

Bylaws of the Memphis Area Association of REALTORS[®], Inc.

*Adopted 1910. Last Revised January 2019**

Article I - Name

Section 1. Name. The name of this organization shall be the Memphis Area Association of REALTORS[®], Inc., 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[®] 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, those individuals authorized to use the terms REALTOR[®], REALTORS[®], and REALTOR-ASSOCIATE[®] 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 Fayette, Hardeman, Hardin, McNairy, Shelby, and Tipton Counties in Tennessee.

Section 2. Territorial jurisdiction is defined to mean:

(a) The right and duty to control the use of the terms REALTOR®, REALTORS®, and REALTOR-ASSOCIATE® 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 I. Classification. Only individuals shall be eligible for any class of membership. There shall be the following classes of members:

(a) REALTOR® Members. REALTOR® Members, whether primary or secondary shall be:

(l) Individuals who, as sole proprietors, partners, corporate officers, members of a limited liability company, branch office managers, or otherwise in a position of management control 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 and meet the qualifications set out in Article V. All persons who are partners in a partnership, officers in a corporation, or members of a limited liability company and who are actively engaged in the real estate profession within the state or a state contiguous thereto shall qualify for REALTOR® or REALTOR-ASSOCIATE® Membership, and each is required to hold REALTOR® or REALTOR-ASSOCIATE® Membership (except as provided in the following paragraph) in a Board of REALTORS® within the state or a state contiguous thereto unless otherwise qualified for Institute Affiliate Membership as described in Section I (b) of Article IV; provided, however, that any partner, officer, limited liability company member, or person in a position of management control of a real estate firm who holds a broker license shall be eligible for REALTOR® Membership, or Institute Affiliate Membership and any partner, officer, limited liability company member, or person in a position of management control of a real estate firm who holds an affiliate broker license shall be eligible for REALTOR-ASSOCIATE® Membership or Institute Affiliate Membership.

In the case of a real estate firm, partnership, corporation, or limited liability company, 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® or REALTOR-ASSOCIATE® Membership unless otherwise qualified for Institute Affiliate Membership as described in Section 1 (c) of Article IV.

(2) Individuals. 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® Members. 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 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. A Primary or Secondary Member shall maintain a current, valid real estate broker license from any state, or be licensed or certified by an appropriate regulatory agency of any state to engage in the appraisal of real property; however, a Primary Member must maintain said licensing or certification from Tennessee or state contiguous thereto.

(5) Designated REALTOR® Members. Each firm shall designate in writing a REALTOR® Member who shall be responsible for all duties and obligations of Membership including the obligation to arbitrate pursuant to Article 17 of the Code of Ethics and the payment of Association dues as established in Article X of the Bylaws. The "Designated REALTOR®" must be a sole proprietor, partner, corporate officer, or branch

manager acting on behalf of the firm's principal(s) and must meet all other qualifications for REALTOR® Membership established in Section 2 of Article V of the Bylaws.

(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. However, for applications filed through 2019, the one (1) year service requirement may also be met through service at the state or local level. This provision will sunset at the end of 2019.

(b) REALTOR-ASSOCIATE® Members. REALTOR-ASSOCIATE® Members shall be individuals who are engaged in the real estate profession other than as principals, partners, corporate officers or branch managers and do not qualify for or seek REALTOR® Membership as described in Article V, Section 2 (b). Salespersons and other associates of a real estate office shall be eligible for REALTOR-ASSOCIATE® Membership if they are employed by, or affiliated as an independent contractor with, a REALTOR® Member as provided in this Article. REALTOR-ASSOCIATE® Members may transfer to REALTOR® Membership by meeting the requirements for such membership set out in Article V.

(1) Primary and secondary REALTOR-ASSOCIATE® 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. A primary or Secondary Member shall maintain a current, valid real estate broker or affiliate broker license from any state or be licensed or certified by an appropriate regulatory agency of any state to engage in the appraisal of real property; however, a Primary Member must maintain said licensing or certification from Tennessee or state contiguous thereto.

(c) Institute Affiliate Members. Institute Affiliate members shall be individuals who hold a professional designation awarded by an Institute, Society, or Council affiliated with the NATIONAL ASSOCIATION OF REALTORS® that addresses a specialty area other than residential brokerage or individuals who otherwise hold a class of membership in such Institute, Society or Council that confers the right to hold office. Such member shall be encouraged to abide by the principles established in the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® but is not subject to disciplinary authority of this Association with regard to conduct inconsistent with the Code of Ethics; however, such member shall be subject to disciplinary action to the extent provided in Section 18 of Article VI. Such member shall abide by the Charter, Bylaws and Rules and Regulations of the Association, the Constitution and Bylaws of

the Tennessee REALTORS® and the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS®. Any such individual, if otherwise eligible, may elect to hold REALTOR® or REALTOR-ASSOCIATE® membership, subject to payment of applicable dues for such membership.

(d) Affiliate Members. Applicants for Affiliate Member shall be individuals who, while not engaged in the real estate profession as defined in Sections I (a) and (b) of Article IV, have interests requiring information concerning real estate, and are in sympathy with the objectives of the Association. There shall be two categories of Affiliate Members:

Primary Affiliate: A Primary Affiliate membership includes one membership.

Individual Affiliate: An Individual Affiliate membership is for a solitary employee applicant under a Primary Affiliate membership.

(e) 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. A Public Service Affiliate Member shall also meet the qualifications for "Affiliate Member" as set forth in Section 1 (d) of Article IV.

(f) 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.

(g) 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.

(h) REALTOR® Members (retired). A REALTOR® Member shall be eligible for the status of REALTOR® Member (retired) if he is over 62 years of age and has completed 15 years as a member in good standing in the Association, taking into account his years of membership in any classification; he no longer holds a current license as a real estate broker or affiliate broker; and he has achieved a satisfactory record as an Association member.

(i) REALTOR-ASSOCIATE® Members (retired). A REALTOR-ASSOCIATE® Member shall be eligible for the status of REALTOR-ASSOCIATE® Member (retired) if he is over 62 years of age and has completed 15 years as a member in good standing in the Association, taking into account his years of membership in any classification; he no

longer holds a current license as a real estate broker or affiliate broker; and he has achieved a satisfactory record as an Association member.

Section 2. Member's Association with Other Firms.

(a) Each sole proprietor, partner, or corporate officer of the real estate firm (or member, if the real estate firm is a limited liability company) who is actively engaged in the real estate business within the state where applying for membership or within the state in which the real estate firm is located shall be required to become a REALTOR® member if any other principal of such firm, partnership, corporation, or limited liability company is a REALTOR® member within those states, provided, however, in the case of a real estate firm, partnership, corporation, or limited liability company whose business activity is substantially all commercial, each sole proprietor, partner, corporate officer, or limited liability company member actively engaged in the real estate business in connection with the same office or any other offices within the jurisdiction of the local board in which one of the firm's principals holds REALTOR® membership shall also be required to become a REALTOR®.

(b) For purposes of these Bylaws, a principal of a firm shall include but not be limited to any owner, officer, manager, or limited liability company member of that firm and any other person with significant responsibility within such firm.

(c) The requirements of Subsection (a) above shall not apply to any firm that meets the requirements set forth in Article X, Section 4 (a) (3) of these Bylaws, and that has a current annual certification as required by that section on file with the Association.

Article V - Qualification and Election

Section I. Application

(a) All applications for membership shall be in writing in such forms as may be prescribed from time to time by the Member Services Committee with approval of the Directors. An application shall be verified by the Designated REALTOR® Member with whom a REALTOR® or REALTOR-ASSOCIATE® applicant, unless a secondary member applicant, is associated. It shall contain among the statements to be signed by the applicant (I) 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 or REALTOR-ASSOCIATE® Member, will abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® including the obligation to arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics, and as further specified in the Code of Ethics and Arbitration Manual of the NATIONAL ASSOCIATION OF REALTORS®, as

from time to time amended, and that if he does not comply with an arbitration award rendered by the Association, he shall be liable for costs and reasonable attorney's fees and expenses incurred by any party obtaining judicial confirmation and enforcement of the arbitration award, the extent and terms of such liability being determined by the Bylaws of the Association as from time to time amended and (2) that applicant consents that the Association, through its Member Services 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 Member Services Committee that he is actively engaged in the real estate profession, and maintains a current, valid real estate broker 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**, shall, prior to election to membership, satisfactorily complete a course of instruction entitled Orientation for New Members covering the Bylaws and policies of the Association, the Bylaws of the State Association, and the Constitution and Bylaws and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, shall pass such reasonable and nondiscriminatory written examination thereon as may be required by the Board of Directors, shall meet such additional reasonable and nondiscriminatory requirements as established in writing by the Directors from time to time, provided such requirements do not exceed the Membership Qualification Criteria of the NATIONAL ASSOCIATION OF REALTORS®, and shall agree that if elected to membership, he will abide by such Constitution, Bylaws, Rules and Regulations, and Code of Ethics. Any applicant who fails to pass this examination shall be entitled to two re-examinations within sixty (60) days to be administered not less than 30 days apart. An applicant for Designated REALTOR® or Branch Designated REALTOR® Membership shall, in addition to the above requirements, provide a copy of State of Tennessee firm license or that of state contiguous thereto, satisfactorily complete within one hundred eighty (180) days after election to membership as Designated REALTOR® or Branch Designated REALTOR® a course of instruction entitled Orientation for Designated REALTORS® covering the membership responsibilities specific to said membership, and shall pass such reasonable and nondiscriminatory written examination thereon as may be required by the Board of Directors***. Any Designated REALTOR® or Branch Designated REALTOR® Member applicant who fails to pass this examination shall be entitled to two re-examinations within sixty days to be administered not less than 30 days apart. If he does not

satisfactorily complete said course within one hundred eighty (180) days, his classification as Designated REALTOR® or Branch Designated REALTOR® will terminate automatically unless otherwise so directed by the Board of Directors.

(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 license or be licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, has no record of official sanctions involving unprofessional conduct*, shall satisfactorily complete a course of instruction entitled Orientation for New Members 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®, shall pass such reasonable and nondiscriminatory written examinations thereon as may be required by the Board of Directors, and meet such additional reasonable and nondiscriminatory requirements as established in writing by the Directors from time to time, provided such requirements do not exceed the Membership Qualification Criteria 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. Any applicant who fails to pass this examination shall be entitled to two re-examinations within sixty (60) days to be administered not less than 30 days apart.

(c) An applicant for REALTOR-ASSOCIATE® Membership shall supply evidence to the Member Services Committee that he is actively engaged in the real estate profession and is employed by a REALTOR® or affiliated with a REALTOR® as an independent contractor, must maintain a current valid real estate broker or affiliate broker license or be licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, has no record of official sanctions involving unprofessional conduct*, shall satisfactorily complete a course of instruction entitled Orientation for New Members 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®, shall pass such reasonable and nondiscriminatory written examinations thereon as may be required by the Board of Directors, and meet such additional reasonable and nondiscriminatory requirements as established in writing by the Directors from time to time, provided such requirements do not exceed the Membership Qualification Criteria of the NATIONAL ASSOCIATION OF REALTORS®, and shall agree that if elected to membership, he will abide by such Constitution, Bylaws, Rules and Regulations, and Code of Ethics. Any applicant who fails to pass this examination shall be entitled to two re-examinations within sixty (60) days to be administered not less than 30 days apart.

(d) The Association will also consider the following in determining an applicant's qualifications for REALTOR® and REALTOR-ASSOCIATE® 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 association or association MLS.
6. Any misuse of the term REALTOR® or REALTORS® in the name of the applicant's firm.

(e) The Board of Directors may waive any qualification which the applicant has already fulfilled in accordance with the Association's Bylaws.

(f) The Directors may establish, and from time to time amend regulations for readmission to membership of REALTOR-ASSOCIATE® Members who cease to be associated with a firm having a REALTOR® Member in the Association and subsequently become again associated with such a firm.

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

(a) Applicants for REALTOR® and REALTOR-ASSOCIATE® membership shall be granted provisional membership immediately upon submission of a completed application form and remittance of applicable association dues and any application fee. Provisional members shall be considered REALTORS® or REALTOR-ASSOCIATES® and shall be subject to all of the same privileges and obligations of membership. Provisional membership is granted subject to subsequent review of the application by the Board of Directors. If the Board of Directors determines that the individual does not meet all of the qualifications for membership as established in the association's bylaws, or, if the individual does not satisfy all of the requirements of membership (for example, completion of a mandatory orientation program) within ninety (90) days from the association's receipt of their application, membership may, at the discretion of the Board of Directors, be terminated.

(b) Dues shall be computed from the date of application and shall be non-refundable unless the association's Board of Directors terminates the individual's membership in accordance with subsection (a) above. In such instances, dues shall be returned to the individual less a prorated amount to cover the number of days that the individual received association services and any application fee.

- (c) The Executive Vice President or duly authorized designee shall determine whether the provisional member is applying for the appropriate class of membership.
- (d) Thereafter, within ninety (90) days from the Member Services Committee meeting at which the application was first presented for consideration, the Member Services Committee shall report its recommendation to the Board of Directors in writing. If the recommendation is averse to the approval of the application, the reasons shall be specifically stated. If any member of the Member Services Committee submits a dissenting recommendation, it shall also be reported to the Board of Directors.
- (e) Within forty-five (45) days of receipt of the written recommendation of the Member Services Committee, 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.
- (f) If the board of directors determines that the individual does not meet all of the qualifications for membership as established in the association's Bylaws, or, if the individual does not satisfy all of the requirements of membership (for example, completion of a mandatory orientation program) within ninety (90) days from the association's receipt of their application, membership may, at the discretion of the board of directors, be terminated. In such instances, dues shall be returned to the individual less a prorated amount to cover the number of days that the individual received association services and any application fee. The board of directors shall vote on the applicant's eligibility for membership. If the applicant receives a majority vote of the board of directors, he/she shall be declared elected to membership and shall be advised by written notice.
- (g) The Board of Directors may not terminate any provisional membership without providing the applicant with advanced notice of the findings and recommendations of the Member Services 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 it or may electronically or mechanically record the proceedings.
- (h) If the Board of Directors determines that provisional membership should be terminated, it shall record its reasons with the Secretary-Treasurer. If the Board of Directors believes that termination of provisional membership 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 Association for a declaratory judgment by a court of competent jurisdiction of a final judgment declaring that the rejection violates no rights of the applicant.

- (i) The affirmative vote of majority of Directors present and voting shall be necessary for election to membership.

Section 4. New Member Code of Ethics Orientation. Applicants for Provisional Membership shall complete an orientation program on the Code of Ethics of not less than two hours and thirty minutes of instructional time. This requirement does not apply to applicants for Provisional Membership who have completed comparable orientation in another association, providing that REALTOR® or REALTOR-ASSOCIATE® Membership has been continuous, or that any break in membership is for one year or less. Failure to satisfy this requirement within ninety (90) days of the date that provisional membership was granted, will result in denial of the membership application or termination of provisional membership. *Note: Orientation programs must meet the learning objectives and minimum criteria established from time to time by the NATIONAL ASSOCIATION OF REALTORS®.*

Section 5. Continuing Member Code of Ethics Training. Effective January 1, 2019, through December 31, 2021, and for successive three-year periods thereafter, each REALTOR® and REALTOR-ASSOCIATE® Member of the association (with the exception of REALTORS® and REALTOR-ASSOCIATES® granted REALTOR® Emeritus Status by the National Association) shall be required to complete ethics training of not less than two hours and thirty 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® and REALTOR-ASSOCIATE® Members who have completed training as a requirement of membership in another association and REALTOR® and REALTOR-ASSOCIATE® Members who have completed the New Member Code of Ethics Orientation during any three-year cycle shall not be required to complete additional ethics training until a new three-year cycle commences.

Failure to satisfy this requirement shall be considered a violation of a membership duty for which REALTOR® and REALTOR-ASSOCIATE® Membership shall be suspended until such time that the training is completed.

Failure to meet the required periodic training 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 member who is still suspended as of that date will be automatically terminated.

Section 6. Status Changes.

(a) Every member shall be obligated to notify the Association in writing within thirty (30) days of any change that occurs in his business that involved change in status of members, change of business address, change of office or home telephone number or termination of associates or employees. In the case of transfers or changes of membership classifications, the actions required by the Tennessee Real Estate Commission shall be initiated prior to commencing any transfer on the records of the Association.

(b) A REALTOR® or REALTOR-ASSOCIATE® who is transferring his license from one firm to another firm shall be subject to all of the privileges and obligations of membership during the period of transition. If the transfer is not completed within thirty (30) days of the disaffiliation with the current firm, membership will terminate automatically unless otherwise so directed by the Board of Directors. In the case of a transfer due to the closing of the member's current firm, the transfer fee shall be waived for all members, except the Designated REALTOR® and the Branch Designated REALTOR(s)®, who transfer within thirty (30) days of the firm's closing or of the disaffiliation of the Designated REALTOR® and/or Branch Designated REALTOR(s)® from the firm, whichever shall first occur. In the case of a firm's being purchased and absorbed by another firm, transfer fees shall not be charged to those members who were affiliated with the firm being absorbed and who affiliate with the absorbing firm within the thirty (30) day period described in the preceding sentence. In the case of transfers due to elimination by a firm of all or substantially all of its REALTOR® and/or REALTOR-ASSOCIATE® Members at one time, transfer fees shall be waived for all REALTOR® and REALTOR-ASSOCIATE® Members who transfer within thirty (30) days of their elimination by the firm.

(c) REALTOR® and REALTOR-ASSOCIATE® Member local dues shall be prorated from the first day of the month in which the member is notified of election by the Board of Directors. Proration of dues of the National Association and Tennessee Association are governed by those associations.

Article VI - Privileges and Obligations

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

Section 2. It shall be the duty and responsibility of every REALTOR® and REALTORASSOCIATE® Member of the Association to abide by the Charter, Bylaws and Rules and Regulations of the Association, the Constitution and Bylaws of the State Association and the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS® and to abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, including the duty to arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics, and as further defined in

accordance with the procedures set forth in the Code of Ethics and Arbitration Manual of this Association as from time to time amended. Furthermore, if a REALTOR® or REALTOR-ASSOCIATE® Member does not comply with an arbitration award rendered by the Association, and it is necessary for any party to such arbitration to obtain judicial confirmation and enforcement of the arbitration award, such Member shall pay the party obtaining such confirmation and enforcement the costs and reasonable attorney's fees and expenses incurred in obtaining such confirmation and enforcement. Such costs and reasonable attorney's fees and expenses shall be determined by the court, and any failure to pay such costs and reasonable attorney's fees and expenses shall not be the basis for any sanction by MAAR.

Section 3. Except as otherwise stated in this section there shall be one Designated REALTOR® Member designated for each real estate organization whose principal or principals are REALTOR®, REALTOR-ASSOCIATE®, or Institute Affiliate Members, to serve as the principal representative of such firm in all matters pertaining to the Association, including submitting membership applications and paying membership dues for employees of or independent contractors associated with his firm, responding to complaints against REALTOR® and REALTOR-ASSOCIATE® Members employed by or associated with his firm and submitting to arbitration pursuant to Article 17 of the Code of Ethics. The Designated REALTOR® Member may designate an alternate REALTOR® Member in writing to the Association to also perform these duties. In the case of a firm with more than one office, the Designated REALTOR® Member may designate in writing a Branch Designated REALTOR® Member for each office, who shall be located at the office for which he is designated, and whose duties shall be the same as those of the Designated REALTOR® Member, except that they shall be limited to a particular office, including all licensees located there. Only principals, partners, officers and branch office managers shall be eligible to serve as Branch Designated REALTOR® Member. However, the obligation of the Branch Designated REALTOR® Member to perform such duties as submitting to arbitration and participating in professional standards proceedings does not absolve the Designated REALTOR® Member of the firm from such obligations. Every other partner, officer, managing agent, trustee or other principal, provided he is eligible therefore, shall also be a REALTOR®, REALTORASSOCIATE®, or Institute Affiliate Member. All other individuals employed by or associated with a real estate organization, but not as a principal, partner, corporate officer or branch officer manager shall be designated as REALTOR® Members, REALTORASSOCIATE® Members, Institute Affiliate Members, or non-members.

Section 4. Every REALTOR® Member, whether primary or secondary, whose financial obligations to the Association are paid in full shall be entitled to vote and to hold elective office and shall be eligible for appropriate committee appointments.

Section 5. Only REALTOR® Members may use the term "REALTOR®" or "REALTORS®", which use shall be subject to the provisions of Article VIII of these Bylaws.

Section 6. REALTOR® Members have the primary responsibility to safeguard and promote the standards, interest and welfare of the Association and the real estate profession.

Section 7. 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, except for those violations described in Article X, Section 7, which do not require such a hearing. Although Members other than REALTORS® and REALTOR-ASSOCIATES® are not subject to the Code of Ethics or its enforcement by the Association, such Members are encouraged to abide by the principles established in the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and conduct their business and professional practices accordingly. Further, Members other than REALTORS® and REALTOR-ASSOCIATES® may, upon recommendation of the Member Services 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®, REALTORS®, or REALTOR-ASSOCIATE® and the real estate industry, or for conduct that is inconsistent with or adverse to the objectives and purposes of the Association, the State Association, and the NATIONAL ASSOCIATION OF REALTORS®.

Section 8. Any REALTOR® or REALTOR-ASSOCIATE® 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 9. A REALTOR® Member shall not use any form of media advertising designating any individual in his employ or association to hold himself out as a “REALTOR®” or “REALTOR-ASSOCIATE®” unless and until such individual has actually been elected to membership as outlined in Article V Section 3.

Section 10. If a Designated REALTOR® Member or REALTOR® Member who has ownership interest in a firm, partnership, corporation, or limited liability company is suspended or expelled, or resigns after being notified of an impending suspension or expulsion, the firm, partnership, corporation, or limited liability company shall not use the term “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, corporation, or limited liability company is severed, whichever may apply. Further, the membership of REALTOR® Members 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, corporation, or limited liability company is severed, whichever may apply. If a REALTOR® Member who is other than the Designated REALTOR® Member or REALTOR® Member who has ownership interest in a firm, partnership, corporation, or limited liability company is suspended or expelled, the use of the terms “REALTOR®” or “REALTORS®” by the firm, partnership, corporation, or limited liability company shall not be affected. In any action taken against a Designated REALTOR® Member for suspension or expulsion under this section, notice of such action shall be given to all REALTOR® Members and/or REALTOR-ASSOCIATE® Members employed by or affiliated as independent contractors with such REALTOR® Member and they shall be advised that the provision in the Article shall apply.

Section 11. From time to time and as the need arises, the Board of Directors may require that all REALTOR® and REALTOR-ASSOCIATE® Members, other than REALTOR® Emeritus and Franchise REALTOR® Members, as a condition of continued membership in the Association, complete education programs approved by the Association for satisfaction of this requirement and comprised of no more than six cumulative hours of instruction every two years on antitrust, fair housing, or other issues that may create legal vulnerability to the Association and/or its membership. Dates and times for programs will be determined by the Board of Directors. Association Members will be notified at least 30 days in advance of the scheduled program. Failure to satisfy this requirement may result in suspension or expulsion at the discretion of the Board of Directors. Members who have been suspended or expelled for failure to satisfy this requirement may be reinstated in good standing by completing the required programs or other comparable programs as approved by the Board of Directors within one year of the effective date of suspension or expulsion.

Section 12. Certification by Designated REALTOR® Member. Upon request, each Designated REALTOR® Member of the Association shall certify to the Association prior to the 15th day of October, on a form provided by the Association, a complete listing of all individuals licensed, certified, or otherwise associated with the Designated REALTOR® Member shall identify the office location of each individual, and shall designate a primary association for each individual who holds membership. The Designated REALTOR® member shall notify the Association of any nonmember licensees in his office(s) and if a Designated REALTOR® Member dues have been paid to another association based on said nonmember licensees, the Designated REALTOR® Member shall identify the association to which the dues have been remitted. The Designated REALTOR® Member shall notify the Association of any additional individual(s)

licensed or certified with the firm(s) or of any severance of affiliation with the firm(s) by a licensee within thirty (30) days of the date of affiliation or severance of the individual.

Section 13. REALTOR-ASSOCIATE® Members shall have all the rights and privileges of the Association, including eligibility for appointment to appropriate committees, except that they shall not have the right to vote, or to use the term “REALTOR®” or “REALTORS®”, or to hold elective office in the association except as prescribed in Article VII in connection with Associate Director.

Section 14. REALTOR-ASSOCIATE® Members, whose financial obligations to the Association are paid in full, may use the term “REALTOR-ASSOCIATE®”, subject to the provisions of the Article VIII of these Bylaws.

Section 15. REALTOR-ASSOCIATE® Members shall promote the interests and welfare of the Association and the real estate profession and shall maintain and promote the same high standards of ethical conduct in their real estate business as required of REALTOR® Members.

Section 16. The membership of a REALTOR-ASSOCIATE® Member shall suspend or terminate during the period of suspension or termination of a Designated REALTOR® Member of the firm, partnership, corporation, or limited liability company with which he is associated, or until readmission of the disciplined Designated REALTOR® Member or unless the connection of the disciplined member with the firm, partnership, corporation, or limited liability company is severed, or unless the REALTOR-ASSOCIATE® Member elects to sever his connection with the Designated REALTOR® Member and affiliate with another Designated REALTOR® Member in good standing in the Association, whichever may apply.

Section 17. Institute Affiliate Members. Institute Affiliate Members shall have such rights and privileges and be subject to such obligations as are prescribed by the Board of Directors in compliance 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®, REALTOR-ASSOCIATE®, 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 18. Other Memberships. All other members shall have the rights and privileges of the Association, except that they shall not have the right to vote, to use the term “REALTOR®”, “REALTORS®”, or “REALTOR-ASSOCIATE®”, to hold elective office in the Association, to access MAARDATA data, or to participate in the Multiple Listing Service of the Association. Such members may attend membership luncheons, education sessions, nomination luncheons, elections, and any social functions of the Association,

and participate in discussions at such meetings or events. Although members other than REALTOR® Members and REALTOR-ASSOCIATE® Members are not subject to the Code of Ethics nor its enforcement by the Association, such members are encouraged to abide by the principles established in the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and conduct their business and professional practices accordingly. Further, members other than REALTOR® Members and REALTOR-ASSOCIATE® Members, may, upon recommendation of the Member Services 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 non-discriminatory basis, reflects adversely on the term “REALTOR®”, “REALTORS®”, or “REALTOR-ASSOCIATE®” and the real estate industry, or for conduct that is inconsistent with or adverse to the objectives and purposes of the Association, the State Association and the NATIONAL ASSOCIATION OF REALTORS®.

Section 19. Every resignation from membership shall be in writing in such form as may be prescribed from time to time by the Directors. The resignation of a member shall become effective only when accepted by the Directors. However, if the member submitting the resignation is indebted to the Association for dues, fees, fines or other assessments of the Association or of 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. Further, if a member resigns from the Association or otherwise causes membership to terminate with an ethics complaint pending the complaint shall be processed until the decision of the association with respect to disposition of the complaint is final by this association (if respondent does not hold membership in any other association) or by any other association in which the respondent continues to hold membership. If an ethics respondent resigns or otherwise causes membership in all Boards to terminate before an ethics complaint is filed alleging unethical conduct occurred while the respondent was a REALTOR®, the complaint, once filed, shall be processed until the decision of the association with respect to disposition of the complaint is final. In any instance where an ethics hearing is held subsequent to an ethic respondent’s resignation or membership termination, any discipline ratified by the Board of Directors shall be held in abeyance until such time as the respondent rejoins an association of REALTORS®.

(a) If a member resigns or otherwise causes membership to terminate, the duty to submit to arbitration continues in effect even after membership lapses or is terminated, provided that the dispute arose while the former member was a REALTOR®.

Section 20. Upon death of any member and receipt of a request from the deceased member’s family, local association dues shall be refunded in a monthly prorated amount based on the date of death.

Section 21. Following resignation or other termination of a member, he shall be eligible, upon submitting application in accordance with Article V, Section 1 within six (6) months) from the effective date of his resignation, for readmission or reinstatement to the same class of membership from which he resigned, without being required to reestablish the educational requirements set forth in Section 2 of Article V. Such an application shall require the former member be elected to membership in accordance with Article V, except that: he shall not be required to pay an application fee but shall be required to pay the duly established reinstatement fee and all back dues and other outstanding charges, and, if seeking membership with a different firm, a transfer fee. The applicant may be granted temporary approval and membership rights, pending final election to membership, at the discretion of the Association's Executive Vice President, provided the following conditions are met: (1) proof of continued active status or reactivation of Tennessee Real Estate license or a license from a state contiguous thereto; (2) completion of membership application; and (3) payment of reinstatement fee, all back dues and other outstanding charges and (if applicable) transfer fee. If a resigned member fails to reapply for membership within six (6) months) from the effective date of his resignation he may thereafter be readmitted to membership only in accordance with all requirements of these Bylaws as if he were a new applicant.

Section 22. Upon the resignation or death of a Designated REALTOR® or a Branch Designated REALTOR®, all members affiliated with such Designated REALTOR® or Branch Designated REALTOR® shall be suspended until the application for a new Designated REALTOR® or Branch Designated REALTOR® has been submitted as described in Article V, Section 2 (a) and determined by the Association's Executive Vice President to be in order. If a completed application for a new Designated REALTOR® or Branch Designated REALTOR® is not submitted and determined by the Association's Executive Vice President to be in order within thirty (30) days of such suspension, the membership of all members affiliated with the Designated REALTOR® or Branch Designated REALTOR® shall be terminated.

Section 23. Harassment. Any member of the Association may be reprimanded, placed on probation, suspended or expelled for harassment of an Association employee, MLS employee, Association Officer or Association Director. Any such sanction would be imposed after the Association has conducted an investigation in accordance with the procedures of the Association. As used in this Section, harassment means any verbal or physical conduct including threatening or obscene language, unwelcome sexual advances, stalking, actions including strikes, shoves, kicks, or other similar physical contact, or threats to do the same, or any other conduct with the purpose or effect of unreasonably interfering with an individual's work performance by creating a hostile, intimidating or offensive work environment. The decision of the appropriate disciplinary action to be taken shall be made by the investigatory team comprised of the President, and President-elect and/or Vice President and one member of the Board of Directors selected by the highest-ranking officer not named in the complaint, upon consultation with legal counsel for the association. Disciplinary action may include any sanction

authorized in the Association's *Code of Ethics and Arbitration Manual*. If the complaint names the President, President-Elect or Vice President, they may not participate in the proceedings and shall be replaced by the Immediate Past President or, alternatively, by another member of the Board of Directors selected by the highest-ranking officer not named in the complaint.

Article VII - Professional Standards and Arbitration

Section 1. The responsibility of the Association and of Association Members relating to the enforcement of the Code of Ethics, the disciplining of members and the arbitration of disputes and the organization and procedures incident thereto shall be governed by the Code of Ethics and Arbitration Manual of the Association, as from time to time amended, which by this reference is made a part of these Bylaws.

Section 2. It shall be the duty and responsibility of every REALTOR® and REALTOR-ASSOCIATE® Member of the Association to abide by the Charter, Bylaws and Rules and Regulations of the Association, the Constitution and Bylaws of the State Association and the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS®, including the duty to arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics, and as further defined in accordance with the procedures set forth in the Code of Ethics and Arbitration Manual of this Association as from time to time amended.

Section 3. The responsibility of the Association and of Association Members relating to the enforcement of the Code of Ethics, the disciplining of Members, the arbitration of disputes, and the organization and procedures incident thereto, shall be consistent with the cooperative professional standards enforcement agreement entered into by the Association, which by this reference is made a part of these Bylaws.

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

Section 1. Use of the Term "REALTOR®", "REALTORS®", and "REALTORASSOCIATE®" 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 term 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 term “REALTOR” or “REALTORS” in connection with their places of business within the state or a state contiguous thereto so long as they remain REALTOR® Members in good standing. No other class of members shall have this privilege.

Section 3. 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 of a state contiguous thereto are REALTOR® or REALTORASSOCIATE® Members, or are Institute Affiliate Members as described in Section 1 (c) of Article IV.

(a) In the case of a REALTOR® or REALTOR-ASSOCIATE® Member who is a principal of a real estate firm, partnership, or corporation, whose business activity is substantially all commercial, the right to use the terms REALTOR®, REALTORS®, or REALTOR-ASSOCIATE® shall be limited to office locations in which a principal, partner, corporate officer, or branch office manager of the firm, partnership, corporation holds REALTOR® or REALTOR-ASSOCIATE® 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® or REALTORASSOCIATE® Membership, the term REALTOR®, REALTORS®, or REALTOR-ASSOCIATE® may not be used in any reference to those additional places of business.

Section 4. REALTOR-ASSOCIATE® Members of the Association shall have the right to use the term “REALTOR-ASSOCIATE®” so long as they remain REALTOR-ASSOCIATE® Members in good standing and the REALTOR® Member with whom they are associated as independent contractors or by whom they are employed is also a REALTOR® Member in good standing.

Section 5. Institute Affiliate Members shall not use the term “REALTOR®”, “REALTORS®”, or “REALTOR-ASSOCIATE®” nor the imprint of the emblem seal of the NATIONAL ASSOCIATION OF REALTORS®.

Article IX - State and National Memberships

Section 1. NATIONAL ASSOCIATION OF REALTORS® and Tennessee Association REALTORS®. The Association shall be a member of the NATIONAL ASSOCIATION OF REALTORS® and of the Tennessee REALTORS®. By virtue of such membership, each REALTOR® and REALTOR-ASSOCIATE® Member of the Association shall be entitled, without payment, to membership in the National Association of REALTORS® and the Tennessee REALTORS®. The Association shall continue as a member of the State and National Associations, unless by a majority vote of all its REALTOR® Members, a decision is made to withdraw, in which case the State

and National Associations shall be notified at least one month in advance of the date designed for the termination of such membership.

Section 2. Trademark. The Association recognizes the exclusive property right of the NATIONAL ASSOCIATION OF REALTORS® in the terms “REALTORS®”, and “REALTORASSOCIATE®.” It shall forthwith 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 Directors of the National Association that it has violated the conditions imposed upon the terms.

Section 3. Adoption of the Code of Ethics. The Association adopts the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and agrees to enforce the Code among its REALTOR® and REALTOR-ASSOCIATE® Members. The Association and all of its members agree to abide by the Constitution, Bylaws, Rules and Regulations, and policies of the NATIONAL ASSOCIATION OF REALTORS® and the Tennessee REALTORS®.

Article X - Dues and Assessments

Section 1. Any fees for membership in the Association or its Multiple Listing Service shall be in direct relationship to the cost of providing and maintaining the services of the Association and providing necessary and reasonable operational reserves.

Section 2. Application fees and dues shall be as set forth in Appendix A - Schedule of Fees and Dues which may be amended from time to time in the same manner hereinafter provided for other amendments to these Bylaws.

Section 3. Application fees shall be established for all classifications of membership except Honorary, REALTOR® Member (retired) and REALTOR-ASSOCIATE® Member (retired). Such fees shall not exceed three (3) times the amount of annual dues for each classification of membership.

Section 4. Dues are payable, in advance, depending on the classification of membership, as set forth in the Schedule of Fees and Dues. Annual dues are due and payable on the fifteenth of December preceding the calendar year for which services will be rendered. After January 15 of the calendar year in which services are rendered, no refund or proration of dues will be made by reason of resignation or other termination of membership, except as provided in Article VI, Section 20 of these Bylaws.

(a) The annual dues of each Designated REALTOR® Member shall be in such amount as set forth in the Schedule of Fees and Dues, plus the same amount times the number of non-member licensees and licensed or certified appraisers who (1) are employed by or affiliated as independent contractors, or who are otherwise directly or indirectly licensed or affiliated with, such Designated REALTOR® Member or his firm(s) and (2) are not REALTOR®, REALTOR-ASSOCIATE® or Institute Affiliate Members of any local

REALTOR® Association in the state or a state contiguous thereto; provided, however, that if two or more REALTOR® Members are principals of the same firm, partnership or corporation, then only that REALTOR® Member designated from time to time in writing by the firm, partnership or corporation shall be required to pay that portion of the dues which is computed on the basis of the non-member licensees employed by or affiliated as independent contractors, or who are otherwise directly or indirectly licensed with such REALTOR® Member or firm, partnership or corporation, and the dues of the remaining REALTOR® Members who are principals of such firm, partnership or corporation shall be such base amount as set forth in the Schedule of Fees and Dues. In calculating the dues payable to the Association by a Designated REALTOR® member, non-member licensees shall not be included in the computation of dues if the Designated REALTOR®

Member has paid dues based on said non-member licensees in another association of REALTORS® in the state or a state contiguous thereto, provided the Designated REALTOR® Member notifies the Association in writing of the identity of the association to which dues have been remitted. In the event a licensee or licensed or certified appraiser who holds REALTOR® or REALTOR-ASSOCIATE® membership is dropped for non-payment of Association dues, and the licensee remains with the firm, the dues obligation of the Designated REALTOR® Member will be increased to reflect the addition of a non-member licensee. 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 the Association.

(1) In addition to the Designated REALTOR® Member every Branch Designated REALTOR® Member is also responsible for the payment of dues for his office.

(2) An individual shall be deemed to be licensed or affiliated with a Designated REALTOR® Member if the license of the individual is held by the Designated REALTOR® Member, or by any broker who is licensed with the Designated REALTOR® Member, or by an entity in which the Designated REALTOR® Member has a direct or indirect ownership interest and which is engaged in any other aspect of the real estate business (except as provided for in Section 4 (a) (3) of this Article), provided that such licensee is not otherwise included in the computation of dues payable by the principal, partner or corporate officer of the entity.

(3) 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®. 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® or REALTOR-ASSOCIATE® membership in the association. However, membership dues shall not be prorated if the licensee held REALTOR® or REALTOR-ASSOCIATE® membership during the preceding calendar year.

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

- (4) The Designated REALTOR® Member shall notify the Association in writing within 30 days of affiliation the names of all licensees who are not REALTOR®, REALTOR-ASSOCIATE®, or Institute Affiliate Members of the Association, who affiliate with said Designated REALTOR® Member, and a prorated amount of annual dues as set forth in the Schedule of Fees and Dues shall be paid by the Designated REALTOR® Member based on the number of newly affiliated nonmember licensees. If written notification is not made within 30 days, the Designated REALTOR Member® shall be fined \$50.00 per non-reported licensee. If the prorated amount of dues is not paid within two months of the date of affiliation, the Designated REALTOR® Member is subject to suspension or expulsion from membership at the discretion of the Board of Directors. Payment of dues based on the new licensees for the year after affiliation shall be according to the same schedule and provisions defined in Section 7.
- (b) Dues may be increased by like amount on approval of the Directors without membership vote or approval if the amount of dues the Association is required to remit to the State Association and the National Association is increased. The Directors shall also have the authority to decrease the dues or to subsidize increases of dues imposed on the Association by the State and National Associations.
- (c) 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.
- (d) REALTOR® -Emeritus membership confers an honor upon those who qualify and provides a waiver of any further dues obligation. However, a REALTOR® -Emeritus is liable to pay that portion of the annual membership dues which is computed on the basis of the number of sales employees and/or independent contractors who are employed or affiliated with the REALTOR® -Emeritus, provided he is a Designated

REALTOR® Member of the Association, and such sales employees and/or independent contractors are not REALTOR® or REALTOR-ASSOCIATE® Members. The waiver of dues is effective from the beginning of the quarter in which approval of the designation for an individual is granted by the Board of Directors of the National Association.

(e) 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: The Institutes, Societies, and Councils of the NATIONAL ASSOCIATION shall be responsible for collecting and remitting dues to the NATIONAL ASSOCIATION for Institute Affiliate Members. The NATIONAL ASSOCIATION shall credit \$25.00 to the account of a local association for each (\$105) Institute Affiliate Member whose office address is within the assigned territorial jurisdiction of that association, provided, however, if the office location address is also within the assigned 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 association. The NATIONAL ASSOCIATION shall also credit \$35.00 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.

Section 5. Other charges may be established by the Directors from time to time and promulgated to the membership by separate directive to defray the costs of identifiable administrative procedures.

Section 6. Any member in good standing who has discontinued his real estate business for entry into the Armed Forces of the United States or of any ally, during time of national emergency, shall have his dues suspended until ninety (90) days after he reestablishes his Association membership. During his time in said service in the Armed Forces and up until he re-establishes his Association membership, privileges of membership shall also be suspended, and the name of such member shall be omitted from the roster of the Association.

Section 7. The due date of annual membership dues is December 15 of the previous calendar year, and membership of those who do not pay their dues before January 1 shall be suspended. If the suspended member remits dues on or before January 7, membership will be reactivated with no further penalty. If the suspended member remits dues after January 7, a \$100 reactivation will be required before membership will be reactivated. If any member within a firm has not paid his or her dues and/or assessments, as defined in Article X, Section 4 of these Bylaws, on or before January 15, but thereafter remains with the firm, such member shall be reclassified as a non-member salesperson within that firm, the dues of the Designated REALTOR® shall be

increased accordingly, and the Designated REALTOR® shall pay for any unpaid assessments of the non-member salesperson. 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, who may make such confirmation without a hearing as described in Article VI, Sections 7 and 8. Moreover, the Board of Directors may also determine a member to be in violation of Article IV, Section 1 without a hearing as described in Article VI, Sections 7 and 8.

(a) The due date of MLS fees, charges and dues, as well as the sanctions for untimely payment, are governed by the Multiple Listing Service Rules and Regulations.

(b) The due date of charges for Association services, exclusive of Multiple Listing Service, shall be established by the Budget and Finance Committee. If fees, fines, charges, late fees or assessments for any Association services are not paid within one month of due date, the non-paying Member or salesperson responsible for said payment shall be suspended from said service; and if not paid within two months of due date, the non-paying Member is subject to suspension or expulsion from membership at the discretion of the Board of Directors. A Member who is suspended or expelled from membership for an outstanding balance, or a salesperson who has an outstanding balance for any service over two months past due, shall also be suspended or expelled from Multiple Listing Service.

(c) A former Member who has had his membership terminated for non-payment of dues, fees, fines, charges, late fees, or assessments duly levied in accordance with the provisions of these Bylaws or the provisions of other rules and regulations of the Association or any of its services, departments, or divisions may apply for reinstatement in a manner prescribed for new applicants for membership after making payments in full of all of his outstanding dues, fees, fines, charges, late fees, and assessments, including Multiple Listing Service fees, charges, and dues.

Section 8. All dues, fees, fines, assessments, or other financial obligations to the Association or MLS shall be forwarded to the delinquent Association Member in writing setting forth the amount owed and due date.

Article XI - Officers and Directors

Section 1. Board of Directors. The governing body of the Association shall be a Board of Directors consisting of four (4) elective officers, and nine members elected for a term of two calendar years whose election is provided for in Section 18 of Article XI for a total of thirteen Directors, eleven of whom shall be REALTOR® Members and two of whom shall be REALTOR-ASSOCIATE® Members or REALTOR® Members who have no ownership interest in the real estate firm and who have a minimum of three years consecutive membership in the Association prior to the date of election, subject to the provisions of Article XI, Section 4. The Officers and Directors shall not serve two

consecutive elected terms; however, this shall not apply to an outgoing Director who is elected to President-elect. The Board of Directors is referred to in these Bylaws as “the Directors”.

Section 2. Officers. The elective and voting Officers of the Association shall be a President, a President-elect, a Vice President, and a Secretary-Treasurer. Only REALTOR® Members shall be eligible to hold any elective officer position.

Section 3. President-elect. There shall be a President-elect, elected in the same manner and at the same time as the President for a term of one calendar year beginning on the January 1 following election. He shall be a member of the Board of Directors, with the right to vote during this time. It is intended that the President-elect will ascend to the Presidency on January 1 following the year as President-elect, subject to approval by majority vote at the meeting described in Section 18(i) of Article XI.

Section 4. Vice President. During the period August 15 to October 15 the REALTOR® Members shall elect a candidate to the office of Vice President, who serves his first year of the two-year term as a Director and his second year as Vice President.

Section 5. REALTOR-ASSOCIATE® Director. There shall be two REALTOR-ASSOCIATE® Directors on the Board of Directors, with voting privileges, elected by the voting membership and REALTOR-ASSOCIATE® Members, to serve a term of two calendar years. Only REALTOR-ASSOCIATE® Members and REALTOR® Members who have no ownership interest in the real estate firm are eligible to serve as REALTORASSOCIATE® Directors.

Section 6. Secretary-Treasurer. There shall be a Secretary-Treasurer, elected at the same time as the President-elect, for a term of one calendar year beginning on January 1 following election.

Section 7. Executive Vice President. There shall be an Executive Vice President, appointed by the Directors, who shall be the Chief Executive Officer of the Association. He may hire additional staff members, subject to the approval of the Directors, and shall have supervisory authority over the entire staff and perform such other duties as may be delegated to him by the Directors or the President, as well as other duties usual to such office. He shall serve, ex-officio, as a member of the Directors, without the right to vote.

Section 7. Compensation. No elective Officer or Director will receive any compensation for his services as such.

Section 8. General Powers and Duties of the Board of Directors. In addition to the powers and duties of the Directors provided elsewhere in these Bylaws, they shall have

power to remove, suspend or appoint in case of removal, an officer or agent of the Association; to suspend or remove any Director for cause by unanimous vote of the other Directors; to fill vacancies in their own number caused by death, resignation or removal, by appointing a member to fill the vacancy until the next annual Association election; to install and maintain a Multiple Listing Service as provided for in Article XVIII of these Bylaws; and generally to regulate the business and affairs of the Association.

Section 9. Meetings of Directors.

(a) Regular Monthly Meetings. The Directors shall designate the time and place for regular monthly meetings of the Directors and no notice of such meetings shall be required other than the resolution designating the time and place therefore.

(b) Special Meetings. Special meetings of the Directors may be called by the President at any time on at least five- (5) days written notice. Said notice may be electronically submitted, where permitted by state law.

(c) Quorum. Eight (8) of the Directors shall constitute a quorum for the transaction of business. The vote of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Directors unless the vote of a greater number is required by law, the Charter or these Bylaws.

(d) Compulsory Attendance. If a Director fails to attend three (3) meetings of the Directors in any given year of his term, he shall be removed from office as a Director, unless he has a medical excuse found to be acceptable by majority vote of all other Directors.

Section 10. Duties of Officers.

(a) President. The President shall preside at all meetings of the members and the Directors and shall have general charge of the affairs and business of the Association, subject to the control of the Directors.

(b) President-elect. The President-elect will attend all meetings of the members and the Directors in order to become familiar with the full scope of the Association's operations. In the absence, refusal or inability of the President to act, the President-elect shall perform the duties of the President. He will be a Director in Tennessee REALTORS® and every effort to qualify as a committee member of the NATIONAL ASSOCIATION OF REALTORS® is anticipated.

(c) Vice President. In the absence, refusal or inability of the President or President-elect to act, the Vice President shall perform the duties of the President. If for any cause the Vice President shall be unable to act, the Directors shall have the power to appoint

one of their number as acting President, who shall serve until the President, President-elect, or Vice President shall be in a position to resume the duties of this office.

(d) Secretary-Treasurer. The Secretary-Treasurer shall cause minutes to be kept of all meetings of members and all meetings of Directors. He shall have the power to endorse for deposit all checks payable to the Association and shall cause same to be deposited in the name and to the credit of the Association in such depository as the Directors shall from time to time designate. He shall supervise the keeping of financial records of the Association and shall submit financial reports at each meeting of the Directors and at such other time as required by the Directors.

Section 11. Executive Committee. The executive committee consists of the President, the President-elect, the Vice President, and the Secretary-Treasurer and shall have such authority as the Directors deem desirable except as otherwise provided by law.

Section 12. Attorneys. The Directors shall have the power to appoint an attorney or firm of attorneys who shall pass upon questions proper and relevant to the common welfare and interest of the Association and its members, confined to their keeping such questions and service shall be under the auspices and directions of the Directors, and in no case shall questions be propounded or services requested except with approval of a majority of Directors.

Section 13. All monies received by the Association for any purposes shall be deposited to the credit of the Association in a financial institution or institutions as selected by resolution of the Directors. All checks drawn upon the funds of the Association shall bear the signature of two designated Directors, or any one designated Director and the Executive Vice President, or any other two persons as may be designated by the resolution of the Directors.

Section 14. Limitation and Indebtedness.

(a) An Officer or Director may not incur any debts obligating the Association without the consent of the Directors.

(b) It shall require approval of two-thirds of the Directors to authorize the expenditure in any one calendar year of any sum up to 20% of the amount collected in dues from the membership during the preceding calendar year on civic, patriotic, or public relations programs or projects. Any combined expenditure for the aforementioned programs or projects during a calendar year over and above said twenty percent (20%), shall require approval by a majority vote of all the REALTOR® Members present and voting and entitled to vote.

(c) The Issues Mobilization Fund of the Association shall not be considered to be a program or project described in Subsection (b) above, and the limitations set forth in

said subsection shall not apply to said fund, which may receive contributions from the Association, as well as from individual Members, affiliate chapters, and others who support the real estate industry. It shall require approval of two-thirds (2/3) of the Directors to authorize an Issues Mobilization Fund expenditure in any one calendar year of any sum up to twenty percent (20%) of the amount collected in dues from the membership during the preceding calendar year. Any combined Issues Mobilization Fund expenditure during a calendar year over and above the said twenty percent (20%), shall require approval by a majority vote of all the REALTOR® Members present and voting and entitled to vote. Expenditures from the Issues Mobilization Fund: (i) shall be for the purposes of supporting or opposing local, state, and federal issues that impact real property and real property owners, encouraging REALTORS® and others to take a more active and effective role in governmental decision-making and the legislative process, supporting lobbying and education efforts related thereto, and achieving other, similar objectives approved by the Directors; and (ii) must be approved by both the Governmental Affairs Committee and the Directors; provided, however, that the Directors shall have the discretion to increase or decrease by up to twenty percent (20%) the amount of any expenditure approved by said committee.

(d) If for any reason the current receipts of the Association are insufficient to meet expenses, it shall be the duty of the Directors to curtail expenses. No money shall be borrowed for any purpose whatsoever without the unanimous approval of the Directors.

(e) (e) No Association funds shall be lent or advanced to any Director, Member, employee, or other individual or entity except for duly authorized purposes of the Association.

Section 15. The Budget and Finance Committee shall prepare and present the proposed annual budget to the Directors as early as possible during each calendar year. The decision to approve, alter, change, reject, or adopt the budget shall rest solely with the Directors.

Section 16. The Association shall maintain insurance to protect the Association's assets in the case of dishonesty and/or fraud by Officers, Directors and/or employees. Additionally, the Association shall maintain Professional Liability Insurance to protect Officers and Directors when acting in their capacity as such. Said insurance shall be with a company approved by the Directors and for a sum to be determined by the Directors.

Section 17. The Association's books shall be audited annually by an independent accounting firm selected by the Directors.

Section 18. Election of Officers and Directors

(a) Election.

- (1) During the period August 15 to October 15 the REALTOR® Members shall elect a candidate to the office of Vice President, who serves his first year of the two-year term as a Director and his second year as Vice President. The President and Secretary-Treasurer are elected according to this Article XI, Section 18 (i) and (j). In addition, the following Directors shall be elected by the REALTOR® Members; three (3) Directors if the term of office is to commence in an odd number year; two (2) Directors if an even number year. Each year one (1) Director who shall be known as a REALTOR-ASSOCIATE® Director shall be elected by the REALTOR® Members and the REALTOR-ASSOCIATE® Members. Also, each year one (1) Commercial Council Director shall be appointed pursuant to part five (5) of Section 18 (b) of Article XI.
- (2) Should the election of an additional Director be required because of a vacancy that was filled by appointment under Article XI, Section 8, the term of office shall be for one year.
- (3) The date, time and place of the election shall be fixed by the Directors. Written notice of the election naming the candidates shall be mailed to all members at least ten (10) days prior to the election date. Said notice may be electronically submitted, where permitted by state law.

(b) Nominating Committee. At least two (2) months before the annual election, a Nominating Committee consisting of seven (7) members, six (6) of whom shall be REALTOR® Members and one (1) of whom shall be a REALTOR-ASSOCIATE® Member, shall be appointed by the Directors as follows:

- (1) Five (5) of the seven- (7) appointments shall be past presidents, officers or directors, or committee chairmen whose terms expire during the current calendar year or whose terms expired during the immediate past ten (10) years.
- (2) The President shall appoint a chairman among the committee members. By his acceptance of appointment to the committee, each member shall declare himself, and he shall be, ineligible for candidacy for the immediate election of Association Officers and Directors, including the position of President-elect.
- (3) The Nominating Committee shall meet in the Association Office at a time approved by the Directors; not less than two (2) weeks prior to the date of the election, for the purpose of making the nominations. Written notice of this meeting shall be given to all members at least one (1) week prior thereto, requesting that members submit, orally or in writing, suggested

names of candidates for office. Said notice may be electronically submitted, where permitted by state law.

- (4) The Nominating Committee shall select two (2) candidates for each position of Director to be filled excluding the position of MAAR Commercial Council Director as described in part five (5) of Section 18 (b) of Article XI. The Nominating Committee shall strive to nominate a balanced representation of the membership. All candidates shall give their consent in writing.
- (5) On or before each June 1, the MAAR Commercial Council Nominating Committee shall provide to the Nominating Committee the name of a MAAR Commercial Council member (“MAAR Commercial Council Director”), who has been appointed by the MAAR Commercial Council to serve as a MAAR Director for the next two calendar years. Said Commercial Council Director shall be treated the same as though elected by REALTOR® Members at the next election of Directors held in accordance with Article XI, Section 18(a). In order to be appointed, a MAAR Commercial Council Director shall first be approved by the MAAR Commercial Council membership in accordance with the MAAR Commercial Council Bylaws and shall satisfy the same qualifications, shall have the same term of office, and upon assuming office, shall be subject to the same requirements and limitations as a Director other than a REALTOR-ASSOCIATE® Director. Any vacancy in the position of MAAR Commercial Council Director caused by death, resignation, or removal shall be filled by the Directors, with the replacement Director being a qualified MAAR Commercial Council member.

(c) Conduct of Election. At least one (1) month prior to the date of the election, the President shall appoint an Election Inspector and as many assistant inspectors as the President deems advisable, with sole authority and responsibility for supervising and conducting the election. The Election Inspector and each assistant shall be a REALTOR® Member except that there shall be two REALTOR-ASSOCIATE® Members appointed to assist in handling the voting procedures for the REALTORASSOCIATE® Director. No appointee may be an Officer, Director, candidate or member of the Nominating Committee. The final vote count and membership quorum will be validated by the Election Inspector and the results of the election shall be verified by him to the President in writing.

(d) REALTOR® Member Voting Procedure.

- (1) Each REALTOR® Member shall be entitled to one vote, which shall be cast by official secret ballot in person or in absentia by written instructions to the Election Inspector pursuant to the procedures described in subsection (d) (2) below, or without a meeting, by electronic means in conformity with the

procedure set forth in Article XII, Section 11 of these Bylaws. Voting by proxy for a candidate shall not be allowed.

- (2) Any REALTOR® Member may cast his ballot in absentia by written instructions to the Election Inspector, signed by the REALTOR® Member, stating specifically the candidates for whom he wishes to cast his vote and authorizing the Election Inspector to so mark his official ballot. A photocopy of the REALTOR® Member's valid Driver's License proving his signature or other form of photo identification with the member's signature and approved by the Election Inspector must accompany the written instructions to the Election Inspector. Absentee ballots received without accompanying photocopy of said license or identification will not be counted. The instructions and accompanying photocopy of said license or identification must be mailed or delivered by the REALTOR® Member directly to the Election Inspector in the Association office and must be received in the Association office prior to the opening of the polls.
- (3) The candidates receiving the highest number of votes for each position shall be declared elected.
- (4) Under no circumstances can a candidate handle written instructions in connection with an election.

(e) REALTOR-ASSOCIATE® Member Voting Procedures.

- (1) Each REALTOR-ASSOCIATE® Member shall be entitled to one vote for the candidate for the office of REALTOR-ASSOCIATE® Director, which vote shall be cast by official secret ballot in person or in absentia by written instructions to the Election Inspector pursuant to the procedures described in subsection (e) (2) below, or without a meeting, by electronic means in conformity with the procedure set forth in Article XII, Section 11 of these Bylaws. REALTOR-ASSOCIATE® members may not vote by proxy.
- (2) Any REALTOR-ASSOCIATE® Member may cast his ballot in absentia by written instruction to the Election Inspector, signed by the REALTORASSOCIATE® Member, stating specifically the candidate for REALTORASSOCIATE® Director for whom he wishes to cast his vote and authorizing the Election Inspector to so mark his official ballot. A photocopy of the REALTOR-ASSOCIATE® Member's valid Driver's License proving his signature or another form of photo identification with the Member's signature and approved by the Election Inspector must accompany the written instructions to the Election Inspector. Absentee ballots received without accompanying photocopy of said license or identification will be handled as set forth in Section 18 (d) (2) of Article XI for REALTOR® Members.

- (3) The candidate for REALTOR-ASSOCIATE® Director receiving the highest number of votes shall be declared elected.
- (4) Under no circumstances can a REALTOR-ASSOCIATE® Director candidate handle written instructions in connection with an election.

(f) Disqualification of Vote.

- (1) Any member who is delinquent in payment of dues shall be disqualified to vote unless such dues are paid to the Secretary-Treasurer or the Executive Vice President at the time such vote is offered.
- (2) Any ballot that is marked for both candidates for any position will not be counted as a vote for either candidate.
- (3) Any written voting instructions not signed by the REALTOR® Member or REALTOR-ASSOCIATE® Member will be disqualified and not counted.

(g) Contests. Any dispute as to right of a member to vote, validity or effect of a ballot or written voting instructions, method of conducting the balloting, or method or results of the vote count, shall be decided by the Election Inspector, whose decision shall be final, conclusive and binding.

(h) Tie Vote. If any two candidates for the same office shall receive a tie vote, the President shall immediately choose one of the candidates by lot in the presence of all the members at the polling place and the candidate so chosen shall be declared elected.

(i) Election of President-Elect.

- (1) Prior to the Annual Meeting & Election, the Executive Vice President shall notify the membership of the date, time and location of two special meetings of all those persons who will be Directors of the Association for the following year, including the President-elect, and outgoing 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 Meeting & Election, their interest in serving as President-elect for the following calendar year. Said notice may be electronically submitted, where permitted by state law.
 - (a) The first of the two special meetings shall take place no sooner than five (5) days following the Annual Meeting & Election. Said meeting shall be for the purpose of discussing and/or interviewing candidates who shall have submitted in writing by the required deadline their

interest in serving as President-elect for the following calendar year and for electing a Secretary-Treasurer as described in Section (i) below.

(b) The second of the two special meetings shall take place no sooner than two (2) days following the first special meeting. Said meeting shall be for the purpose of approval of the present President-elect to become President as set forth in Section 3 of Article XI and for the purpose of election of the President-elect for the following calendar year; provided, however, that 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 year.

(c) At the first special meeting, two-thirds (2/3) of the Directors present and voting may decide to waive the requirement of the second special meeting and proceed immediately to the approval of the present President-elect to become President as set forth in Section 3 of Article XI and to elect the President-elect for the following calendar year in the manner described in (b) above.

- (2) Election of the President-elect for the following year shall be by majority vote of such persons present and voting in such meeting, a quorum of 70 per cent 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 and officially accept the President-elect position.
- (3) In the event of failure to elect a President-elect for the following calendar year, the Executive Vice President immediately shall notify the membership of the dates, time and location of another two (2) special meetings of all those persons who will be Directors of the Association for the following year, including the President-elect, and outgoing Directors. Said meetings shall take place according to the same timeframe and for the same purposes outlined in Section 18 of this Article.
- (4) The steps outlined in Section (3) above may be repeated as many times as the Directors deem necessary until a new President-elect is elected, provided that in the event of failure to elect a new President-elect by November 15, or following election, should it become necessary for the President-elect not to continue in that capacity, then the newly elected Vice President shall be designated President-elect.
- (5) The President-elect shall have served previously on the Board of Directors. Special consideration shall also be given to the following qualifications in selecting a President-elect: reputation in the real estate profession and the

community; experience and specialty designations for professionalism; past service as a Director, Officer, or committee chairman of the Association and effectiveness while serving in these positions; past leadership in the state and national real estate association or their affiliates; civic or religious leadership in the community; and willingness to serve. No individual who has been elected to serve on the Board of Directors for the coming 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 coming year.

- (6) If the President-elect is not approved to ascend to the Presidency, the electing body as defined in Section 18 (i.) (1) of Article XI shall remove the President-elect from office and shall appoint from without the incoming Board of Directors a President-elect who will ascend to the presidency on January 1.

(j) Election of Secretary-Treasurer.

- (1) At the meeting referred to in Section 18 (i.) (1) of Article XI a Secretary Treasurer shall be elected by those persons present who will be Directors of the Association for the following calendar year, including the President-elect for the following year, and by those persons present who are outgoing Directors.
- (2) A REALTOR® Member who will be a member of the Board of Directors for the upcoming year shall be eligible for nomination and election to the office of Secretary-Treasurer. No individual shall serve as Secretary-Treasurer for two consecutive years.

(k) Election of REALTOR-ASSOCIATE® Director. Election of the REALTORASSOCIATE® Director shall take place at the same time and place of the Annual Election Meeting and shall be the same as for the other elected Officers and Directors except that REALTOR-ASSOCIATES® may cast votes only for the candidates for this office.

Article XII- Meetings

Section 1. Annual Meetings. The annual meeting of the members of the Association shall be held at the time of the annual election provided for in Section 18 (a) of Article XI of these Bylaws.

Section 2. Special Meetings of the Membership. Special meetings of the members may be called by the President or the Directors and shall be called upon the written request of not less than twenty percent (20%) of the REALTOR® Members entitled to vote, which shall state the purpose of the meeting. Written notice shall be given to the members

not less than ten (10) days prior to the date of any special meeting stating the date, hour, place and purpose of such meeting and the person or persons calling the meeting. No business shall be transacted at any special meeting unless within the purpose of the meeting as stated in the written notice. Notices referenced in this section may be electronically submitted, where permitted by state law.

Section 3. Membership Meetings. At any scheduled membership meeting, with proper written notice to the membership, any business may be transacted with the unanimous consent of the REALTOR® Members present, providing a quorum is present, except that amendments to the Bylaws or the Rules and Regulations of the Multiple Listing Service may not be considered. Said notice may be electronically submitted, where permitted by state law.

Section 4. Quorum. Ten percent (10%) of the REALTOR® Members shall constitute a quorum for the transaction of business at any meeting of the members.

Section 5. Contests. Any dispute as to the right of a member to vote, validity or effect of a ballot, written voting instruction, method of conducting the balloting, or method or results of the vote count, shall be decided by the Election Inspector at those meetings for which an Election Inspector has been appointed, or by the Secretary-Treasurer or other officer authorized to tabulate votes at those meetings for which an Election Inspector has not been appointed. The decision made by the Election Inspector, Secretary-Treasurer, or such other authorized officer shall be final, conclusive and binding.

Section 6. Proxies. Except as provided in Sections 18(d)(2) and 18(e)(2) of Article XI with respect to voting in elections in absentia by written instructions to the Election Inspector, neither voting by proxy nor voting in absentia shall be allowed.

Section 7. Participating in Directors Meetings. The Board of Directors may permit any and all directors to participate in a regular or special meeting of the Board of Directors by, or conduct the meeting through the use of, any means of communication by which all directors participating may simultaneously hear each other during the meeting. A director participating in a meeting by such means is deemed to be present in person at the meeting.

Section 8. Participating in Committee Meetings. Any committee of the Board of Directors or of the membership may permit members of such committee to participate in meetings of that committee by, or conduct the meeting through the use of, any means of communication by which all committee members participating may simultaneously hear each other during the meeting. A committee member participating in a meeting by such means is deemed to be present in person at the meeting.

Section 9. Action of Directors by Unanimous Consent Without Meeting. Action required or permitted to be taken at a Board of Directors meeting may be taken without a meeting if all directors so consent. The affirmative vote of the number of directors that would be necessary to authorize or take such action at a meeting is the act of the Board. The action must be evidenced by one or more written consents describing the action taken, signed by each director, and included in the minutes filed with the Association records reflecting the action taken. Action taken under this section is effective when the last director signs the consent unless the consent specifies a different effective date. A consent signed under this section has the effect of a meeting vote and may be described as such in any document.

Section 10. Action of Committees by Unanimous Consent Without Meeting. The provisions of Section 9 above for action by unanimous consent without a meeting shall also apply to: (a) the Executive Committee and other committees of the Board of Directors; and (b) all committees of the membership.

Section 11. Election of Officers and Directors by Written Ballot Without a Meeting. Any election of Officers and Directors as outlined in Article XI, Section 18 (d) and (e) may be taken without a meeting provided the Association sends a written ballot to every member entitled to vote in the election. In the discretion of the Board of Directors, written ballots may be transmitted to the members and returned to the Association using any form of electronic communication commonly available, including, but not limited to, electronic mail and Internet websites. An election by written ballot without a meeting shall be valid only if: (1) the written ballot sent to every member specifies the date and time by which a ballot must be received by the Association in order to be counted; and (2) the number of votes cast by ballot equals or exceeds the quorum required to be present at such an election. Other than the election of Officers and Directors as set forth in this Section 11, any action required or permitted to be taken at an Annual Meeting or a Special Meeting of the members, such as the approval of amendments to the Bylaws, shall occur only at an in-person meeting of the members.

Article XIII - Committees

Section 1. Appointment and Composition. The President shall have authority to appoint, subject to confirmation by the Directors, membership of standing and special committees, except the Nominating Committee, which is appointed by the Directors, and the Awards Committee, which is appointed in accordance with Section 6 below, to carry out the work of the Association. Each committee shall consist of three (3) or more members in addition to a Chairman and Sponsor. The President shall appoint a Chairman, for each committee, except the Nominating Committee, which shall be subject to the provisions outlined in Article XI Section 18 (b). The President may appoint a Vice-Chairman for any committee, apart from the Nominating Committee and Grievance Committee. The Vice-Chairman of the Grievance Committee shall be

appointed by the President of the MAAR Commercial Council from MAAR Commercial Council members who are REALTOR® and REALTOR-ASSOCIATE® members of MAAR.

Section 2. Attendance. Any committee member who fails to attend three successive regular or special meetings of the committee, without an excuse acceptable to the Chairman of that committee, shall be deemed to have resigned from that committee and the vacancy shall be filled as hereinafter provided.

Section 3. President. The President shall be an ex-officio member of all committees, with voice but without vote, except the Nominating Committee, and shall be notified of their meetings.

Section 4. Sponsors. Each member of the Board of Directors will be appointed a Sponsor to one or more committees, such appointments to be made by the President, with confirmation by the Directors. The Sponsor shall be responsible for liaison between the committee and the Directors, reporting that committee's actions to the Directors and reporting to the Chairman of that committee any Director's action concerning that committee.

Section 5. Special Committees. Special Committees may be appointed from time to time as the President deems necessary.

Section 6. Standing Committees. There shall be the following standing committees:

- | | |
|---------------------------|--------------------------|
| Awards | Grievance |
| Budget & Finance | Member Services |
| Community Development | MLS Information Network |
| Fair & Affordable Housing | Nominating |
| Diversity & Inclusion | Past Presidents Advisory |
| Governing Documents | Professional Standards |
| Governmental Affairs | |

(a) The Awards Committee for the selection of REALTOR® of the Year, REALTOR-ASSOCIATE® of the Year, and Affiliate of the Year shall be appointed by the President and confirmed by the Board of Directors no later than March 1 of each year. It shall be composed of seven (7) REALTORS® and REALTOR-ASSOCIATES® as follows: five (5) recipients of REALTOR of the Year or REALTOR-ASSOCIATE of the Year awarded within the past seven (7) years with no less than two from either category; and two (2) past officers and directors who served in the last three (3) years.

(b) There shall be a Grievance Subcommittee (commercial) to process ethics complaints and arbitration requests that arise from commercial transactions. Members of the Grievance Subcommittee shall be appointed by the President of the MAAR Commercial Council and shall consist of no less than three (3) members plus the

Grievance Committee's Vice-Chairman as appointed in Section 1 of this Article. Members of the Subcommittee shall be selected from MAAR Commercial Council members who are REALTOR® and REALTOR-ASSOCIATE® members of MAAR. The Grievance Subcommittee (commercial) shall meet as needed to review complaints arising from commercial transactions, as assigned to the Grievance Subcommittee (commercial) by mutual decision of the Grievance Committee's Chairman and Vice-Chairman. The Grievance Subcommittee (commercial) shall have authority to dismiss such a complaint or send it forward to a hearing, without the consent of the at-large Grievance Committee.

Section 7. Tenure of Duty of Chairman. No person may serve more than two consecutive years as Chairman of the same committee.

Section 8. Vacancies. 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 original appointment.

Article XIV - Fiscal and Elective Year

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

Article XV - Rules of Order

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

Article XVI - Amendments

Section 1. Procedure. These Bylaws may be amended from time to time in the following manner:

- (a) Meeting of Members. Proposed amendments may be acted upon at any annual meeting or any special meeting of REALTOR® Members duly called for that purpose.
- (b) **Proposed Amendment.** Proposed amendments to the Bylaws may be submitted only by the Governing Documents Committee, the Board of Directors, or a petition containing the proposed amendments and signed by not less than twenty percent (20%) of the REALTOR® Members. All other committees may submit recommended changes to the Governing Documents Committee for their consideration.
- (c) **Notice.** In all cases a copy of the proposed amendment shall be filed with the

Executive Vice President, who shall cause written notice to be given to all REALTOR® Members, at least ten (10) days prior to the date of the annual or special meeting at which the proposed amendment is to be acted upon, which notice shall state the date, time and place of such meeting and the substance of the proposed amendment. Said notice may be electronically submitted, where permitted by state law.

- (d) **Call of Special Meeting.** A special meeting for the purpose of acting upon proposed amendment shall be called by the President when so directed by a vote of two thirds of all the Directors or upon written request signed by not less than twenty percent (20%) of the REALTOR® members entitled to vote, which written request, along with copy of the proposed amendment must be filed with the Executive Vice President. The President shall fix the date, time and place of any such special meeting not more than thirty (30) days from the date of filing of copy of proposed amendment with the Executive Vice President.
- (e) **Required Vote.** Adoption of any amendment thus proposed shall require a vote of two-thirds (2/3) of the REALTOR® Members present and voting at a duly constituted meeting. No amendment to Article IX of these Bylaws shall be adopted except by vote of a majority of all the REALTOR® Members entitled to vote whether or not present at such meeting. Upon consideration of a proposed amendment at any such meeting, amendments germane thereto may be offered from the floor by any REALTOR® Member present and may be acted upon at that same meeting, providing the amendments are germane to the proposed amendment and fall within the scope of the notice.
- (f) **Effective Date of Amendments.** Amendments to the Bylaws affecting the admission or qualification of REALTOR® Members or REALTOR-ASSOCIATE® Members, the use of the terms, “REALTOR®”, “REALTORS®”, and “REALTOR-ASSOCIATE®”, or any alteration of the territorial jurisdiction of the Association shall become effective upon their approval by the Board of Directors of the NATIONAL ASSOCIATION OF REALTORS®. All other amendments shall take effect on the date of their adoption by requisite vote of REALTOR® Members.
- (g) Notwithstanding any other provision of these Bylaws by two-thirds (2/3) vote of the Directors present and voting, the Code of Ethics and Arbitration Manual of the Association, which has been adopted pursuant to Article VII of these Bylaws, may be amended to conform with any provisions of the Code of Ethics and Arbitration Manual recommended by the NATIONAL ASSOCIATION OF REALTORS®, as it may be amended from time to time. Any changes in the Association’s Manual which are not identical to NAR’s recommended manual must be approved by the REALTOR® Members in the same manner as other amendments to the Bylaws.
- (h) Notwithstanding any other provision of these Bylaws, by two-thirds (2/3) vote of the Directors present and voting, these Bylaws may be amended to conform with

policies mandated by the Board of Directors of the NATIONAL ASSOCIATION OF REALTORS® or the Tennessee REALTORS®. Any changes to the Bylaws which are not necessitated by policies of either of these two associations must be approved by the REALTOR® Members in the same manner as other amendments to the Bylaws.

Article XVII - Dissolution

Section 1. Upon the dissolution of the Association, the Board of Directors, after providing for the payment of all obligations, shall, to the extent permitted by applicable law, distribute any remaining assets to the Tennessee REALTORS®, or one or more other non-profit, tax exempt organizations.

Article XVIII - Multiple Listing

Section 1. Authority. The Memphis Area Association of REALTORS® shall maintain for the use and benefit of its members a Multiple Listing Service, which shall be subject to the Bylaws of the Association and such rules and regulations as may be duly adopted.

Section 2. Purpose. A Multiple Listing Service is a means by which authorized Participants make blanket unilateral offers of compensation to other Participants (acting as subagents, buyer agents, or in other agency or non-agency capacities defined by law); by which cooperation among participants is enhanced; by which information is accumulated and disseminated to enable authorized Participants to prepare appraisals, analyses, and other valuations of real property for bona fide clients and customers; by which Participants engaging in real estate appraisal contribute to common databases; and is a facility for the orderly correlation and dissemination of listing information among the Participants so that they participants may better serve their clients and the public.

Entitlement to compensation is determined by the cooperating broker's performance as a procuring cause of the sale (or lease).

Section 3. Participation. Participation in the MLS is available to the firm of any Designated REALTOR® Member of this or any other association of REALTORS® without further qualification except payment of required dues and fees and agreement by the Participant to abide by the Rules and Regulations of the MLS and to complete MLS orientation within 30 days, after access to information has been provided. However, under no circumstance is any firm entitled to Multiple Listing Service "Membership" or "Participation" unless the Participant in that firm: (a) holds a current, valid real estate Brokers license, and offers or accepts compensation to and from other Participants, or (b) is licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property*.

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 an MLS to deny participation based on the level of service provided by the Participant or potential Participant as long as the level of service satisfies state law.

The term Participant as used herein refers to the principal, partner, corporate office, trustee, or branch office manager acting on behalf of the principal(s). The Participant shall have all rights, benefits and privileges of the MLS, and shall accept all obligations to the MLS. Use of information developed by or published by the MLS 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 the Association's MLS where access to such information is prohibited by law.

The key is that the Participant or potential Participant actively endeavors to make or accept offers of cooperation and compensation with respect to properties of the type that are listed on the MLS in which participation is sought. This requirement does not permit an MLS to deny participation to a Participant or potential Participant that operates a Virtual Office Website ("VOW") (including a VOW that the Participant uses to refer customers to other Participants) if the Participant or potential Participant actively endeavors to make or accept offers of cooperation and compensation. An MLS may evaluate whether a Participant or potential Participant "actively endeavors during the operation of its real estate business" to "offer or accept cooperation and compensation" only if the MLS has a reasonable basis to believe that the Participant or potential Participant is in fact not doing so.

The membership requirement shall be applied on a nondiscriminatory manner to all Participants and potential Participants.

Section 4. Multiple Listing Service Information Network Committee. The Multiple Listing Service shall be operated under the supervision of the Multiple Listing Service Information Network Committee, appointed in accordance with Article XIII of these Bylaws. This committee will consist only of participants or Subscribers of the Multiple Listing Service. The Committee members shall serve two-year terms.

Section 5. Access to MLS Data. Association members who are actively engaged in real estate brokerage, management, mortgage financing, appraising, land development or building, but who do not participate in the MLS, are nonetheless entitled to purchase MLS sold data. This information is provided for the exclusive use of Association members and individuals affiliated with Association members who are also engaged in the real estate business and may not be transmitted, retransmitted, or provided in any manner to any unauthorized individual, office or firm except as otherwise specified in the MLS Rules and Regulations. Association members who receive such information, either as an Association service, or through the Association's MLS, are subject to the applicable provisions of the MLS Rules and Regulations whether they participate in the MLS or not.

Section 6. Subscribers. Authorized users ("Subscribers") of the MLS are the following persons who are affiliated with a MLS participant: REALTOR® Members, REALTORASSOCIATE® Members, non-member licensees and licensed or certified real estate appraisers in the Participant's firm who have paid the required fees, agreed to abide by the Rules and Regulations of the MLS and completed MLS Orientation within 30 days, after access to MLS information has been provided. If a Subscriber ceases to be a Subscriber for a period of one year or more, he may renew his subscription only after satisfying all requirements of these Bylaws as if he were a new Subscriber.

Article XIX – MAARdata

Section 1. Authority. Integrated Tax Service "(MAARDATA)" is a data system integrating information on local real estate, such as sold property information of the MLS, tax records of the Shelby County Property Assessor, deed recordings of the Shelby County Register, and physical measurements from participating appraisers. In the discretion of the Board of Directors, the Association may create, maintain, and/or distribute to authorized persons MAARDATA or similar data systems.

Section 2. Access to MAARDATA or Similar Data Systems. MAARDATA shall be available exclusively to REALTOR® and REALTOR-ASSOCIATE® members of the Association, or any other REALTOR® association, real estate licensees associated with such members, and licensed appraisers who contribute data and satisfy such other requirements as may be established by the Board of Directors from time to time. In addition, the Federal Housing Authority and similar governmental agencies may be allowed access to MAARDATA upon terms and conditions as determined by the Association. The Association may restrict access to any similar systems created, maintained, and/or distributed by the Association.

Article XX – Saving Clause

Section 1. In the event that any provisions of these Bylaws shall be determined to be invalid or rendered inoperative by any order or ruling of any court of competent jurisdiction, the remaining provisions of these Bylaws shall remain in full force and effect.

Article XXI – Miscellaneous

Section 1. In determining the period of time limited by any provision of these Bylaws expressed as a stated number of days, there shall be excluded all Saturdays and Sundays, National Holidays and all holidays observed generally by the national banking institutions of the State of Tennessee.

Section 2. Any achievement or honor award or plaque established by the Directors shall not be copied, duplicated or purchased by members for any reason.

Section 3. As used herein, all references to an individual person shall include the plural; the masculine includes the feminine or neuter gender.

Section 4. The term “firm,” as used in these Bylaws, encompasses all forms of business organizations, including sole proprietorships, partnerships, corporations, and limited liability companies.

Section 5. The phrases “associated with” or “affiliated with” as used in these Bylaws, shall include the employment relationship, the independent contractor relationship, and arrangements whereby licenses are linked, directly or indirectly, by law or regulation.

Section 6. Commission rates for the sale, lease or management of property shall be negotiable between the broker and client. Neither the Board of Directors nor the members of the Association shall have the power to promulgate, fix or recommend commission rates, and the Association will not sponsor or affiliate with any agency or other group which promulgates a fixed or recommended commission rate.

Appendix A – Schedule of Fees and Dues

Classification

Designated REALTOR®

REALTOR® Member

REALTOR-ASSOCIATE® Member

	Annual Dues	Application Fee
National Association*	120	
Tennessee Association**		
	105	
	<u>MAAR 160</u>	<u>125</u>
Total	\$385	\$125

**In addition to dues, the National Association assesses \$35 per member for the NAR Public Awareness Campaign.*

***In addition to dues, the Tennessee Association assesses \$15 per member for the TAR Issues Mobilization Fund.*

*******In addition to the \$385, the Designated REALTOR® Member dues are \$385 times the number of non-member licensees and licensed or certified appraisers who are employed by or affiliated as independent contractors with or who are otherwise directly or indirectly licensed with such Designated REALTOR® Member or his firm and are not REALTOR®, REALTOR-ASSOCIATE®, or Institute Affiliate Members.

*******An individual shall be deemed to be licensed with a Designated REALTOR® Member if the license of the individual is held by the Designated REALTOR® Member, or by any broker who is licensed with the Designated REALTOR® Member, or by an entity in which the Designated REALTOR® Member has a direct or indirect ownership interest and which is engaged in soliciting and/or referring clients and customers to the Designated REALTOR® Member or his firm on a substantially exclusive basis, or be licensed or certified by an appropriate regulatory agency of the State of Tennessee to engage in the appraisal of real property.

Institute Affiliate Member – See Article X, Section 4 (e).

	Annual Dues	Application Fee
Primary Affiliate	250 *	50
Individual Affiliate	160*	10
Public Service Affiliate	20	10
Student	10	10
REALTOR® Emeritus	0	0
Honorary	0	0
REALTOR® (retired)	10	0
REALTOR-ASSOCIATE® (retired)	10	0

**Prorated from the first day of the month in which the member joins the Association.*

OTHER FEES AND CHARGES

TRANSFER FEE (to another Designated REALTOR®) \$100

REINSTATEMENT FEE (with same firm) \$100