

Amend GCAR Bylaws & Charter to Establish an MLS Committee

- Dissolve the MLS as a wholly-owned subsidiary.
- Establish MLS Committee with authorities in line with those of the wholly-owned subsidiary.
- Merge the MLS activities into GCAR.
- GCAR terminate its federal tax-exempt [IRS Section 501(c)(6)] status, but it will continue as it currently is, as a Tennessee nonprofit corporation

Rationale for the above: Moving to a one-company structure will:

- Reduce the amount of members' volunteer time currently spent preparing and managing two budgets and supporting the two companies' shared income and expenses.
- Eliminate current time, expenses, and risks related to allocation of income and expenses between the two companies.
- Enable significant annual savings of actual costs and staff time supporting the two companies' shared income and expenses.

GCAR CHARTER AMENDMENTS:

1. The name of the Association shall be changed to Greater Chattanooga Association of REALTORS®, Inc.
2. Add to the present Charter the following:

MULTIPLE LISTING SERVICE COMMITTEE

Pursuant to Tennessee Code Annotated Section 48-58-101 (d) there is hereby established a Multiple Listing Service Committee consisting of eleven individuals to exercise the powers of the Board of Directors of the Corporation to the extent provided in the bylaws of the Corporation from time to time with respect to the Multiple Listing Service to be operated by the Corporation. Such individuals shall have the duties and responsibilities of the directors of the Corporation with respect to the Multiple Listing Service to be operated by the Corporation and shall be selected as provided in the bylaws of the Corporation from time to time. This committee shall be known as the "Multiple Listing Service Committee" or "MLS Committee."

GCAR BYLAWS AMENDMENTS

1. Delete references to MLS Officers & Directors as follows:

Article XI, Officers & Directors

Section 8. Officers of the Multiple Listing Services of Chattanooga, Inc. Effective January 1, 1997, no officer of the Association may simultaneously serve as an officer of the



~~*Multiple Listing Services of Chattanooga, Inc. Effective January 1, 1997, the President of the Association and the President of the Multiple Listing Services of Chattanooga, Inc. must be from different firms, partnerships or corporations.*~~

2. Provide the MLS Chairman serves is an Officer of the Association as follows:

Article XI, Officers & Directors

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

3. Establish that the Executive Committee includes the Officers and the Immediate Past President as follows:

Article XIII, Committees

Section 7. Executive Committee. The Association shall have an Executive Committee. The officers of the Association and the Immediate Past President shall be the members of the Executive Committee. The Executive Committee shall have all of the powers and authority to take actions that could be taken by of the Board of Directors, such authority to be exercised between meetings of the Board of Directors, consistent at all times with the limitations imposed by the Board of Directors, the Bylaws of the Corporation and the laws of the State of Tennessee provided that the Executive Committee may not (1) authorize distributions; (2) approve or recommend to members dissolution, merger or the sale, pledge or transfer of all or substantially all of the Association's assets; (3) elect, appoint or remove directors or fill vacancies on the Board of Directors or on any of its committees; or (4) adopt, amend or repeal the Charter or Bylaws. The committee shall report any action taken to the meeting of the Board of Directors next following the taking of such action, unless the Board of Directors otherwise requires. So far as applicable, the provisions of law relating to the conduct of meetings of the board shall govern meetings of the Executive Committee.

4. Replace references to the existence of the MLS as a wholly-owned subsidiary with provisions establishing an MLS Committee, which established by the Charter for the Association, as follows:

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 of the state of Tennessee, all the stock of which shall be owned by the Association of REALTORS®.~~



Section 2. Purpose. A Multiple Listing Service is a facility for the orderly correlation and dissemination of listing information among participants so that they may better serve their clients and customers and the public. A Multiple Listing Services 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 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 a 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 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 cooperation and compensation to and from other Participants or are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property**. Use of information developed by or published by an Association Multiple Listing Service is strictly limited to the activities authorized under a Participant's licensure(s) or certification and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey "Participation", or "Membership" or any right of access to information developed 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.

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.

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

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

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

***Generally, associations of REALTORS®, when there is more than one principal in a real estate firm, define the chief principal officer of the firm as the MLS “participant”. If each principal is defined as a “participant,” then each shall have a separate vote on*



~~MLS matters. Brokers or salespersons other than principals are not considered “participants” in the service, but have access to and use of the service through the principal(s) with whom they are affiliated.~~

~~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, 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, retransmitted, or provided in any manner to any unauthorized individual, office or firm except as otherwise specified in the MLS Rules and Regulations. Association members who receive such information, either as an Association service or through the Association’s MLS, are subject to the applicable provisions of the MLS Rules and Regulations whether they participate in the MLS or not.~~

~~Section 6. Subscribers. Subscribers (or users) of the MLS include non principal brokers, sales associates, and licensed and certified appraisers affiliated with Participants.~~

Section 1. MLS Function. A multiple listing service is a means by which authorized participants make blanket unilateral offers of compensation to other participants (acting as subagents, buyer agents, or in other agency or nonagency capacities defined by law); by which cooperation among participants is enhanced; by which information is accumulated and disseminated to enable authorized participants to prepare appraisals, analysis, and other valuations of real property for bona fide clients and customers; by which participants engaging in real estate appraisal contribute to common databases; and is a facility for the orderly correlation and dissemination of listing information so participants may better serve their clients and the public. Entitlement to compensation is determined by the cooperating broker’s performance as procuring cause of sale (or lease).

Section 2. Election and Appointment. The members of the MLS Committee will be elected or appointed as follows: The President-Elect of the Association shall appoint annually a Participant as Vice Chairman of the MLS Committee who shall serve as Chairman of the MLS Committee the following year. The Vice Chairman shall have served on the MLS Committee for one (1) year prior to his or her appointment as Vice Chairman. The Chairman and the Vice Chairman shall be from different firms, partnerships, corporations or limited liability companies. Neither the Chairman nor the Vice Chairman of the Committee can simultaneously serve as an officer of the Association. The Chairman of the MLS Committee and the President of the Association must be from different firms, partnerships, corporations or limited liability companies. In the event that



a transfer results in the Chairman of the MLS Committee and the President of the Association being from the same firm, partnership or corporation, the MLS Committee Chairman shall resign. For the first year of operation, the current Vice Chairman of Multiple Listing Service of Chattanooga, Inc. shall serve as Chairman of the MLS Committee and the President-Elect of the Association will appoint a Participant to serve

as the Vice Chairman of the MLS Committee. The other nine members of the MLS Committee will be elected by the Participants (as hereinafter defined). Two of these nine must be Subscribers (as hereinafter defined) and seven of the nine must be Participants. For calendar year 2016 the seven Participants and two of the Subscribers currently serving on the Board of Directors of Multiple Listing Service of Chattanooga, Inc. shall be selected by the Board of Directors of the Association to serve. Four of the Participants for the first year will serve a two year term and three will serve a one-year term, and one of the Subscribers will serve a two-year term and the other shall serve a one-year term, as determined by the Board of Directors. For subsequent years, as each elected member's term expires, his or her successor shall be elected for a two year term. The MLS Committee may appoint a nominating committee to identify nominees and submit the slate of nominees to the Participants for election. No more than (3) members of the MLS Committee can be from the same firm, partnership, corporation or limited liability company.

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

Section 4. Purpose of MLS Committee. The purpose of the MLS Committee is to establish and maintain policies and procedures for the multiple listing service system and multiple listing service data provided to the multiple listing service by the multiple listing service Participants and Subscribers. As different technologies become more readily available to Realtors®, the MLS Committee will be responsible for decisions regarding updates to the system, and the manner in which the multiple listing service is utilized, in order to maintain the integrity of the systems while not limiting the creativity and profitability of the Participants.

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



Section 6. Participation. Any REALTOR® of this or any other association who is a principal, partner, corporate officer, or branch office manager acting on behalf of a principal, without further qualification, except as otherwise stipulated in these bylaws, shall be eligible to participate in multiple listing upon agreeing in writing to conform to

the rules and regulations thereof and to pay the costs incidental thereto. However, under no circumstances is any individual or firm, regardless of membership status, entitled to multiple listing service membership or participation unless they hold a current, valid real estate broker's license and offer or accept compensation to and from other participants or are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property. Use of information developed by or published by an association multiple listing service is strictly limited to the activities authorized under a participant's licensure(s) or certification and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey participation or membership or any right of access to information developed by or published by an association multiple listing service where access to such information is prohibited by law. "Participant" or "participant" is a person who is entitled to participate in accordance with this Section. All other persons who are permitted to use the MLS service are Subscribers, as hereafter defined.

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

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



and compensation only if the MLS Committee has a reasonable basis to believe that the participant or potential participant is in fact not doing so. These requirements shall be applied in a nondiscriminatory manner to all participants and potential participants.

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

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

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

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

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

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

Section 9. Subscribers. Subscribers (or users) of the MLS include non-principal brokers, sales associates, and licensed and certified appraisers affiliated with Participants.



Subscribers also include affiliated unlicensed administrative and clerical certification as real estate appraisers who are under the direct supervision of an MLS Participant or the Participant's licensed designee.

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

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

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