers, any member of the Board of Directors for the following calendar year shall be eligible for nomination and election to the office of Secretary-Treasurer for the following calendar year. No individual shall serve as Secretary-Treasurer for more than two (2) consecutive years.
 - (b) No Director who is nominated, and accepts such nomination, for the office of Secretary-Treasurer for the following calendar year, shall be entitled to vote in the election of the Secretary-Treasurer for the following calendar year.
 - (c) Election of the Secretary-Treasurer for the following calendar year shall be by majority vote of such persons present and voting in such meeting, a quorum of seventy percent (70%) of those eligible to vote being present. Voting shall be by secret ballot.

Section 5. Vacancies. Vacancies among the Officers and Directors shall be filled by a simple majority vote of the Directors. The person so elected shall serve the remainder of the term of the vacated seat.

Section 6. Removal of Officers and Directors. Removal of Officers and Directors: In addition to the powers and duties of Directors provided elsewhere in these Bylaws, they shall have power: (a) to suspend or remove any Officer or Director with or without cause by two-thirds (2/3) vote of the Directors then in office at any meeting at which a quorum is present, provided the meeting notice is given no less than seven (7) days prior to the meeting and states that the purpose, or one of the purposes, of the meeting is removal of the Officer or Director; (b) to fill vacancies in their own number caused by death, resignation or removal; and (c) to generally regulate the business and affairs of the Association.

Section 7. Indemnification of Directors and Officers. Any person made or threatened to be made a party to a suit or proceeding by reason of the fact that he or his intestate was, is, or shall be a Director or Officer of the Company or at the request of this company a Director or Officer of another company controlled by this company shall be indemnified by this company, to the maximum extent and upon the conditions provided by the laws of the State of Tennessee including Tennessee Code annotated SS48-407 through 48-411.

ARTICLE XII – MEETINGS

Section 1. Annual Meetings. The annual meeting of the Association shall be held each year, the date, place, and hour to be designated by the Board of Directors.

Section 2. Meetings of Directors. The Board of Directors shall designate a regular time and place of meetings. Absence from three (3) regular meetings in one (1) calendar year shall be construed as resignation. A quorum for

the transaction of business shall be a majority of the Board of Directors, except as may otherwise be required by state law.

Section 3. Other Meetings. There will be a meeting of REALTOR® members held twice annually.

Section 4. Notice of Meetings. Written notice shall be given to every member entitled to participate in the meeting at least one (1) week preceding all meetings. If a special meeting is called, it shall be accompanied by a statement of the purpose of the meeting.

Section 5. Quorum for Membership Meetings. A quorum for the transaction of business at general and/or special meetings of the membership shall consist of 10% of the Members eligible to vote, except as may otherwise be required by state law.

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.

Section 7. Action without Meeting. Unless specifically prohibited by the articles of incorporation, any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors. The consent shall be evidenced by one or more written approvals, each of which sets forth the action taken and bears the signature of one or more directors. All the approvals evidencing the consent shall be delivered to the chief staff executive or his designee to be filed in the corporate records. The action taken shall be effective when all the directors have approved the consent unless the consent specifies a different effective date.

Section 8. Attendance. Members of the Board of Directors may participate in any meeting through the use of a conference telephone or similar communication equipment by means of which all persons participating in the meeting can hear each other. Such participation shall be at the discretion of the President and shall constitute presence at the meeting.

ARTICLE XIII – COMMITTEES

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

Grievance
Multiple Listing Service

Nominating
Professional Standards

The President shall establish and appoint, subject to confirmation by the Board of Directors, a chairman for additional standing committees as deemed necessary. A member shall be limited to serving no more than two (2) consecutive terms as chairman of a standing committee.

Section 2. Special Committees & Task Forces. The President shall appoint, subject to confirmation by the Board of Directors, a chairman for special committees and task forces as deemed necessary. A member shall be limited to serving no more than two (2) consecutive terms as chairman of a special committee or task force.

Section 3. Organization. All committees shall be of such size and shall have duties, functions, and powers as assigned by the President or the Board of Directors except as otherwise provided in these Bylaws.

Section 4. President. With the exception of the Grievance and Nominating Committees and Professional Standards hearings, the President shall be a non-voting member of all committees, task forces, and Presidential Advisory

Groups (PAGS) and shall be notified along with other committee, task force or PAG members of any applicable meeting dates, times and places.

Section 5. Action without Meeting. Any committee or task force may act by unanimous consent in writing, by conference call or by email without a meeting. The consent shall be evidence by one or more written approvals, each of which sets forth the action and bears the signature of one or more of the members of the committee or task force.

Section 6. Attendance. Any member of a committee or task force who fails to attend three (3) regular meetings in one (1) calendar year shall be construed as resignation. Members of a committee or task force may participate in any meeting through the use of a conference telephone or similar communication equipment by means of which all persons participating in the meeting can hear each other. Such participation shall be at the discretion of the chairman and shall constitute presence at the meeting.

Section 7. Removal & Vacancies. The President may remove, subject to confirmation by the Board of Directors, the member of any committee, task force, or PAG who breaches the confidentiality expectations outlined for the said committee, task force, or PAG. Any vacancy occurring in the chairmanship or membership of any committee shall be filled for the unexpired term by appointment in the same manner as provided for the original appointment.

Section 8. Executive Committee. The Association shall have an Executive Committee. The officers of the Association and the Immediate Past President shall be the members of the Executive Committee. The Executive Committee shall have all of the powers and authority to take actions that could be taken by of the Board of Directors, such authority to be exercised between meetings of the Board of Directors, consistent at all times with the limitations imposed by the Board of Directors, the Bylaws of the Corporation and the laws of the State of Tennessee provided, however, that the Executive Committee may not (1) authorize distributions; (2) approve or recommend to members dissolution, merger or the sale, pledge or transfer of all or substantially all of the Association's assets; (3) elect, appoint or remove directors or fill vacancies on the Board of Directors or on any of its committees; or (4) adopt, amend or repeal the Charter or Bylaws. The committee shall report any action taken to the meeting of the Board of Directors next following the taking of such action, unless the Board of Directors otherwise requires. So far as applicable, the provisions of law relating to the conduct of meetings of the board shall govern meetings of the Executive Committee.

ARTICLE XIV – FISCAL & ELECTIVE YEAR

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

ARTICLE XV – RULES OF ORDER

Section 1. *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 or with adopted rules, policies, or procedures of the Association.

ARTICLE XVI – AMENDMENTS

Section 1. These Bylaws may be amended by the majority vote of the members present and qualified to vote at any business meeting or by email at which a quorum is present or participates and, 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.

Section 2. Notice of all meetings at which amendments are to be considered shall be mailed or emailed 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 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 XVII – DISSOLUTION

Section 1. Upon the dissolution of this Association, the Board of Directors, after providing for the payment of all obligations, shall distribute any remaining assets to the Tennessee REALTORS® or, within its discretion, to any other non-profit tax exempt real estate organization.

ARTICLE XVIII – MULTIPLE LISTING

Section 1. MLS Function. 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 nonagency capacities defined by law); by which cooperation among participants is enhanced; by which information is accumulated and disseminated to enable authorized participants to prepare appraisals, analysis, 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 procuring cause of sale (or lease).

Section 2. Election and Appointment. The members of the MLS Committee will be elected or appointed as follows: The President-Elect of the Association shall appoint annually a Participant as Vice Chairman of the MLS Committee who shall serve as Chairman of the MLS Committee the following year. The Vice Chairman shall have served on the MLS Committee for at least one (1) year prior to his or her appointment as Vice Chairman. The Chairman and the Vice Chairman shall be from different firms, partnerships, corporations or limited liability companies. Neither the Chairman nor the Vice Chairman of the Committee can simultaneously serve as an officer of the Association. The Chairman of the MLS Committee and the President of the Association must be from different firms, partnerships, corporations or limited liability companies. In the event that a transfer results in the Chairman of the MLS Committee and the President of the Association being from the same firm, partnership, corporation, or limited liability company, the MLS Committee Chairman shall resign. The other nine (9) members of the MLS Committee shall be elected by the Participants (as hereinafter defined) to serve staggered two- (2-) year terms. Two (2) of these nine (9) must be Subscribers (as hereinafter defined), and seven (7) of the nine (9) must be Participants. The MLS Committee may appoint a nominating committee to identify nominees and submit the slate of nominees to the Participants for election. No more than (3) members of the MLS Committee shall be from the same firm, partnership, corporation or limited liability company.

Section 3. Vacancies. Any vacancy in the position of Chairman of the MLS Committee shall be filled by appointment by the President of the Association. Any vacancy in the position of Vice-Chairman of the MLS Committee shall be filled by appointment by the President-Elect of the Association. Any other vacancy on the MLS Committee shall be filled as provided in these bylaws.

Section 4. Purpose of MLS Committee. The purpose of the MLS Committee is to establish and maintain policies and procedures for the multiple listing service system and multiple listing service data provided to the multiple listing service by the multiple listing service Participants and Subscribers. As different technologies become more readily available to Realtors®, the MLS Committee will be responsible for decisions regarding updates to the system,

and the manner in which the multiple listing service is utilized, in order to maintain the integrity of the systems while not limiting the creativity and profitability of the Participants.

Section 5. Operation. The provisions of the bylaws regarding meetings, actions, voting, attendance requirements, removals, and indemnification applicable to the Board of Directors of the Association shall apply to the MLS Committee to the extent logically applicable. Any action taken on any MLS matter by the MLS Committee shall be effective unless overruled by a two-thirds (2/3) vote of the Board of Directors of the Association. The Board of Directors of the Association shall not itself, except as provided in this Article, Section 10 below with respect to the setting of fees for participation in the multiple listing service take any action relating to the multiple listing service system and its data except upon recommendation by the MLS Committee.

Section 6. Participation. Any REALTOR® of this or any other association who is a principal, partner, corporate officer, or branch office manager acting on behalf of a principal, without further qualification, except as otherwise stipulated in these bylaws, shall be eligible to participate in multiple listing upon agreeing in writing to conform to the rules and regulations thereof and to pay the costs incidental thereto. However, under no circumstances is any individual or firm, regardless of membership status, entitled to multiple listing service membership or participation unless they hold a current, valid real estate broker's license and offer or accept compensation to and from other participants or are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property. Use of information developed by or published by an association 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 an association multiple listing service where access to such information is prohibited by law. "Participant" or "participant" is a person who is entitled to participate in accordance with this Section 6. All other personas who are permitted to use the MLS service are Subscribers, as hereafter defined.

Mere possession of a broker's license is not sufficient to qualify for MLS participation. Rather, the requirement that an individual or firm offers or accepts cooperation and compensation means that the participant actively endeavors during the operation of its real estate business to list real property of the type listed on the MLS and/or to accept offers of cooperation and compensation made by listing brokers or agents in the MLS. "Actively" means on a continual and ongoing basis during the operation of the participant's real estate business. The "actively" requirement is not intended to preclude MLS participation by a participant or potential participant that operates a real estate business on a part-time, seasonal, or similarly time-limited basis or that has its business interrupted by periods of relative inactivity occasioned by market conditions. Similarly, the requirement is not intended to deny MLS participation to a participant or potential participant who has not achieved a minimum number of transactions despite good faith efforts. Nor is it intended to permit the MLS Committee 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 the MLS Committee 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. The MLS Committee 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 Committee has a reasonable basis to believe that the participant or potential participant is in fact not doing so. These requirements shall be applied in a nondiscriminatory manner to all participants and potential participants.

Any applicant for MLS participation and any licensee (including licensed or certified appraisers) affiliated with an MLS participant who desires access to MLS-generated information shall complete an orientation program of no more than eight (8) classroom hours devoted to the MLS Rules and Regulations and computer training related to MLS information entry and retrieval within thirty (30) days after access has been provided.

Participants and Subscribers may be required, at the discretion of the MLS Committee, to complete additional training of not more than four (4) classroom hours in any twelve (12) month period when deemed necessary by the MLS Committee to familiarize Participants and Subscribers with system changes or enhancement and/or changes to MLS rules or policies. Participants and Subscribers must be given the opportunity to complete any mandated additional training remotely.

NOTE: Associations are not required to establish prerequisites for MLS participation beyond holding REALTOR® (principal) membership in an association. However, if the association wishes to establish these requirements for MLS participation or for access to MLS-generated information, the requirement of attendance at an orientation program is the most rigorous requirement that may be established.

Each principal of a real estate firm shall be a MLS "participant," and each shall have a separate vote on MLS matters specified in the bylaws. Brokers or salespersons other than principals are not considered "participants" in the service, but have access to and/or use of the service through the principal(s) with whom they are affiliated.

Section 7. Application for Participation. Application for participation in the multiple listing service shall be made in such manner and form as may be prescribed by the MLS Committee and made available to any REALTOR® Principal of this or any other association requesting it. The application form shall contain a signed statement agreeing to abide by these bylaws relating to the multiple listing service and any other applicable rules and regulations as are from time to time adopted or amended.

Section 8. Discontinuance of Service. Participants in the Association's multiple listing service may discontinue the service by giving ten (10) days written notice and may reapply to the service after two (2) months by making formal application in the manner prescribed for new applicants for participation provided all past dues and fees are fully paid.

Section 9. Subscribers. Subscribers (or users) of the MLS include non-principal brokers, sales associates, and licensed and certified appraisers affiliated with Participants. Subscribers also include affiliated unlicensed administrative and clerical certification as real estate appraisers who are under the direct supervision of an MLS Participant or the Participant's licensed designee.

Section 10. Service Charges. The charges made to Participants and Subscribers for participation in the multiple listing service for 2016 shall be the same charges as 2015. Thereafter, either the MLS Committee or the Board of Directors of the Association may increase the charges by up to 5% per annum. Any increase in charges above 5% per annum may be made by the MLS Committee and shall be effective unless overruled by a two-thirds (2/3) vote of the Board of Directors of the Association.

Section 11. Authority of MLS Committee. The MLS Committee shall have no power or authority to hire or fire any employees of the Association, to have any bank accounts separate from the Association, or to have any source of revenue other than the service charges referenced in this Article XVIII, Section 10 above. The MLS Committee shall have the right to adopt an annual budget which shall be subject to veto by a two-third (2/3) vote of the Board of Directors of the Association. The MLS Committee shall have the right to bind the Association to contractual obligations, subject to veto by a two-thirds (2/3) vote of the Board of Directors of the Association.

Section 12. Exercise of Veto Power. The veto power of the Board of Directors of the Association shall be exercised by a two-thirds (2/3) vote of the members of the Board of Directors in attendance at the next duly constituted meeting of the Board of Directors following receipt of notice by the President of the Association of action taken by the MLS Committee over which the Board of Directors has veto power. If the veto power is not exercised at the next meeting of the Board of Directors, the action taken by the MLS Committee shall be final and binding on the Association.