

**BYLAWS
of the
TENNESSEE ASSOCIATION OF REALTORS[®], INCORPORATED**

(Adopted October 27, 1922, and amended at various times up to and including
September 17, 2009)

**ARTICLE I
Name and Objectives**

Section 1. Name: The name of this organization shall be: Tennessee Association of Realtors[®], Incorporated, hereinafter referred to as the Association.

Section 2. Objectives: The objectives of the Association shall be to unite local Member Boards and Associations of Realtors[®], hereinafter referred to as local Associations, their Members, and Realtor[®] and Realtor-Associate[®] Members in the State of Tennessee, for the purpose of exerting effectively a combined influence upon matters affecting real estate, to elevate the standards of the real estate business throughout the State and the professional conduct of persons engaged therein.

**ARTICLE II
Membership**

Section 1. Classes of Membership: The Members of the Association shall consist of seven classes: (1) local Associations, (2) local Association Members, (3) Realtor[®] Members, (4) Realtor-Associate[®] Members, (5) Institute Affiliate Members, (6) Affiliate Members, and (7) Honorary Members.

Section 2. Local Associations: A local Association shall be any local Association chartered by the National Association of Realtors[®] within the State of Tennessee. All the Realtor[®] and Realtor-Associate[®] Members who hold primary membership in the local Association shall hold membership in the Tennessee Association of Realtors[®] and the National Association of Realtors[®].

Section 3. Local Association Members: A local Association Member shall be any Realtor[®] or Realtor-Associate[®] Member of a local Association as previously defined.

Section 4. Realtor[®] Members: A Realtor[®] Member shall be any individual engaged in the real estate profession as a principal, partner, corporate officer, or branch office manager acting on behalf of the firm's principal(s), and licensed or certified individuals affiliated with said Realtor[®] Member whose place of business is located in an area outside the jurisdiction of any local Association who meets the qualifications for Realtor[®] membership established by the State Association (which must be consistent with NAR's Membership Qualification Criteria). Secondary Realtor[®] membership shall also be available to individuals who hold primary membership in a local Association in another state and who desire to obtain direct membership in the State Association without holding membership in a local Association in the State, and who holds Realtor[®] membership in the Association.

Section 5. 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 office managers and do not qualify for or seek Realtor[®] membership. Salespersons or licensed or certified appraisers who are employed by or affiliated as independent contractors with a Realtor[®] Member of the Association shall be eligible for Realtor-Associate[®] membership. Realtor-Associate[®] membership shall also be available to individuals who hold primary membership in an Association in another state and who desire to obtain direct membership in the State Association without holding membership in a local Association in the State.

Section 6. Institute Affiliate Members: Institute Affiliate Members shall be individuals who hold a professional designation awarded by a qualified 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 vote or hold office. Any such individual, if otherwise eligible, may elect to hold Realtor[®] or Realtor-Associate[®] membership, subject to payment of applicable dues for such membership. Individuals, whose places of business are located in an area outside the jurisdiction of a local Association, shall be eligible to apply for Institute Affiliate Membership in the Association if they meet the requirements as specified above.

Section 7. Affiliate Members: Affiliate Members shall be real estate owners and other individuals or firms who are Affiliate Members of local Associations or hold Affiliate Membership directly with the Association.

Section 8. Honorary Members: Honorary Members shall be individuals other than those engaged in the real estate profession who have contributed notably to the Association.

ARTICLE III Dues and Fees

Section 1. Annual Dues: Upon payment to the Tennessee Association of Realtors[®], Inc., of the dues required under this Section, each Realtor[®], Realtor-Associate[®] or Institute Affiliate Member of local Associations within the State and each Realtor[®], Realtor-Associate[®] and Institute Affiliate Member from areas not within the jurisdiction of a local Association within the State shall be deemed a Realtor[®], Realtor-Associate[®] or Institute Affiliate Member, as the case may be, in good standing of the Tennessee Association of Realtors[®], Inc. Upon payment of dues required under any other Sections of this Article, the individual making such payment shall be deemed a Member as designated in good standing of the Tennessee Association of Realtors[®], Inc.

(a) **Association Dues:** The annual dues of each local Association as defined in Article II, Section 2, of these Bylaws shall be in such amount as established by the Board of Directors times the number of Realtor[®] and Realtor-Associate[®] Members who hold primary membership in the local Association, plus an additional amount established by the Board of Directors times the number of real estate salespersons and licensed appraisers employed by or affiliated as independent contractors with Realtor[®] Members of the local Association who are not themselves Realtor[®], Realtor-Associate[®] or Institute Affiliate Members. In calculating the dues payable by a local Association, non-members, as defined in the preceding sentence, shall not be included in the computation of dues if dues have been paid to another local Association in the State, provided the local Association notifies the Association in writing of the identity of the local Association to which dues have been remitted.

(b) **Designated Realtor[®] Member Dues:** The annual dues of each designated Realtor[®] Member actively engaged in the real estate business from areas not within the jurisdiction of a local Association shall be (1) an amount as established by the Board of Directors plus (2) an amount as established by the Board of Directors times the number of real estate salespersons and licensed or certified appraisers who (a) are employed by or affiliated as independent contractors, or who are otherwise directly or

indirectly licensed with such Realtor[®] Member, and (b) are not Realtor[®], Realtor-Associate[®], or Affiliate Members. An individual shall be deemed to be licensed with a Realtor[®] if the license of the individual is held by the Realtor[®] or 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) hereof) provided that the 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, counselling 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[®].

- (c) **Institute Affiliate Member Dues:** The annual dues of each Institute Affiliate Member be established in Article II of the Bylaws of the National Association of Realtors[®].
- (d) **Honorary Members:** Honorary Members shall not be required to pay dues.
- (e) **Affiliate Member Dues:** The annual dues of each Affiliate Member shall be in such amount as established by the Board of Directors.
- (f) **Secondary Membership Dues:** The annual dues of each Realtor[®] or Realtor-Associate[®] Member holding secondary membership directly in the State Association shall be in such amount as established by the Board of Directors.
- (g) **Prorated Dues:** Membership dues shall be prorated for any licensee included on a certification form submitted to the Association that 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.

Section 2. Assessments: The Board of Directors shall have the authority to assess the membership to raise funds for specific purposes. Assessments shall be due and payable with the annual dues unless otherwise directed by the Board of Directors.

Section 3. Annual List of Members: In January of each year each local Association shall file with the Tennessee Association of Realtors[®], Inc., in such format as shall be determined by the Association, a list of its Realtor[®], Realtor-Associate[®] and Institute Affiliate Members and the real estate salespersons and licensed or certified appraisers employed by or affiliated as independent contractors with such Realtor[®] Members, certified by the President and Secretary of the local Association and that local Association shall pay dues for the current year on the basis of such list; provided, however, that adjustments shall be made each month for Members dropped or enrolled by the local Association during the preceding month. On a monthly basis, the local Association shall report to the Association the names and addresses of Realtors[®], Realtor-Associates[®] and Institute Affiliate Members dropped or enrolled during the preceding month. Any local Association or other Member delinquent in payment of dues by more than ninety days may be dropped from membership in the Association by the Board of Directors.

ARTICLE IV Officers

Section 1. Elected Officers: The elected officers of the Association shall be a President, a President-elect, a Secretary/Treasurer and two Vice Presidents from each grand division of the State.

Section 2. Duties:

(a) **President:** The President shall be the chief elected officer of the Association and shall preside at meetings of the Board of Directors and Executive Committee. He/She shall appoint all committees unless otherwise directed by the Board of Directors, shall be ex officio a member of all committees except the Nominating Committee and the Realtor[®] of the Year Committee, and shall perform all other duties usual to his/her office.

(b) **President-elect:** If the President should be absent, or if the office of the President should become vacant between elections the President-elect shall preside, or shall fill the vacancy as prescribed in ARTICLE V, Section 5 on Filling Vacancies.

(c) **Secretary/Treasurer:** The Secretary/Treasurer shall keep records as are necessary for proper operation of the Association, and shall be the custodian of the Association.

(d) **Divisional Vice Presidents:** The Divisional Vice Presidents shall supervise the work of the Association in their respective division and shall act as the representative of the President in such matters as may be assigned to them.

Section 3. Administrative Officer: The Board of Directors shall employ an Executive Vice President who shall be the chief administrative officer of the Association, under the direction of the Executive Committee, and who shall perform such other duties as may be delegated to him/her by the Board of Directors. He/she shall provide a surety bond in such amount as the Board of Directors may determine, the cost to be paid by the Association. The Executive Vice President shall be furnished an employment contract, approved by the Executive Committee and signed by the President, setting forth the terms of employment. The Executive Vice President, upon the approval of the Executive Committee, may employ such other persons, in addition to the current approved budget, as may be necessary to properly conduct the activities of the Association.

ARTICLE V

Election and Vacancies

Section 1. Election: The election and installation of officers shall be held at the annual meeting in the fall. In the event there is more than one candidate for any given office, election shall be by ballot.

Section 2. Term: All officers, except the Divisional Vice Presidents, shall serve for a one-year term or until their successors are elected. All Divisional Vice Presidents shall serve two-year terms as provided in Article V, Section 4 3(b) of these Bylaws. An officer who has served more than half a term in an office is considered to have served a full term. The term of office begins on the day

following the conclusion of the last regularly scheduled National Association of Realtors[®] Directors meeting each year.

Section 3. Grand Divisions: For the purpose of electing officers, the State shall be divided into three grand divisions (eastern, middle, and western) and the office of President shall be rotated among these divisions so that each division will have a President once every three years.

Section 4. Nominating Committee:

(a) **Composition:** The Nominating Committee shall be comprised of the six immediate past Divisional Vice Presidents and the three immediate past Presidents who hold active membership in the Association. In the event that one of the aforementioned shall be unable or unwilling to serve, or is a candidate for any of the offices being considered, he/she shall be ineligible to serve on the Nominating Committee and that respective position shall be filled by an alternate who shall be the next previous eligible Divisional Vice President (within the same division) or the next previous eligible past President. The past President (other than an alternate) who has been on the committee longest shall serve as Chair. In order to be eligible to serve as an alternate on the Nominating Committee of TAR the member must have been in attendance for at least one of the regularly scheduled general membership meetings (Spring Business Meetings or Fall Convention) within the three years prior to the year of Committee service.

(b) **Candidates:** The Nominating Committee shall recommend one candidate for President-elect and one candidate for Secretary/ Treasurer. No President shall be nominated because when a member has served his/her full term as President-elect, he/she automatically becomes President for a full term. Once a person has been elected President-elect, the assembly cannot alter its decision regarding the succession of that person to the presidency, unless he/she vacates office during his/her term as President-elect, or unless ground arises for deposing him/her from that office. The Nominating Committee shall also recommend one candidate for Vice President from each of the three grand divisions of the State to serve two-year staggered terms. No individual shall be eligible to serve a consecutive term in the same office.

(c) **Qualifications:** The candidate for President-elect shall be a Realtor[®] or Realtor-Associate[®] Member of a local Association in a grand division other than the grand divisions of the current President, or the candidate for

Secretary/Treasurer. The candidate for Secretary/ Treasurer shall be an active Realtor[®] or Realtor-Associate[®] Member of a local Association in a grand division other than the grand divisions of the current President and the candidate for President-elect, thus ensuring that each division shall be represented by an officer of the Association.

(d) **Procedure:** The Nominating Committee shall meet at least thirty days prior to the annual meeting of the Directors in the fall and shall select at least one candidate for each office to be filled.

- 1) Each local Association should identify and encourage qualified and interested Members to submit an application to their local Association for the office of Divisional Vice President. More than one candidate from a given local Association may be submitted for the same office. A letter of endorsement from the local Association's Board of Director may accompany each application.
- 2) Candidates for President-elect and Secretary/Treasurer shall submit their application for nomination directly to the State Association's Nominating Committee. A letter of endorsement from a local Association's Board of Directors, in that candidate's Grand Division, shall accompany the application (see Article VIII, Section 2 and 3).
- 3) All applications must be received in the State Association office no later than ten days prior to the Nominating Committee Meeting. If no application for a given office is received by the deadline, the Nominating Committee shall then seek applicants for that office. Any candidate may appear before the Nominating Committee to speak on his/her own behalf.
- 4) The report of the Nominating Committee shall be published to all voting Directors at least twenty days prior to any election. Additional nominations for all open offices, provided the individuals nominated are from the appropriate grand division, may be made from the floor by a Director of the Association and seconded by another Director of the Association.

(e) **National Association of Realtors® Positions:**

- 1) Each year the Nominating Committee shall meet, no later than the State Association's Spring Conference, to select one Realtor® or Realtor-Associate® Member for each new National Director position and ensure that at least one National Director shall reside in each of the three grand divisions of the State. Each local Association should identify and encourage qualified and interested Realtor® or Realtor-Associate® Members to submit an application directly to the Nominating Committee no later than ten days prior to the Nominating Committee meeting. The Committee will make recommendations to the Board of Directors and additional nominations may be made from the floor by a Director of the Association and seconded by another Director of the Association. The Realtor® or Realtor-Associate® Member(s), approved by the Board of Directors, will be recommended to the National Association's Nominating Committee. In the event there is more than one candidate for any given office, election shall be by ballot. If a vacancy occurs before a term expires, the President shall appoint, for the unexpired term, a replacement approved by the Executive Committee.
- 2) The Nominating Committee shall make a recommendation to the Board of Directors of one Realtor® or Realtor-Associate® Member for the office of National Regional Vice President at least one year prior to the commencement of the term. Additional nominations may be made from the floor by a Director of the Association. The Realtor® or Realtor-Associate® Member, approved by the Board of Directors, will be recommended to the National Association's Nominating Committee. In the event there is more than one candidate for any given office, election shall be by ballot.

Section 5. Filling Vacancies:

- (a) Should a vacancy occur in the office of President, the President-elect will assume that office.

- (b) Should a vacancy occur in the office of President-elect shortly before the Spring Board of Directors meeting and with adequate time for the Nominating Committee to meet and report a candidate from the appropriate grand division, an election will be held to fill the vacancy. If the timing of the vacancy does not allow for this procedure, the most immediate available past president shall perform the duties of that office for the remainder of the term, or until an election can be held. Should there be disagreement regarding which procedure shall be followed, the Executive Committee's decision shall prevail.
- (c) Should the office of the Secretary/Treasurer or a Divisional Vice President become vacant, the President, with the approval of the Executive Committee, shall appoint a replacement from the same grand division for the remainder of the unexpired term.
- (d) Vacancies in committees are filled by appointment of the President for any unexpired terms.

ARTICLE VI

Board of Directors

Section 1. Composition: The government of the Association shall be vested in a Board of Directors, elected for terms of one year, consisting of the following: (1) the President, (2) the President-elect, (3) the Secretary/Treasurer, (4) Divisional Vice Presidents, (5) one Director from each local Association and such other Directors as set forth in Section 2 of this Article, (6) past Presidents of the Association who continue their membership in the Association and attend at least one regularly scheduled Board of Directors meeting within every consecutive three calendar year period, and (7) the Chair of each full committee.

Section 2. Local TAR Directors:

- (a) **Directors:** The number of Directors shall be set at one hundred, plus the elected officers, (as set forth in Article IV, Section 1), past Presidents of the Association that continue to hold membership in the Association and attend at least one regularly scheduled Board of Directors meeting within every consecutive three calendar year period, the Chair of each standing committee (as named in Article VIII, Section 1), and all NAR Directors that hold primary membership in

this state Association. Each local Association shall be represented by at least two Directors and the remainder of Directors shall be from local Associations based upon a formula determined by the Association's membership records as of the preceding July 31. The formula shall be: one hundred Directors at large, minus the number of local Associations, multiplied by the percentage of the Association's membership that local Association represents. Any fraction one-half or greater shall be rounded to the nearest whole number. An additional Director shall be added for each local Association for which the formula would otherwise only provide one Director. Voting shall be by individual Director, in person or by a substitute from within that Director's local Association—duly authorized in writing by the local Association's President at least ten days prior to a scheduled Directors meeting.

- (b) **Election of Local TAR Directors:** Each local Association shall determine its own method for selecting which Realtor[®](s) and Realtor-Associate[®](s) shall be named a Director from that local Association's membership. By November 1st each year, each local Association shall submit the names of individuals from within the local Association who shall serve as a Director the following year. This notification shall be signed by the local Association's President or Association Executive.

Section 3. Duties:

- (a) The Board of Directors shall administer the finances of the Association and shall have sole authority to appropriate money. The accounts of the Association shall be audited annually by a Certified Public Accountant, or more frequently at the discretion of the Board of Directors.
- (b) The Board of Directors may retain legal and other professional counsel and fix the terms of compensation thereof.

Section 4. Meetings:

- (a) **Regular:** The Board of Directors shall meet officially at least two times each year, the time and place to be designated by the Board of Directors. Directors shall be notified of all such meetings, in writing, at least fourteen days prior to such meeting.

- (b) **Special:** Special meetings of the Board of Directors may be called at any time upon fourteen days written notice by the President or by any thirty-five Directors.

Section 5. Quorum: Fifty Directors shall constitute a quorum of the Board of Directors.

Section 6. Executive Committee:

- (a) **Composition:** There shall be an Executive Committee of the Board of Directors composed of the President, President-elect, Secretary/Treasurer, immediate past President, and six Divisional Vice Presidents. The President shall serve as Chair.
- (b) **Duties:** This committee shall make recommendations to the Board of Directors, shall transact business between meetings of the Board of Directors, and shall report such actions in full to the Board of Directors at its next meeting.
- (c) **Legal Opinions:** Any written legal opinions obtained by a member of the Executive Committee, from professional counsel paid for by the Association, shall be shared with all Executive Committee members promptly.

**ARTICLE VII
Meetings**

The Association shall hold at least two meetings each year, the time and place to be determined by the Board of Directors. At least one of these meetings shall be held in state. The Convention meeting shall be open to all Members upon payment of a registration fee.

**ARTICLE VIII
Committees**

Section 1. The following are standing committees of the Association:

Budget & Finance	Governmental Affairs	Professional Standards
Bylaws	Legal Action	Realtor [®] of the Year
Cultural Diversity	Nominating	Strategic Planning

Section 2. The President, with the approval of the Board of Directors, may appoint such other committees as he/she deems advisable; however, the President may appoint task-oriented groups such as Presidential Advisory Groups, Work Groups and Task Forces as needed.

Section 3. All committee chairs, vice chairs and committee members shall hold Realtor[®] or Realtor-Associate[®] membership in the Association except Institute Affiliate Members may be appointed to the Governmental Affairs Committee and/or the Commercial Forum.

Section 4. Budget and Finance Committee: The Budget and Finance Committee shall be comprised of six Realtor[®] or Realtor-Associate[®] Members, plus the Secretary/Treasurer, and the immediate past Secretary/Treasurer. The Chair of the Budget and Finance Committee shall be the Secretary/Treasurer of the Association and shall be responsible for presenting the financial reports to the Directors at their regularly scheduled meetings. The immediate past Secretary/Treasurer shall serve as Vice Chair. Each year the President shall appoint three Realtor[®] or Realtor-Associate[®] Members to the committee who shall serve two-year terms. A vacancy is automatically created when a committee member misses two consecutive, duly called, meetings.

Section 5. Bylaws Committee: The Bylaws Committee shall be comprised of six Realtor[®] or Realtor-Associate[®] Members who shall serve two-year staggered terms, plus a Chair and a Vice Chair who shall serve terms of one year. Each year the President shall appoint three Realtor[®] or Realtor-Associate[®] Members plus a Chair and the President-elect shall appoint a Vice Chair. A vacancy is automatically created when a committee member misses two consecutive, duly called, meetings.

Section 6. Cultural Diversity Committee: The Cultural Diversity Committee, shall be comprised of six Realtor[®] or Realtor-Associate[®] Members who shall serve two-year staggered terms. Each year the President shall appoint three Realtor[®] or Realtor-Associate[®] Members plus a Chair and the President-elect shall appoint a Vice Chair. A vacancy is automatically created when a committee member misses two consecutive, duly called, meetings.

Section 7. Governmental Affairs Committee: The Governmental Affairs Committee shall be comprised of no more than eighteen Realtor[®], Realtor-

Associate[®] or Institute Affiliate Members who shall serve two-year staggered terms. Each year the President shall appoint up to nine Realtor[®], Realtor-Associate[®] or Institute Affiliate Members plus a Chair and the President-elect shall appoint a Vice Chair. A vacancy is automatically created when a committee member misses two consecutive, duly called, meetings.

Section 8. Legal Action Committee: The Legal Action Committee shall be comprised of the five immediate past Presidents who hold membership in the Association and are willing to serve. The committee shall function in accordance with the procedures set forth in Appendix C to these Bylaws. In the event that one of the aforementioned shall be unable or unwilling to serve, that respective position shall be filled by an alternate who shall be the next previous eligible past president available to serve. The Chair shall be the member (other than an alternate) who has served on the committee the longest.

Section 9. Professional Standards Committee: The Professional Standards Committee shall be comprised of six Realtor[®] or Realtor-Associate[®] Members who shall serve two-year staggered terms. Each year the President shall appoint three Realtor[®] or Realtor-Associate[®] Members plus a Chair and the President-elect shall appoint a Vice Chair. A vacancy is automatically created when a committee member misses two consecutive, duly called, meetings. In addition to the Professional Standards Committee, when the need arises, the Professional Standards Committee Chair and the President may appoint a Hearing Panel with qualified experience to consider complaint(s) referred from a local Association that the local Association feels it cannot properly handle. The Panel shall be comprised of up to five Realtor[®] or Realtor-Associate[®] Members.

Section 10. Realtor[®] of the Year Committee: The Realtor[®] of the Year Committee shall be comprised of the seven immediate past Realtors[®] of the Year who hold membership in the Association. In the event that one of the aforementioned shall be unable or unwilling to serve, that respective position shall be filled by an alternate who shall be the next previous eligible past Realtor[®] of the Year available to serve. The Chair shall be the member (other than an alternate) who has served on the Committee the longest.

Section 11. Strategic Planning Committee: The Strategic Planning Committee shall be comprised of eight Realtor[®] or Realtor-Associate[®] Members who shall serve two-year staggered terms plus the President,

President-elect, and Secretary/Treasurer of the Association and a Chair and a Vice Chair who shall serve terms of one year. Each year the President shall appoint four Realtor[®] or Realtor-Associate[®] Members plus a Chair and the President-elect shall appoint a Vice Chair. A vacancy is automatically created when a committee member misses two consecutive, duly called, meetings.

Section 12. Duties of Committees: Committees shall have such duties as their names indicate, and as the Board of Directors may assign. All actions of committees shall be subject to the approval of the Board of Directors.

Section 13. Term Limits: Term of service on any of TAR's appointed committees, as recognized by its Directors, shall be limited to four consecutive years exclusive of service as chair and vice chair. At the conclusion of such term, a member may not serve on that committee for at least one year before resuming eligibility. This limit is not applicable to those committees that have a limited membership eligibility pool defined in these TAR Bylaws.

Section 14. Appendices

- (a) Appendix A, as amended from time to time by the Board of Directors, shall set forth which bodies the committees will take direction from and to which they shall report.
- (b) Appendix B, as amended from time to time by the Board of Directors shall set forth which body has the authority to conduct educational programs on behalf of the Association.
- (c) Appendix C, Bylaws of the Legal Action Program

Section 15. Commercial Forum: The Commercial Forum of the Tennessee Association of Realtors[®] shall be comprised of no more than eighteen Realtor[®], Realtor-Associate[®], or Institute Affiliate Members who shall serve two-year staggered terms. Each year the President shall appoint up to nine Realtor[®], Realtor-Associate[®], or Institute Affiliate Members plus a Chair and the President-elect shall appoint a Vice Chair. The Forum shall have authority to provide and oversee programs for, and advance the interests of, the commercial members of the Tennessee Association of Realtors[®] who are engaged in the sales, leasing, exchanging, management, and/or development

of industrial, commercial and/or investment properties, or real estate securities.

Section 16. Electronic Meetings: Committees may agree to meet via videoconference or teleconference, under the same requirements as any in-person committee meeting. E-mail or intra-net meetings are prohibited.

ARTICLE IX Fiscal Year

The fiscal year of the Association shall be the calendar year.

ARTICLE X Code of Ethics

The Code of Ethics of the National Association of Realtors[®] is adopted as the Code of Ethics of the Association and shall be considered a part of the rules and regulations, and the Code of Ethics and the rules and regulations of the Association shall, in the future, be deemed to be amended and changed whenever said Code of Ethics is amended or changed by the National Association of Realtors[®].

ARTICLE XI Professional Standards

A local Association, prior to referring an ethics complaint or arbitration request for review to the State Association, should exhaust all efforts to empanel an impartial tribunal to conduct either the original hearing or the appeal or procedural review. These efforts may include the appointment of knowledgeable Members of the local Association on an ad hoc basis to serve on either a Hearing Panel or on behalf of the Board of Directors. If, because of notoriety, etc., the local Association cannot empanel an impartial tribunal, the local Association may refer the matter to the State Association, and the State Association may delegate to another local Association or a regional enforcement facility, the authority to hear the case on behalf of the State Association. No local Association or regional enforcement facility, however, may be required to accept this delegation of authority. If no other entity is amenable to conducting the review, the State Association shall be responsible for conducting the hearing.

Section 1. Allegations of ethical violations and contractual disputes (and specific non-contractual disputes as defined in Standard of Practice 17-4) between Realtors[®] and between Realtors[®] and their customers or clients may be submitted to an ethics or arbitration panel at the State Association level under the following circumstances:

- (a) Allegations of unethical conduct made against a Realtor[®] or Realtor-Associate[®] who is directly a Member of the State Association and not a Member of any local Association.
- (b) Allegations of unethical conduct made against a Realtor[®] or Realtor-Associate[®] in the instance in which the local Association, because of size or other valid reason, determines that it cannot provide a due process hearing of the matter and petitions the State Association to conduct a hearing.
- (c) Contractual disputes (and specific non-contractual disputes as defined in Standard of Practice 17-4) between Realtors[®] who are not Members of the same local Association where the matter has been referred to the State Association by both local Associations.
- (d) Contractual disputes (and specific non-contractual disputes as defined in Standard of Practice 17-4) between Realtors[®] who are directly Members of the State Association and are not Members of any local Association.
- (e) Contractual disputes (and specific non-contractual disputes as defined in Standard of Practice 17-4) between a Realtor[®] who does not hold membership in any local Association, but is directly a Member of the State Association, and a Realtor[®] who is a Member of a local Association.
- (f) Contractual disputes (and specific non-contractual disputes as defined in Standard of Practice 17-4) between Realtor[®] Members of the same local Association where the local Association with good and sufficient reason is unable to arbitrate the controversy. (Explanation: This provision is not designed to relieve a local Association of its primary responsibility to resolve differences arising between Members of the same local Association. The section recognizes that in some local

Associations with a limited membership, usual arbitration procedures may be impossible.)

- (g) Contractual disputes between a customer and a client and a Realtor[®] where the local Association with good and sufficient reason is unable to arbitrate the dispute or the Realtor[®] is a direct Member of the State Association.

Section 2. Professional Standards hearings and the organization and procedures incident thereto shall be governed by the Code of Ethics and Arbitration Manual of the Tennessee Association of Realtors[®], Inc., as from time to time amended, which by this reference is made a part of these Bylaws.

Section 3. If a Realtor[®] Member (as defined in Article II, Section 4 of these Bylaws) resigns from the local 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 proceeding and we abide by the decision of the hearing panel.

If a Realtor[®] Member (as defined in Article II, Section 4) resigns or otherwise causes his/her 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[®].

ARTICLE XII

Use of the Terms Realtor[®], Realtors[®] and Realtor-Associate[®]

Section 1. Use of the terms Realtor[®], Realtors[®], or Realtor-Associate[®] 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 State Association shall have authority to control, jointly and in full cooperation with the National Association of Realtors[®], use of the terms within those areas of the State of Tennessee not within the jurisdiction of a local Association. 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 State Association shall have the privilege of using the terms Realtor[®] and Realtors[®] in connection with their business 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[®] or Realtors[®] only if all the principals of such firm, partnership or corporation who are actively engaged in the real estate profession within the State or a state contiguous thereto are Realtor[®] or Institute Affiliate Members.

Section 4. Realtor-Associate[®] Members of the State 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, or by whom they are employed, is also a Realtor[®] Member in good standing.

Section 5. An Institute Affiliate Member shall not use the terms Realtor[®], Realtors[®], or Realtor-Associate[®] and shall not use the imprint of the emblem seal of the National Association of Realtors[®].

ARTICLE XIII

Divisions

The Board of Directors shall, for administrative purposes, divide the State into three grand divisions. Two Vice Presidents shall be elected from each of the grand divisions.

ARTICLE XIV

Parliamentary Authority

Robert's Rules of Order, Newly Revised, latest edition, shall be recognized as the authority governing all meetings of the Association when not in conflict with the Bylaws of the Association and any specific rules of order the Association may adopt.

ARTICLE XV Amendments

Section 1. These Bylaws may be amended at any meeting of the Directors by a two-thirds vote, provided that a quorum is present, and provided further that written notice of the substance of any proposed amendments shall first have been sent to each Director at least twenty days in advance of the meeting.

Section 2. Amendments to these Bylaws affecting the admission or qualifications of Realtor[®], Realtor-Associate[®], and Institute Affiliate Members, the use of the terms Realtor[®], Realtors[®], and Realtor-Associate[®], or any alteration in the territorial jurisdiction of a local Association shall become effective upon the approval of the National Association of Realtors[®].

Section 3. Appendices to these Bylaws may be amended by the Board of Directors at any duly called meeting without prior notice.

ARTICLE XVI Sexual Harassment

Any Member of the Association may be reprimanded, placed on probation, suspended or expelled for sexual harassment of an Association employee or Association Officer or Director after a hearing and investigation in accordance with the established 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, President-elect and Secretary/Treasurer and one member of the Board of Directors selected by the highest ranking officer not named in the complaint, upon consultation with counsel for the Association. Disciplinary action may include any sanction authorized in the Association's Code of Ethics and Arbitration Manual. If the complaint involves names the

President, President-elect or Secretary/Treasurer, 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 XVII

Dissolution

Upon the dissolution or winding up of the affairs of the Association, the Board of Directors, after providing for the payment of all obligations, shall distribute any remaining assets to a designated charity or, within its discretion, to any other non-profit and tax-exempt organization.

APPENDIX A

APPENDIX B

The Tennessee Real Estate Educational Foundation, Incorporated, a not-for-profit organization established to encourage and promote research and studies in the field of real estate, shall be given authority to conduct educational programs on behalf of the Members of the Association.

APPENDIX C

BYLAWS of the LEGAL ACTION PROGRAM of the TENNESSEE ASSOCIATION OF REALTORS[®], INCORPORATED

ARTICLE I Organization

Section 1. There is created a Legal Action Program to be administered by the Legal Action Committee that shall have authority to authorize expenditures from the Legal Action Fund.

ARTICLE II Purpose

Section 1. To render such assistance, including but not limited to disbursements from the Legal Action Fund, as may be approved by the Legal Action Committee to those parties listed in Article II, Section 2 below.

Section 2. The following parties may receive assistance as approved by the Legal Action Committee, providing their governing documents are in accordance with procedures and policies adopted or recommended by the Tennessee Association of Realtors[®], Inc. and the National Association of Realtors[®]:

- (a) Tennessee Association of Realtors[®], Inc.
- (b) Local Associations of Realtors[®] in Tennessee.
- (c) Officers, Directors, staff and other persons acting in an official capacity under items 1 and 2.
- (d) Individual Realtors[®], if, in the opinion of the Legal Action Committee, the issue would have an impact on all or a large portion of Realtors[®] in the State.

Section 3. Factors to be considered by the Legal Action Committee in acting upon requests for assistance shall include: whether the requesting parties are subject to threatened or actual litigation or administrative action by federal or state agencies; whether the requesting parties are the subject of threatened or

pending litigation where the subject matter thereof could have state-wide significance; the method and manner in which the requesting parties intend to handle the matter; and any other factors which the Legal Action Committee deems proper to consider.

Section 4. The Legal Action Fund may not be used to pay any judgment or damages or fines.

ARTICLE III Funding

Section 1. The Legal Action Fund initially shall consist of \$100,000.00, and shall be maintained in a separate account.

Section 2. When the amount of the Legal Action Fund has been depleted by the disbursement of Financial Assistance approved by the Legal Action Committee and the TAR Executive Committee, the Legal Action Committee will make a recommendation to the Executive Committee as to how the fund should be replenished and at that time each Realtor[®] and Realtor-Associate[®] Member of the Association may be assessed, at a time established by the TAR Executive Committee, to replenish the Legal Action Fund.

ARTICLE IV Administration

Section 1. The Legal Action Committee shall be comprised of the five immediate past Presidents who continue to hold membership in the Association. The member who has served on the Committee the longest will serve as the Chair of the Legal Action Committee.

Section 2. All recommendations of the Legal Action Committee shall be subject to the approval of the Executive Committee of TAR.

Section 3. The Legal Action Committee shall establish such rules as may facilitate the discharge of its responsibilities.

ARTICLE V
Request for Assistance

Section 1. Any request for assistance shall be in writing and shall be filed with the Executive Vice President of TAR who shall notify the Chair and other members of the Legal Action Committee of such written request.

Section 2. Notice of the meeting to consider the request will be given to the requesting parties and representatives of the requesting parties may appear before the Committee in support of their request.

Section 3. The Committee will make its recommendation to the Executive Committee in writing for final disposition.

Section 4. All authorized disbursements from the Legal Action Fund shall be submitted to the Secretary/Treasurer of TAR and paid by TAR as authorized by the Executive Committee.