

**BYLAWS OF THE NORTHEAST TENNESSEE
ASSOCIATION OF REALTORS®, INCORPORATED**

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Amended May 10, 2007
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ARTICLE I - NAME

Section 1. Name. The name of this organization shall be the NORTHEAST TENNESSEE ASSOCIATION OF REALTORS®, INCORPORATED, hereinafter referred to as the "Association."

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

ARTICLE II - OBJECTIVES

The objectives of the Association are:

Section 1. To unite those engaged in the recognized branches of the real estate profession for the purpose of exerting a beneficial influence upon the profession and related interests.

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

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

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

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

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

ARTICLE III - JURISDICTION

Section 1. The territorial jurisdiction of the Association as a Member of the NATIONAL ASSOCIATION OF REALTORS® is all of Carter, Johnson, Unicoi, Greene, Hawkins and Washington Counties, and beginning at a point 100 yards east of the point where Latture Road crosses the state line and running south 100 yards east of Latture Road to its intersection with Cold Springs Road, turning southeast 100 yards northeast of Cold Springs Road and following same at its intersection with US 11W, turning east 100 yards north of US 11W and following same to its intersection with Tenn. Hwy #37, turning southeast 100 yards southwest of Tenn. Hwy #37 and following same to its intersection with Island Road, turning southwest 100 yards northwest of Island Road and following same to the intersection of an unnamed dead end road (cut off by I-81), turning south 100 yards west of this unnamed road and following same across the break created by I-81 and continuing on to its intersection with Tenn. Hwy. #126,

turning east 100 yards south of Tenn. Hwy #126 and following same to a point 100 yards from the Blountville, TN corporate limits, thence circling Blountville 100 yards outside the westerly corporate limits to a point bisected by the Camp Placed Road, turning east 100 yards south of the Camp Placed Road and following same to its intersection with Big Hollow Road, turning southeast 100 yards southwest of Big Hollow Road and following same to its first intersection with an unnamed road running southeast, following same 100 yards southwest to its intersection with Buffalo Church Road and continuing straight southeast to the center of the main channel of the Holston River, turning southwest and following the main channel of the Holston River to its junction with Watauga River and continuing downstream to the point where Sullivan/Washington County line departs from the center of the Holston River, thence continuing west along the Sullivan/Washington County line to a point 100 yards east of the Eastern Star Road (where Tenn. Hwy #137 crosses the County line) and then turning southwest into Washington County. Beginning at a point in the Sullivan/Washington County line 100 yards east of Eastern Star Road and running southwest 100 yards southeast of the Eastern Star Road to its intersection with Ridge Road, continuing southwest 100 yards southeast of ridge Road to its intersection with Kincheloe Road, turning southeast 100 yards southwest of Kincheloe Road and continuing to its intersection with an unnamed road to the right, turning southwest 100 yards northwest of said unnamed road and continuing to its intersection with Valley View Road, continuing southwest 100 yards southeast of Valley View Road to its intersection with Painter Road, turning northwest 100 yards southwest of Painter Road and following same to its intersection with Mitchell Ridge Road, turning southwest 100 yards southeast of Mitchell Ridge Road and following same to its intersection with Tenn. Hwy #93, turning northwest 100 yards southwest of Tenn. Hwy. #93 and following same to its intersection with Martin Road, turning southwest 100 yards southeast of Martin Road and following same to its intersection with Blakely Creed Road, continuing southwest 100 yards northwest of Blakely Creek Road and following same to its intersection with Glendale Road turning northwest 100 yards northeast of Glendale Road and following same to its intersection with an unnamed road, turning southwest 100 yards northwest of said unnamed road and following same to the Greene/Washington County Line, turning north with the Greene/Washington County line and following said county line to its intersection with the Hawkins/Washington County line. Leaving the Sullivan County line on Blairs Gap Road on a line 100 yards west of Blairs Gap Road to its intersection with Goad Hollow turning west 100 yards south of Goad Hollow to its intersection with Blairs Gap Road, turning north 100 yards west of Blairs Gap Road and following same to an unidentified road turning south, following 100 yards on the southerly side of this road to its intersection with Smith Road, turning southwest 100 yards southwest of this intersection and following Smite Road to its intersection with Simpson Road, turning north 100 yards west of Simpson Road to its intersection with Hunt Gap Road, turning northeast 100 yards northeast of Hunt Gap Road and following same and on into its name change to Collins Road and turning northwest 100 yards southwest of an unnamed dead end road terminated by the Holston River, across said river to a point 100 yards south of an unnamed road, continuing west to its intersection with Elm Springs Road, turning north, northwest 100 yards west of Elm Springs Road and following it to its intersection with Carters Valley Road, turning northeast 100 yards northwest of Carters Valley Road and following same to its intersection with Payne Ridge Road, turning north/northwest 100 yards west of Payne Ridge Road and following same to its intersection with Okolona Road, turning west 100 yards south of Okolona Road and following same to its intersection with Stanley Valley Road, turning northeast 100 yards northwest of the Stanley Valley Road and following same to the Virginia State Line, turning east and following Virginia/Tennessee State line to the point of beginning.

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

ARTICLE IV - MEMBERSHIP

Section 1. There shall be six classes of Members as follows: (a) REALTOR® Members. REALTOR® Members, whether primary or secondary, shall be: (1) Individuals who, as sole proprietors, partners, corporate officers, or branch office managers, are engaged actively in the real estate profession, including buying, selling, exchanging, renting or leasing, managing, appraising for others for compensation, counseling, building, developing or subdividing real estate, and who maintain or are associated with an established real estate office in the State of Tennessee or a state contiguous thereto. All persons who are partners in a partnership, or all officers in a corporation who are actively engaged in the real estate profession within Tennessee or a state contiguous thereto shall qualify for REALTOR® Membership only, and each is required to hold REALTOR® Membership, (except as provided in (3) below) in a local Board/Association of REALTORS® within Tennessee or a state contiguous thereto unless otherwise qualified for Institute Affiliate Membership as described in Section 1 (b) of Article IV. (2) Individuals who are engaged in the real estate profession other than as sole proprietors, partners, corporate officers, or branch office managers and are associated with a REALTOR® Member and meet the qualifications set out in Article V. (3) In the case of a real estate firm, partnership, or corporation, whose business activity is substantially all commercial, only those principals actively engaged in the real estate business in connection with the same office, or any other offices within the jurisdiction of the board in which one of the firm's principals holds REALTOR® Membership, shall be required to hold REALTOR® membership unless otherwise qualified for Institute Affiliate Membership. (4) Franchise REALTOR® Membership. Corporate officers (who may be licensed or unlicensed) of a real estate brokerage franchise organization with at least one hundred fifty (150) franchisees located within the United States, its insular possessions and the commonwealth of Puerto Rico, elected to membership pursuant to the provisions in the NAR Constitution and Bylaws. Such individuals shall enjoy all of the rights, privileges and obligations of REALTOR® membership (including compliance with the Code of Ethics) **except:** obligations related to board mandated education, meeting attendance, or indoctrination classes or other similar requirements; the right to use the term REALTOR® in connection with their franchise organization's name; and the right to hold elective office in the local board, State Association and National Association. (5) 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. (6) Designated REALTOR® Members. Each firm shall designate in writing one REALTOR® Member who shall be responsible for all duties and obligations of Membership including the obligation to arbitrate pursuant to Article 17 of the Code of Ethics and the payment of the Association dues as established in Article X of these 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 Article V, Section 2, of these Bylaws. (b) Institute Affiliate Member. 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. Any such individual, if otherwise eligible, may elect to hold REALTOR® Membership, subject to payment of applicable dues for such membership.

(c) Affiliate Members. Affiliate Members shall be real estate owners and other individuals or firms who, while not engaged in the real estate profession as defined in paragraphs (a) or (b) of this Section, have interests requiring information concerning real estate, and are in sympathy with the objectives of the Association.

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

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

(f) Student Members. Student Members shall be individuals who are seeking an undergraduate or graduate degree with a specialization of major in real estate at institutions of higher learning, and who have completed at least two years of college and at least one college level course in real estate, but are not engaged in the real estate profession on their own account or not associated with an established real estate office.

ARTICLE V - QUALIFICATION AND ELECTION

Section 1. Application (a) An application for membership shall be made in such manner and form as may be prescribed by the Board of Directors and made available to anyone requesting it. The application form shall contain among the statements to be signed by the applicant (1) that applicant agrees as a condition to membership to thoroughly familiarize himself with the Code of Ethics of the NATIONAL ASSOCIATION OF REALTOR®, the Constitution, Bylaws, and Rules and Regulations of the State and National Associations, the Bylaws and Rules and Regulations of the Association, and if elected a Member, will abide by the Constitution, Bylaws and the Rules and Regulations of the State and National Associations, the Bylaws and Rules and Regulations of the Association, and if a REALTOR®, will abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® including the obligation to arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics, and as further specified in the *Code of Ethics and Arbitration Manual* of the NATIONAL ASSOCIATION OF REALTORS®, as from time to time amended, and (2) that applicant consents that the Association, through its Membership Committee or otherwise, may invite and receive information and comment about applicant from any Member or other persons, and that applicant agrees that any information and comment furnished to the Association by any person in response to the invitation shall be conclusively deemed to be privileged and not form the basis of any action for slander, libel, or defamation of character. The applicant shall, with the form of application, have access to a copy of the Bylaws, Constitution, Rules and Regulations, and Code of Ethics referred to above.

Section 2. Qualification (a) An applicant for REALTOR® Membership who is a sole proprietor, partner, corporate officer, or branch office manager of a real estate firm shall supply evidence satisfactory to the Board through its Membership Committee or otherwise that he/she is actively engaged in the real estate profession, and maintains a current, valid real estate broker's, or salesperson's license or is a licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, has a place of business within the state of Tennessee 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 (**), agree to complete a course of instruction covering the Bylaws and Rules and Regulations of the Association, the Bylaws of the Tennessee Association of REALTORS®, and the Constitution and Bylaws and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®. All Applicants for REALTOR® membership shall be required to complete a minimum of three hours of orientation on the Code of Ethics and shall pass such reasonable and nondiscriminatory written examination thereon as may be required by the Committee, and shall agree that if elected to membership, he/she will abide by such Constitution, Bylaws, Rules and Regulations, and Code of Ethics. Applicants who have attended orientation within the past year shall not be required to attend another orientation session.

() Note: ... "has no record of recent or pending bankruptcy" is intended to mean that the applicant or any real estate firm in which the applicant is a sole proprietor, general partner, or corporate officer, or branch office manager is not involved in any pending bankruptcy or insolvency proceedings or, has not been adjudged bankrupt in the past three years. If a bankruptcy proceeding as described above exists, membership may not be rejected unless the Association establishes that its interests and those of its Members and the public could not be adequately protected by requiring that the bankrupt applicant pay cash in advance for Association and MLS fees for up to one year from the date that membership is approved or from the date that the applicant is discharged from bankruptcy (whichever is later). In the event that an existing Member initiates bankruptcy proceedings, the member may be placed on a "cash basis" from the date that bankruptcy is initiated until one year from the date that the Member has been discharged from bankruptcy. (**) Note: ... "has no record of official sanctions involving unprofessional conduct" is intended to mean that the Association may only consider judgments within the past three years of violations of (1) civil rights laws; (2) real estate license laws; (3) or other laws prohibiting unprofessional conduct against the applicant rendered by the courts or other lawful authorities.*

(b) Individuals who are actively engaged in the real estate profession other than as sole proprietors, partners, corporate officers, or branch office managers in order to qualify for REALTOR® Membership, shall at the time of application, be associated either as an employee or as an independent contractor with a Designated REALTOR® Member of the Association or a Designated REALTOR® Member of another Association (if a secondary member), and must maintain a current, valid real estate broker's, affiliate broker's or appraiser's license, shall complete a course of instruction covering the Bylaws and Rules and Regulations of the Association, the Bylaws of the Tennessee Association of REALTORS®, and the Constitution and Bylaws and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and shall pass such reasonable and nondiscriminatory written examinations thereon as may be required by the committee, and shall agree in writing that if elected to membership he/she will abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, and by the Constitution, Bylaws, and Rules and Regulations of the State, and the National Associations, and the Bylaws and Rules and Regulations of the local Association. Applicants who have attended orientation within the past year shall not be required to attend another orientation session.

(c) The Association will also consider the following in determining an applicant's qualifications for REALTOR® membership:

1. All final findings of Code of Ethics violations and violations of other membership duties in any other association within the past (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.

("Provisional" membership may be granted in instances where ethics complaints or arbitration requests (or hearings) are pending in other associations or where the applicant for membership has unsatisfied discipline pending in another association (except for violations of the Code of Ethics; See Article V, Section 2(a) NOTE 2) provided all other qualifications for membership have been satisfied. Associations may reconsider the membership status of such individuals when all pending ethics and arbitration matters (and related discipline) have been resolved or if such matters are not resolved within six months from the date that provisional membership is approved. Provisional members shall be considered REALTORS® and shall be subject to all the same privileges and obligations of REALTOR® membership. If a member resigns from another association with an ethics complaint or arbitration request pending, the association may condition membership on the applicant's certification that he/she will submit to the pending ethics or arbitration proceeding (in accordance with the established procedures of the association to which the applicant has made application) and will abide by the decision of the hearing panel.)

d. If the Board of Directors determines that provisional membership should be terminated, it shall record its reasons with the Secretary. If the Board of Directors believes that termination of provisional membership may become the basis of litigation and a claim of damage by a provisional member, it may specify that termination shall become effective upon the entry in a suit by the Board for declaratory judgement by a court of competent jurisdiction of a final judgement declaring that the termination violates no rights of the individual.

Section 3. Election. The procedure for election to membership shall be as follows: a) Applicants for REALTOR® membership shall be granted provisional membership immediately upon submission of a completed application form and remittance of applicable association dues and any application fee. Provisional members shall be considered REALTORS® and shall be subject to 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 the requirements of membership (for example, completion of a mandatory orientation program) within 65 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 prorated by the quarter only 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 pro-rated amount to cover the number of days that the individual received association services and any application fee.

(c) The Board of Directors may not terminate any provisional membership without providing the provisional member with advance notice, an opportunity to appear before the Board of Directors, to call witnesses on his behalf, to be represented by counsel, and to make such statements as he deems relevant. The Board of Directors may also have counsel present. The Board of Directors shall require that written minutes be made of any hearing before them or may electronically or mechanically record the proceedings.

(d) If the Board of Directors determines that provisional membership should be terminated, it shall record its reasons with the Secretary. If the Board of Directors believes that termination of provisional membership may become the basis of litigation and a claim of damage by a provisional member, it may specify that termination shall become effective upon the entry in a suit by the Board for declaratory judgement by a court of competent jurisdiction of a final judgement declaring that the termination violates no rights of the individual.

Section 4. New Member Code of Ethics Orientation. Applicants for REALTOR® Membership and provisional REALTOR® membership (where applicable) shall complete an orientation program on the Code of Ethics of not less than three hours on instructional time. This requirement does not apply to applicants for REALTOR® membership or provisional members who have completed comparable orientation in another association, provided that REALTOR® membership has been continuous, or that any break in membership is for one year or less.

Failure to satisfy this requirement within 65 days of the date of application will result in denial of the membership application or termination of provisional membership.

Section 5. Continuing Member Code of Ethics Training. Effective January 1, 2001, through December 31, 2004, and for successive four year periods thereafter, each REALTOR® member of the association shall be required to complete quadrennial 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 association, the State Association of REALTORS®, the NATIONAL ASSOCIATION OF REALTORS®, or any other recognized educational institution or provider which meets the learning objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTORS® from time to time. REALTOR® members who have completed training as a requirement of membership in another association and REALTOR® members who have completed the New Member Code of Ethics Orientation during any four year cycle shall not be required to complete additional ethics training until a new four year cycle commences. Failure to satisfy this requirement shall be considered a violation of a membership duty for which REALTOR® membership

shall be suspended until such time as the training is completed. Members suspended for failing to meet the requirement for the first four (4) year cycle (2001-2004) will have until December 31, 2005 to meet the requirement. Failure to meet the requirement by that time will result in automatic termination of membership. Failure to meet the requirement for the second (2005 - 2008) cycle and subsequent four (4) year cycles will result in suspension of membership for the first two months (January and February) of the year following the end of any four (4) 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) A REALTOR® who changes the conditions under which he/she holds membership shall be required to provide written notification to the Association within (*ten*) ten days. A REALTOR® (non-principal) who becomes a principal in the firm with which he/she has been licensed or, alternatively, becomes a principal in a new firm may be required to satisfy any previously unsatisfied membership requirements applicable to REALTOR®(principal) Members but shall, during the period of transition from one status of membership to another, be subject to all of the privileges and obligations of a REALTOR® (principal). If the REALTOR® (non-principal) does not satisfy the requirements established in these Bylaws for the category of membership to which they have transferred within ten (10) days of the date they advised the Association of their change in status, their new membership application will terminate automatically unless otherwise so directed by the Board of Directors.

(b) A REALTOR® who is transferring their license from one firm comprised of REALTOR® principals to another firm comprised of REALTOR® principals shall be subject to all of the privileges and obligations of membership during the period of transition. If the transfer is not completed within ten days (10) of the date the Board is advised of the disaffiliation with the current firm, membership will terminate automatically unless otherwise so directed by the Board of Directors.

(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 within the previous year.

(d) Dues shall be prorated from the first date of the quarter in which application is made.

ARTICLE VI - PRIVILEGES AND OBLIGATIONS

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

Section 2. Any Member of the Association may be reprimanded, fined, placed on probation, suspended, or expelled by the Board of Directors for a violation of these Bylaws and Association Rules and Regulations not inconsistent with these Bylaws, after a hearing as provided in the *Code of Ethics and Arbitration Manual* of the Association. Although Members other than REALTORS® are not subject to the Code of Ethics nor its enforcement by the Association, such Members are encouraged to abide by the principles established in the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and conduct their business and professional practices accordingly. Further, Members other than REALTORS® may, upon recommendation of the Membership Committee, or upon recommendation by a hearing panel of the Professional Standards Committee, be subject to discipline as described above, for any conduct, which in the opinion of the Board of Directors, applied on a nondiscriminatory basis, reflects adversely on the terms REALTOR® or REALTORS®, and the real estate industry, or for conduct that is inconsistent with or adverse to the objectives and purposes of the local Association, the TENNESSEE ASSOCIATION OF REALTORS®, and the NATIONAL ASSOCIATION OF REALTORS®.

Section 3. Any REALTOR® Member of the Association may be disciplined by the Board of Directors for violations of the Code of Ethics or other duties of membership, after a hearing described in the *Code of Ethics and Arbitration Manual* of the Association, provided that the discipline imposed is consistent with the discipline authorized by the Professional Standards Committee of the NATIONAL ASSOCIATION OF REALTORS® as set forth in the *Code of Ethics and Arbitration Manual* of the National Association.

Section 4. Resignations of Members shall become effective when received in writing at the Association office, provided, however, that if any Member submitting the resignation is indebted to the Association for dues, fees, fines, or other assessments of the Association or any of its services, departments, divisions, or subsidiaries, the Association may condition the right of the resigning Member to reapply for membership upon payment in full of such monies owed.

Section 5. If a Member resigns from the Association or otherwise causes membership to terminate with an ethics complaint pending, that Board of Directors may condition the right of the resigning Member to reapply for membership upon the applicant's certification that he/she will submit to the pending ethics proceedings and will abide by the decision of the hearing panel (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 6. REALTOR® Members. REALTOR® Members, whether primary or secondary, in good standing whose financial obligations to the Association are paid in full shall be entitled to vote and to hold elective office in the Association; may use the terms REALTOR® and REALTORS®, which use shall be subject to the provisions of Article VIII; and have the primary responsibility to safeguard and promote the standards, interests, and welfare of the Association and real estate profession.

(a) If a REALTOR® Member is a sole proprietor in a firm, a partner in a partnership or an officer in a corporation, and is suspended or expelled, the firm, partnership or corporation shall not use the terms REALTOR® or REALTORS® in connection with its business during the period of suspension, or until readmission to REALTOR® membership, or unless connection with the firm, partnership or corporation is severed, or management control is relinquished, whichever may apply. The membership of all other principals, partners, or corporate officers shall suspend or terminate during the period of suspension of the disciplined Member, or until readmission of the disciplined Member or unless connection of the disciplined Member with the firm, partnership, or corporation is severed, or unless the REALTOR® who is suspended or expelled removes himself from any form or degree of management control of the firm for the term of the suspension or until readmission to membership, whichever may apply. Removal of an individual from any form or degree of management control must be certified to the Association by the Member who is being suspended or expelled and by the individual who is assuming management control, and the signatures of such certification must be notarized. In the event the suspended or expelled Member is so certified to have relinquished all form or degree of management control of the firm, the membership of other partners, corporate officers, or other individuals affiliated with the firm shall not be affected, and the firm, partnership or corporation may continue to use the terms REALTOR® and REALTORS® in connection with its business during the period of suspension or until the former Member is admitted to membership in the Association. The foregoing is not intended to preclude a suspended or expelled Member from functioning as an employee or independent contractor, provided no management control is exercised. Further, the membership of REALTORS® other than principals who are employed or affiliated as independent contractor with the disciplined Member shall suspend or terminate during the period of suspension of the disciplined Member or until readmission of the disciplined member, or unless connection of the disciplined Member with the firm, partnership, or corporation is severed, or management control is relinquished, or unless the REALTOR® Member (non-principal) elects to sever his connection with the REALTOR® and affiliate with another REALTOR® Member in good standing in the Association, whichever may apply. If a REALTOR® Member other than a sole proprietor in a firm, partner in a partnership, or an officer of a corporation is suspended or expelled, the use of the terms REALTOR® or REALTORS® by the firm, partnership or corporation shall not be affected.

(b) In any action taken against a REALTOR® Member for suspension or expulsion under Section 6(a) hereof, notice of such action shall be given to all REALTORS® employed by or affiliated as independent contractors with such REALTOR® Member and they shall be advised that the provisions in Article VI, Section 6(a) shall apply.

Section 7. REALTOR® Emeritus. Any person who has held REALTOR® membership in the National Association as a REALTOR®, REALTOR®- Associate®, or a combination of both, for a cumulative period of 40 years in one or more Associations of REALTORS® is eligible for REALTOR® Emeritus status. Upon approval by the Board of Directors of the National Association of REALTORS®, no further payment of dues is necessary to the National Association by the Member Association of which the REALTOR® Emeritus is a member.

Section 8. Institute Affiliate Members. Institute Affiliate Members shall have rights and privileges and be subject to obligations prescribed by the Board of Directors consistent with the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS®.

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

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

Section 10. Public Service Members. Public Service Members shall have rights and privileges and be subject to obligations prescribed by the Board of Directors.

Section 11. Honorary Members. Honorary Membership shall confer only the right to attend meetings and participate in discussions.

Section 12. Student Members. Student Members shall have rights and privileges and be subject to obligations prescribed by the Board of Directors.

Section 13. Certification by REALTOR®. Designated REALTOR® Members of the Association shall certify to the Association during the month of September on a form provided by the Association, a complete listing of all individuals licensed or certified in the REALTOR®'s office(s) and shall designate a primary local Board/Association for each individual who holds membership. Designated REALTORS® shall also identify all non-member licensees in the REALTOR®'s office(s) and if Designated REALTOR® dues have been paid to another local Board/Association based on said non-member licensees, the Designated REALTOR® shall identify the local Board/Association to which dues have been remitted. These declarations shall be used for purposes of calculating dues under Article X, Section 2 (a) of these Bylaws. Designated REALTOR® Members shall also notify the Association of any additional individual(s) licensed or certified with the firm(s) within thirty days of the date of affiliation or severance of the individual.

Section 14. Harassment. Any member of the association may be reprimanded, placed on probation, suspended or expelled for harassment of an association or MLS employee or Association Officer or Director after 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 *National Association of REALTORS®*, as from time to time amended, which is by this reference incorporated into these Bylaws, provided however, that any provision deemed inconsistent with state law shall be deleted or amended to comply with state law.

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

ARTICLE VIII- USE OF THE TERMS REALTOR® AND REALTORS®

Section 1. Use of the terms REALTOR® and REALTORS® by Members shall, at all times, be subject to the provisions of the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS® and to the Rules and Regulations prescribed by its Board of Directors. The Association shall have the authority to control, jointly and in full cooperation with the NATIONAL ASSOCIATION OF REALTORS®, use of the terms within its jurisdiction. Any misuse of the terms by members is a violation of a membership duty and may subject members to disciplinary action by the Board of Directors after a hearing as provided for in the association's Code of Ethics and Arbitration Manual.

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

a. In the case of a REALTOR® member who is a principal of a real estate firm, partnership, or corporation whose business activity is substantially all commercial, the right to use the term REALTOR® or REALTORS® shall be limited to office locations in which a principal, partner, corporate officer, or branch office manager of the firm partnership, or corporation holds REALTOR® membership. If a firm, partnership, or corporation operates additional places of business in which no principal, partner, corporate officer, or branch office manager holds REALTOR® membership, the term REALTOR® or REALTORS® may not be used in any reference to those additional places of business.

Section 4. Institute Affiliate Members shall not use the terms REALTOR® or REALTORS®, nor the imprint of the emblem seal of the NATIONAL ASSOCIATION OF REALTORS®.

ARTICLE IX - STATE AND NATIONAL MEMBERSHIPS

Section 1. The Association shall be a Member of the NATIONAL ASSOCIATION OF REALTORS®, and the TENNESSEE ASSOCIATION OF REALTORS®. By reason of the Association's Membership, each REALTOR® Member of this local Association shall be entitled to membership in the NATIONAL ASSOCIATION OF REALTORS® and the TENNESSEE ASSOCIATION OF REALTORS®. The Association shall continue as a Member of the State and National Associations unless, by a majority vote of all of its REALTOR® Members, decision is made to withdraw, in which

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

Section 2. The Association recognizes the exclusive property rights of the NATIONAL ASSOCIATION OF REALTORS® in the terms REALTOR® and REALTORS®. The Association shall discontinue use of the terms in any form in its name, upon ceasing to be a Member of the National Association, or upon a determination by the Board of Directors of the National Association that it has violated the conditions imposed upon the terms.

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

ARTICLE X - DUES AND ASSESSMENTS

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

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

(a) REALTOR® Members. The annual dues of each Designated REALTOR® Member shall be in such amount as established by the Board of Directors plus an additional amount established by the Board of Directors times the number of real estate salespersons and licensed or certified appraisers who (1) are employed by or affiliated as independent contractors, who are otherwise directly or indirectly licensed with such REALTOR® Member, and (2) are not REALTOR® Members of any Association in the state or a state contiguous thereto, or Institute Affiliate Members of the Association. In calculating the dues payable to the Association by a Designated REALTOR® Member, non-member licensees as defined in section (1) and (2) of this paragraph shall not be included in the computation of dues if the Designated REALTOR® has paid dues based on said non-member licensees in another local Board/Association in the state or a state contiguous thereto, provided the Designated REALTOR® notifies the Association in writing of the identity of the local Board/Association to which dues have been remitted. In the case of a Designated REALTOR® Member in a firm, partnership, or corporation whose business activity is substantially all commercial, any assessments for non-member licensees shall be limited to licensees affiliated with the Designated REALTOR® (as defined in (1) and (2) of this paragraph) in the office where the Designated REALTOR® holds membership, and any other offices of the firm located within the jurisdiction of this Association.

Note: 1) For the purpose of this Section, a REALTOR® Member of a Member Board shall be held to be any Member who has a place or places of business within the state or a state contiguous thereto and who, as a principal, partner, corporate officer, or branch office manager of a real estate firm, partnership, or corporation, is actively engaged in the real estate profession as defined in Article III, Section I, of the Constitution of the NATIONAL ASSOCIATION OF REALTORS®. An individual shall be deemed to be licensed with a REALTOR® if the license of the individual is held by the REALTOR® or by any broker who is licensed with the REALTOR®, or by any entity in which the REALTOR® has a direct or indirect ownership interest and which is engaged in other aspects of the real estate business (except as provided for in Section 2 (a) (1) hereof) provided that such licensee is not otherwise included in the computation of dues payable by the principal, partner, corporate officer, or branch office manager of the entity. A REALTOR® with a direct or indirect ownership interest in an entity engaged exclusively in soliciting and/or referring clients and customers to the REALTOR® for consideration on a substantially exclusive basis shall annually file with the association on a form approved by the association a list of the licensees affiliated with that entity and shall certify that all of the licensees affiliated with the entity are solely engaged in referring clients and customers and are not engaged in listing, selling, leasing, 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® membership in the association. However, membership dues shall not be prorated if the licensee held REALTOR® membership during the preceding calendar year.

(b) REALTOR® Members. The annual dues of REALTOR® Members other than the Designated REALTOR® shall be in such amount as established by the Board of Directors.

(c) Institute Affiliate Members. The annual dues of each Institute Affiliate Member shall be in such amount 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 (\$75.00). The National Association shall credit \$25.00 to the account of a local association for each Institute Affiliate Member whose office address is within the assigned territorial jurisdiction of that association, provided, however, if the office location is also within the territorial jurisdiction of a Commercial Overlay Board (COB), the \$25.00 amount will be credited to the COB, unless the Institute Affiliate Member directs that the dues be distributed to the other board. The National Association shall also credit \$25.00 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.

(d) Affiliate Members The annual dues of each Affiliate Member shall be in such amount as established by the Board of Directors.

(e) Realtor® Emeritus The annual dues of each Realtor® Emeritus member shall be in such amount as established by the Board of Directors.

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

(f) Honorary Members Dues payable, if any, shall be at the discretion of the Board of Directors.

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

Section 3. Dues Payable. Dues for all members shall be payable annually in advance on the first day of November. Dues shall be computed, by the quarter only, from the date of application in granting of provisional membership. Dues for new members shall be computed from the date of application and granting of provisional membership.

(a) In the event a real estate licensee or licensed or certified real estate appraiser who holds REALTOR® membership is dropped for nonpayment of Association dues, and the individual remains with the Designated REALTOR's® firm, the dues obligation of the Designated REALTOR®, as set forth in Article X, Section 2(a), will be increased to reflect the addition of a non-member licensee. Dues shall be calculated from the first day of the current fiscal year and are payable within 30 days of the notice of termination.

Section 4. Nonpayment of Financial Obligations. If dues, fees, fines, or other assessments including amounts owed to the Board or the Board's Multiple Listing Service are not paid within one (1) month after the due date, the nonpaying Member is subject to suspension at the discretion of the Board of Directors. Two (2) months after the due date, membership of the nonpaying Member may be terminated at the discretion of the Board of Directors. Three (3) months after the due date, membership of the nonpaying Member shall automatically terminate unless within that time the amount due is paid. 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. A former Member who has had his membership terminated for nonpayment of dues, fees, fines, or other assessments duly levied in accordance with the provisions of these Bylaws or the provisions of other Rules and Regulations of the Board or any of its services, departments, divisions or subsidiaries may apply for

reinstatement in a manner prescribed for new applicants for membership, after making payment in full of all accounts due as of the date of termination.

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

Section 6. Expenditures. The Board of Directors shall administer the day to day finances of the Association. Capital expenditures of more than 10% budgeted may not be authorized without a quorum vote of the Association.

Section 7. Annual Audit. The Association's financial records and accounts shall be audited annually. The Board of Directors shall retain a Certified Public Accountant who shall conduct the audit, give a written report to the Board of Directors and file all necessary reports with the Internal Revenue Service.

Section 8. Notice of Dues, Fees, Fines, Assessments, and Other Financial Obligations of Members. All dues, fees, fines, assessments, or other financial obligations to the Association or Association's Multiple Listing Service shall be noticed to the delinquent Association Member in writing setting forth the amount owed and due date.

ARTICLE XI - ASSOCIATION OFFICERS AND DIRECTORS, MLS DIRECTORS AND SHAREHOLDERS

Section 1. Officers. The elected Officers of the Association shall be: a President, a President-elect, a Secretary, and a Treasurer. They shall be elected for terms of one year.

Section 2. Duties of Officers. (a) The President shall be the chief elected Officer and shall serve as Chairman of the Board of Directors.

(b) The President-elect shall perform the duties of the President in the event of his/her absence or refusal to serve or disability, and shall perform such other duties as may be delegated to him / her by the President and/or Board of Directors. In the absence of unforeseen events, he/she shall succeed to the Presidency. (c) The Treasurer shall oversee the finances of the Association and shall serve as Chairman of the Budget and Finance Sub-Committee.

d) The Secretary shall keep such records as are necessary for proper operation of the Association and shall be custodian of the Association records.

Section 3. Board of Directors. The governing body of the Association shall be a Board of Directors consisting of the elected Officers, the Immediate Past President, and fifteen (15) Directors elected from the membership at-large. Five positions in each term. There must be a one year break between re-election.

Section 4. State Directors. Directors to the State Association Board of Directors shall be the President and the President-elect of the local Association. If membership count warrants other Directors as set out in the Tennessee Association Bylaws, they shall be appointed by the Board of Directors.

Section 5. MLS Directors and Proxy Holders. The President of NETAR, with the approval of the NETAR Board of Directors, shall appoint an MLS Nominating Committee from the NETAR Board of Directors in July of each year. This Nominating Committee shall consist of the President of NETAR and four Members of the NETAR Board of Directors. The MLS Nominating Committee shall meet prior to the Association's August Directors Meeting. The purpose of this meeting is to nominate nine (9) proxy holders to represent the Association at all annual and special meetings of the shareholders of MLS. The Nominating Committee shall endeavor to select nominees from each of the three geographic areas represented by the three former Associations who merged to form the Northeast Tennessee Association of Realtors® (the Greeneville, Johnson City and Kingsport Associations). The MLS Nominating Committee shall report the list of nominees to the President and Directors of the Association prior to the August Directors Meeting. Any NETAR Director shall have the right to nominate additional REALTOR® member for consideration by the NETAR Directors. Upon approval the nine elected shall represent the Association as proxy holders and vote the stock which the Association owns in MLS. At the annual and all special meetings of the shareholders of MLS. The NETAR Directors shall elect the three directors which the Association is entitled to elect each year as members of the MLS Board of Directors.

Section 6. Election of Officers and Directors. (a) At least two months before the annual election, a Nominating Committee of nine REALTOR® Members shall be appointed by the President with the approval of the Board of Directors. The Nominating Committee shall ask the Membership for applications from interested individuals for the Offices of the Board and for the available Director positions. The Nominating Committee can seek applications from other individuals for all positions as well, and will consider all applications. A slate of one or more candidates will be presented to the membership. The report of the Nominating Committee shall be distributed or electronically transmitted to each REALTOR® Member eligible to vote at least three weeks preceding the election. Additional candidates for the offices to be filled may be placed in nomination by petition signed by at least ten (10) percent of the REALTOR® Members eligible to vote. The petition shall be filed with the Chief Staff Executive at least two weeks before the election. The Chief Staff Executive shall send notice of such additional nominations to all Members eligible to vote before the election.

(b) The election of Officers and Directors shall take place at the annual meeting. If more than one nominee for any office, election shall be by ballot. The ballot shall contain the names of all candidates and the offices for which they are nominated. An election of Officers may be conducted by electronic means, in accordance with procedures established by the Board of Directors, or by absentee ballots cast at the Association Office. In either case, voting must be completed no later than (5) five working days prior to the day of the annual election.

(c) The President, with the approval of the Board of Directors, shall appoint an Election Committee of seven REALTOR® Members to conduct the election. In case of a tie vote, the issue shall be determined by lot.

Section 7. Chief Staff Executive. There shall be a Chief Staff Executive, appointed by the Board of Directors, who shall be Chief administrative officer of the Board. The Chief Staff Executive shall have the authority to hire, supervise, evaluate, and terminate other staff, if any, and shall perform such other duties as prescribed by the Board of Directors.

Section 8. Vacancies. Vacancies, other than the President, among the Officers and the Board of Directors shall be filled by a simple majority vote of the Board of Directors until the next annual election and replace for the remainder of the term.

Section 9. Removal of Officers and Directors. In the event that an Officer or Director is deemed to be incapable of fulfilling the duties for which elected, but will not resign from office voluntarily, the Officer or Director may be removed from office under the following procedure:

(a) A petition requiring the removal of an Officer or Director and signed by not less than one-third of the voting membership or a majority of all Directors shall be filed with the President, or if the President is the subject of the petition, with the next-ranking Officer, and shall specifically set forth the reasons the individual is deemed to be disqualified from further service.

(b) Upon receipt of the petition, and not less than twenty days or more than forty-five days thereafter, a special meeting of the voting membership of the Association shall be held, and the sole business of the meeting shall be to consider the charge against the Officer or Director, and to render a decision on such petition.

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

ARTICLE XII - MEETINGS

Section 1. Membership Meetings. A minimum of Quarterly meetings of the Association shall be held; the dates, places, and hours to be designated by the Board of Directors. At the Quarterly meetings, the Membership will hear and approve any actions that have been made prior to that meeting effecting changes in bylaws, rules

and regulations or budget. All other minutes shall be on file in the Association office for review by the Membership.

Section 2. Annual Meetings. The annual meeting of the Association shall be held during September of each year, the date, place, and hour to be designated by the Board of Directors.

Section 3. Directors Meetings. The Board of Directors shall designate a regular time and place for meetings. Absence from two (2) consecutive meetings without an Board approved excuse or three (3) total in a calendar year shall be construed as resignation therefrom. A quorum for the transaction of business shall be fifty (50) percent.

Section 4. Electronic Transaction of Business. The Board of Directors or committee meetings may conduct business by electronic means.

Section 5. Other Meetings. Meetings of the members may be held at other times as the President or the Board of Directors may determine, or upon written request of at least 10 per cent of the members eligible to vote.

Section 6. Quorum. A quorum for the transaction of business, except the Board of Directors, shall consist of majority present and eligible to vote. A quorum for the Board of Directors shall be fifty per cent. If properly documented with the secretary, or a designee thereof, absentee ballots will be accepted. Absentee ballots will be accepted beginning five (5) working days prior to voting. Committees of the Association are not required to have quorums. Committees only make recommendations to the Board of Directors.

ARTICLE XIII DIVISIONS

Section 1. Standing Divisions. The President shall appoint from among the REALTOR Members, subject to confirmation by the Board of Directors, the following standing Divisional Vice -Presidents:

ASSOCIATION OPERATIONS

MEMBER SERVICES

PROFESSIONAL STANDARDS

COMMUNICATIONS

POLITICAL ACTION

COMMERCIAL /INTERNATIONAL

Committees shall be appointed by the President, as needed.

Section 2. Special Committees. The President shall appoint, subject to confirmation by the Board of Directors, including the MLS Committee and other Committees as deemed necessary.

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

Section 4. President. The President shall be an ex officio member of all standing committees and shall be notified, in advance, of their meetings.

Section 5. Chief Staff Executive. The Chief Staff Executive shall be an ex officio member of all standing committees and shall be notified, in advance, of their meetings.

Section 6. Action without Meeting. Any committee may act by unanimous consent in writing without a meeting. The consent shall be evidenced by one or more written approvals, each of which sets forth the action taken and bears the signature of one or more of the members of the committee.

Section 7. Attendance by Telephone. Members of a committee may participate in any meeting through the use of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Such participation shall be at the discretion of the President and shall constitute presence at the meeting.

ARTICLE XIV - FISCAL AND ELECTIVE YEAR

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

ARTICLE XV - RULES OF ORDER

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

ARTICLE XVI - AMENDMENTS

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

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

Section 3. Amendments to these Bylaws affecting the admission or qualification of REALTOR® and Institute Affiliate members, the use of the terms REALTOR® and REALTORS®, or any alteration in the territorial jurisdiction of the Association shall become effective upon their approval as authorized by the Board of Directors of the NATIONAL ASSOCIATION OF REALTORS®.

ARTICLE XVII - DISSOLUTION

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

ARTICLE XVIII - MULTIPLE LISTING

Section 1. Authority. The Association of REALTORS® shall maintain for the use of its members a multiple listing service which shall be a lawful corporation in the State of Tennessee stock of which shall be owned, in part, by the Northeast Tennessee Association of REALTORS®, Inc.

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, 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, analysis, and other valuations of real property for bona fide clients and customers; by which participants engaging in real estate appraisal contribute to common data bases; and is a facility for the orderly correlation and dissemination of listing information so participants may better serve their clients and the public. Entitlement to compensation is determined by the cooperating broker's performance as procuring cause of the sale (or lease).

Section 3. Governing Documents. The Board of Directors shall cause any Multiple Listing Service established by it pursuant to this Article to conform with its corporate charter, constitution, bylaws, rules, regulations, and policies, practices, and procedures at all times to the Constitution, Bylaws, Rules, Regulations, and Policies of the NATIONAL ASSOCIATION OF REALTORS®

Section 4. Participation. Any REALTOR® Member of this or any other Association who is a principal, partner, or corporate officer, or branch manager acting on behalf of the principal, without further qualification, except as otherwise stipulated in these bylaws, shall be eligible to participate in Multiple Listing upon agreeing in writing to conform to the Rules and Regulations thereof and to pay the costs incidental thereto. However, under no circumstances is any individual or firm, regardless of membership status, entitled to Multiple Listing Service "membership" or "participation" unless they hold a current, valid real estate broker's license and offer or accept compensation to and from other Participants or are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property. Use of information developed by or published by an Association

Multiple Listing Service is strictly limited to the activities authorized under a Participant's license(s) or certification and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey "participation" or "membership" or any right of access to information developed by or published by an Association Multiple Listing Service where access to such information is prohibited by law.

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. (Adopted 11/08)

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 in a nondiscriminatory manner to all participants and potential participants.

Section 5. Access to Comparable and Statistical Information. Association Members who are actively engaged in real estate brokerage, management, appraising, land development, or building, but who do not participate in the MLS, are nonetheless entitled to receive, by purchase or lease, all information other than current listing information that is generated wholly or in part by the MLS including "comparable" information, "sold" information, and statistical reports. This information is provided for the exclusive use of Association Members and individuals, affiliated with Association Members, who are also engaged in the real estate business and may not be transmitted, re-transmitted, 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.

ARTICLE XIX - MULTIPLE LISTING - COMMERCIAL/INVESTMENT

Section 1. Authority. The Association of REALTORS® shall maintain for the use of its members a Commercial/Investment Multiple Listing Service (herein "C/I MLS") as a Committee of the Association, which shall be subject to the bylaws of the Northeast Tennessee Association of REALTORS® and such rules and regulations as may be hereinafter adopted.

Section 2. Purpose. A C/I MLS is a means by which authorized Participants make blanket unilateral offers of compensation to other Participants (acting as subagents, buyer agents, or in other agency or non-agency

capacities defined by law); by which cooperation among Participants is enhanced; by which information is accumulated and disseminated to enable authorized Participants to prepare appraisals, analyses, and other valuations of real property for bona fide clients and customers; by which Participants engaging in real estate appraisal contribute to common databases; and is a facility for the orderly correlation and dissemination of listing information so Participants may better serve their clients and the public. Entitlement to compensation is determined by the cooperating broker's performance as procuring cause of the sale (or lease).

Section 3. Participation. Any REALTOR® Member of this or any other Association who is a principal, partner, or corporate officer or branch manager acting on behalf of the principal, without further qualification, except as stipulated otherwise in these bylaws, shall be eligible to participate in the C/I MLS upon agreeing in writing to conform to the rules and regulations thereof and to pay the costs incidental thereto. However, under no circumstances is any individual or firm, regardless of membership status, entitled to C/I MLS "participation" or "membership" unless they hold a current, valid real estate broker's license and offer or accept compensation to and from other Participants or are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property. Use of information developed by or published by the Association's C/I 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 C/I MLS here access to such information is prohibited by law. Not every member of a firm is required to participate in the C/I MLS, but the principal partner or corporate officer or branch manager acting on behalf of the principal must be a Participant in the C/I MLS prior to any member of that firm becoming a member.

Mere possession of a broker's license is not sufficient to qualify for C/I 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 C/I MLS and/or to accept offers of cooperation and compensation made by listing brokers or agents in the C/I 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 C/I 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 C/I MLS participation to a Participant or potential Participant who has not achieved a minimum number of transactions despite good faith efforts. Nor is it intended to permit the Association's C/I MLS to deny participation based on the level of service provided by the Participant or potential Participant as long as the level of service satisfies state law.

The key is that the Participant or potential Participant actively endeavors to make or accept offers of cooperation and compensation with respect to properties of the type that are listed on the C/I MLS in which participation is sought. This requirement does not permit the C/I 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. The C/I 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 C/I 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 in a nondiscriminatory manner to all Participants and potential Participants.

Section 4. Conditions for Membership. A nonmember applicant for C/I MLS participation who is a principal, partner, corporate officer, or branch office manager acting on behalf of a principal, shall supply evidence satisfactory to the Membership Committee that (a) he has no record of recent or pending bankruptcy; (b) has no record of official sanctions involving unprofessional conduct; (c) agrees to complete a course of instruction of no

more than twelve (12) classroom hours covering the C/I MLS rules and regulations and computer training related to C/I MLS information entry and retrieval, and shall pass such reasonable and non-discriminatory written examination thereon as may be required by the C/I MLS ; and (d) shall agree that if elected as a Participant , he will abide by such rules and regulations and pay the C/I MLS fees and dues, including the nonmember differential (if any), as from time to time established.

The Membership Committee shall also consider the following when determining a non-member applicant's qualifications for C/I MLS participation or membership:

- (a) all final findings of Code of Ethics violations and violations of other membership duties in any other Association within the past three (3) years;
- (b) pending ethics complaints (or hearings);
- (c) unsatisfied discipline pending;
- (d) pending arbitration requests (or hearings); and
- (e) unpaid arbitration awards or unpaid financial obligations to any other Association or Association MLS.

Section 5. Supervision. The Service shall be operated under the supervision of the C/I MLS Committee in accordance with the rules and regulations, subject to the approval of the Board of Directors of the Association of REALTORS®.

Section 6. Appointment of Committee. The President shall appoint, subject to confirmation by the Board of Directors, a C/I MLS Committee of five (5) REALTORS® members. All members of the Committee shall be Participants in the C/I MLS except, at the option of the Board, REALTORS® licensed with Participants may be appointed to serve as Committee members. The Committee members so named shall serve two (2) year staggered terms. The Committee shall select its Chairperson from among the members thereof.

Section 7. Vacancies. Vacancies and unexpired terms shall be filled as in the case of original appointments.

Section 8. Attendance. Any Committee member who fails to attend two (2) consecutive regular or special meetings of the Committee, without an excuse acceptable to the Chairperson of the Committee, shall be deemed to have resigned from the Committee and the vacancy shall be filled as herein provided for original appointees.

Section 9. Subscribers. Subscribers of the C/I MLS include non-principal brokers, sales associates and licensed and certified appraisers affiliated with Participants.