

**Raleigh Regional Association of
REALTORS®**

Bylaws

BYLAWS

RALEIGH REGIONAL ASSOCIATION OF REALTORS®

Effective: June 13, 2018

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**BYLAWS OF THE
RALEIGH REGIONAL ASSOCIATION OF REALTORS®**

ARTICLE I: NAME

Section 1. Name

The name of this organization shall be the Raleigh Regional Association of REALTORS®, hereafter 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. Unity

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

Section 2. Promote High Standards of Conduct

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. Unified Medium

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. Home and Property Ownership

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

Section 5. Engagement

To unite those engaged in the real estate profession in this community with the North Carolina 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. Designation

To designate, for the benefit of the public, those individuals authorized to use the term REALTOR[®] and REALTORS[®] as licensed, prescribed and controlled by the NATIONAL ASSOCIATION OF REALTORS[®].

ARTICLE III: JURISDICTION

Section 1. Territorial Jurisdiction

The territorial jurisdiction of the Association as a member of the NATIONAL ASSOCIATION OF REALTORS[®] shall include Wake County and Harnett County as allocated by the Board of Directors of the National Association.

Section 2. Territorial Jurisdiction Defined

Territorial Jurisdiction is defined to mean:

The right and duty to control the use of the terms REALTOR[®] and REALTORS[®] subject to the conditions set forth on these Bylaws and those of the NATIONAL ASSOCIATION OF REALTORS[®], in return for which the Association agrees to protect and safeguard the property right of the National Association in the terms.

ARTICLE IV: MEMBERSHIP

Section 1. Classes of Member

There shall be five classes of Members, as follows:

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 within the state of North Carolina or a state contiguous thereto. All persons who are partners in a partnership, or all officers in a corporation, or all trustees of a trust who are actively engaged in real estate business within the state of North Carolina or a state contiguous thereto shall qualify for REALTOR[®] Membership only, and each is required to hold REALTOR[®] Membership in an Association of REALTORS[®] within the state or a state contiguous thereto unless otherwise qualified for Institute Affiliate Membership as described in Section (b) of Article IV. NOTE: REALTOR[®] Members may obtain membership in a "secondary" Association. In the case of a real estate firm, partnership, or corporation, whose business activity is substantially all commercial, only those principals actively engaged in the real estate business in connection with the same office, or any other offices within the jurisdiction of the Association in which one of the firm's principals holds REALTOR[®] membership, shall be required to hold REALTOR[®] membership unless otherwise qualified for Institute Affiliate Membership as described in 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 manager and as such associated with a REALTOR® Member and meet the qualifications set out in Article V.

(3) Franchise REALTOR® Membership. Corporate officers (who may be licensed or unlicensed) of a real estate brokerage franchise organization with at least one hundred fifty (150) franchisees located within the United States, its insular possessions and the Commonwealth of Puerto Rico, elected to membership pursuant to the provisions in the NAR Constitution and Bylaws. Such individuals shall enjoy all of the rights, privileges and obligations of REALTOR® membership (including compliance with the Code of Ethics) EXCEPT: obligations related to Association mandated education, meeting attendance, or indoctrination classes or other similar requirements; the right to use the term REALTOR® in connection with their franchise organization's name; the right to hold elective office in the local Association, State Association and National Association.

(4) Primary and Secondary REALTOR® Members. An individual is a primary member if the Association pays State and National dues based on such Member. An individual is a Secondary Member if State and National dues are remitted through another Association. One of the principals in a real estate firm must be a Designated REALTOR® member of the Association in order for licensees affiliated with the firm to select the Association as their "primary" Association.

(5) Designated REALTOR® Member. Each firm (or office in the case of firms with multiple office locations) shall designate in writing one REALTOR® Member who shall be responsible for all duties and obligations of membership including the obligation to arbitrate pursuant to Article 17 of the Code of Ethics and the payment of Association dues as established in Article X of the Bylaws. The "Designated REALTOR® must be a sole proprietor, partner, corporate officer or branch office manager acting on behalf of the firm's principal(s) and must meet all other qualifications for REALTOR® Membership established in Article V, Section 2, of the Bylaws.

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

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 paragraph (a) or (b) of this Section, have interests requiring information concerning real estate, and are in sympathy with the objects of the Association.

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.

Life Members. Life Members shall include Active Members of the Raleigh Regional Association, in good standing for the immediate past thirty (30) cumulative years or more, who have reached the age of 62 years, have been actively engaged in the real estate profession and

who have distinguished themselves by giving exemplary and meritorious service for the real estate profession, and for the Association, including active service on the Association's Board of Directors, divisions, sections and/or committees for at least ten cumulative years.

ARTICLE V: QUALIFICATION & ELECTION

Section 1. Application

Application for membership shall be made in such a manner and form as may be prescribed by the Board of Directors and made available to anyone requesting it. The application form shall contain among the statements to be signed by the applicant (1) that applicant agrees as a condition to membership to thoroughly familiarize himself with the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS[®], the Constitutions, Bylaws, and Rules and Regulations of the Association, State and National Associations, and if elected a Member, will abide by the Constitutions and Bylaws and Rules and Regulations of the Association, State and National Associations, and if a REALTOR[®], will abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS[®] including the obligation to arbitrate and mediate 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 the applicant consents that the Association, may invite and receive information and comment about applicant from any member or other person, and that the 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, Constitutions, Rules and Regulations, and Code of Ethics referred to above.

Section 2. Qualification

An applicant for REALTOR[®] Membership who is a sole proprietor, partner, corporate officer, or branch office manager of a real estate firm shall supply evidence satisfactory to the Association that he is actively engaged in the real estate business, and maintains a current, valid real estate broker's or salesperson's license or is licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, has a place of business within the state or state contiguous thereto (unless Secondary Membership), has no record of recent or pending bankruptcy, has no record of official sanctions involving unprofessional conduct, agrees to complete a course of instruction covering the Bylaws and Rules and Regulations of the Association, the Bylaws of the State Association and the Constitution and Bylaws and the 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 that if elected to membership, he will abide by such Constitution, Bylaws, Rules and Regulations and Code of Ethics. Note 2: Article IV, Section 2, of the NAR Bylaws prohibits Member associations from knowingly granting REALTOR[®] OR REALTOR-ASSOCIATE[®] membership to any applicant who has an unfulfilled sanction pending which was imposed by another Board or Association of REALTORS[®] for violation of the Code of Ethics.

Individuals who are actively engaged in the real estate profession other than as a sole proprietors, partners, corporate officer, or branch office managers in order to qualify for REALTOR[®] Membership, shall at the time of application be associated either as an employee or

as an independent contractor with a Designated REALTOR® Member of the Association or a Designated REALTOR® Member of another Association (if a Secondary Member), and must maintain a current, valid real estate broker's or salesperson's license or be licensed, certified, or trainees as designated by an appropriate state regulatory agency to engage in the appraisal of real property, shall complete a course of instruction covering the Bylaws and Rules and Regulations of the Association, the Bylaws of the State Association, and the Constitution and Bylaws and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, and shall pass such reasonable and nondiscriminatory written examinations thereon as may be required by the Board of Directors and shall agree in writing that if elected to membership he will abide by such Constitution, Bylaws, Rules and Regulations, and the Code of Ethics.

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

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 of the same privileges and obligations of REALTOR® membership. If an member resigns from another association with an ethics complaint or arbitration request pending, the association may condition membership on the applicant's certification that he/she will submit to the pending ethics or arbitration proceeding (in accordance with the established procedures of the association to which the applicant has made application) and will abide by the decision of the hearing panel.

Section 3. Election

The procedure for election to membership shall be as follows:

(a) The CEO (or duly authorized designee) shall determine whether the applicant is applying for the appropriate class of membership. The association has adopted provisional membership. Applicants for REALTOR® membership may 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 all of the same privileges and obligations of membership. Provisional membership is granted subject to final review of the application by the Board of Directors.

(b) If the Board of Directors determines that the individual does not meet all of the qualifications for membership as established in the association's Bylaws, or, if the individual does not satisfy all of the requirements of membership (for example, completion of a mandatory orientation program) within sixty (60) days from the Association's receipt of their application, membership

may, at the discretion of the Board of Directors, be terminated. In such instances, dues shall be returned to the individual less a prorated amount to cover the number of days that the individual received association services and any application fee. The Board of Directors shall vote on the applicant's eligibility for membership. If the applicant receives a majority vote of the Board of Directors, he/she shall be declared elected to membership and shall be advised by written notice.

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

(d) If the Board of Directors determines that the application should be rejected, it shall record its reasons with the CEO (or duly authorized designee). If the Board of Directors believes that denial of membership to the applicant may become the basis of litigation and a claim of damage by the applicant, it may specify that denial shall become effective upon entry in a suit by the Association for a declaratory judgment by a court of competent jurisdiction of a final judgment declaring that the rejection violates no rights of the applicant. (Adopted 1/98, Amended 1/05)

Section 4. New Member Code of Ethics Orientation

Applicants for REALTOR® membership shall complete an orientation program on the Code of Ethics of not less than two hours and thirty minutes of instructional time. This requirement does not apply to applicants for REALTOR® membership 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 60 days of the date of application will result in denial of the membership application.

Section 5. Continuing Member Code of Ethics Training

Effective January 1, 2017, through December 31, 2018, and for successive two (2) year periods thereafter, each REALTOR® member of the association (with the exception of REALTOR® members granted REALTOR® Emeritus status by the National Association) shall be required to complete ethics training of not less than two (2) hours and thirty (30) minutes of instructional time. This requirement will be satisfied upon presentation of documentation that the member has completed a course of instruction conducted by this or another association, the State Association or 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 of REALTOR® members who have completed the New Member Code of Ethics Orientation during any two (2) year cycle shall not be required to complete additional ethics training until a new two (2) year cycle commences.

Failure to satisfy this requirement shall be considered a violation of a membership duty. Failure to meet the requirement in any two (2) year cycle will result in suspension from membership for the first two months (January and February) of the year following the end of any two (2) year cycle or until the requirement is met, whichever occurs sooner. On March 1 of that year, the

membership of a member who is still suspended as of that date will be automatically terminated.

Section 6. Status Changes

A REALTOR® who changes the conditions under which he holds membership shall be required to provide written notification to the Association within 30 days. A REALTOR® (non-principal) who becomes a principal in the firm with which he has been licensed or, alternatively, becomes a principal in a new firm which will be comprised of REALTOR® principals may be required to satisfy any previously unsatisfied membership requirements applicable to REALTOR® (principal) Members but shall, during the period of transition from one status of membership to another, be subject to all of the privileges and obligations of a REALTOR® (principal). If the REALTOR® (non-principal) does not satisfy the requirements established in these Bylaws for the category of membership to which they have transferred within 30 days of the date they advised the Association of their change in status, their new membership application will terminate automatically unless otherwise so directed by the Board of Directors.

A REALTOR® who is transferring 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 30 days of the date the Association is advised of the disaffiliation with the current firm, membership will terminate automatically unless otherwise so directed by the Board of Directors.

The Board of Directors, at its discretion, may waive any qualification, which the applicant has already fulfilled in accordance with the Association's Bylaws.

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.

Dues shall be prorated from the first day of the month in which the member is notified of election by the Board of Directors and shall be based on the new membership status for the remainder of the year.

ARTICLE VI: PRIVILEGES & OBLIGATIONS

Section 1. Privileges and Obligations

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

Section 2. Violation of Bylaws and Association Rules

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 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 State Association, and the NATIONAL ASSOCIATION OF REALTORS®.

Section 3. 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 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.

Note: 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 on-going 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 on a nondiscriminatory manner to all Participants and potential Participants.

Section 4. Violation of Code of Ethics

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

Section 5. Resignation

If a member resigns from the association or otherwise causes membership to terminate with an ethics complaint pending, the complaint shall be processed until the decision of the association with respect to disposition of the complaint is final by this association (if respondent does not hold membership in any other association) or by any other association in which the respondent continues to hold membership. If an ethics respondent resigns or otherwise causes membership in all Boards to terminate before an ethics complaint is filed alleging unethical conduct occurred while the respondent was a REALTOR[®], the complaint, once filed, shall be processed until the decision of the association with respect to disposition of the complaint is final. In any instance where an ethics hearing is held subsequent to an ethics respondent’s resignation or membership termination, any discipline ratified by the Board of Directors shall be held in abeyance until such time as the respondent rejoins an association of REALTORS[®].

(a) If a member resigns or otherwise causes membership to terminate, the duty to submit to arbitration (or to mediation if required by the association) continues in effect even after membership lapses or is terminated, provided that the dispute arose while the former member was a REALTOR[®]. (Amended 1/00 and 11/11)

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 the real estate profession.

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 forms 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[®] or 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, providing no management control is exercised. Further, the membership of REALTORS[®] other than principals who are employed or affiliated as independent contractors with the disciplined Member shall suspend or terminate during the period of suspension of the disciplined member or until readmission of the disciplined Member, or 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.

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. 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[®]. No Institute Affiliate may use the term REALTOR[®] or the REALTOR[®] logo, vote, hold elective office, or to be a Participant in the MLS.

Section 8. Affiliate Members

Affiliate Members shall have such privileges and rights and be subject to such obligations as may be prescribed by the Board of Directors, except no Affiliate Member may use the term REALTOR[®] or the REALTOR[®] logo, vote, hold elective office.

Section 9. Honorary Members

Honorary Membership shall confer no rights except the right to attend meetings and participate in discussions, and shall impose no obligations.

Section 10. Life Members

Life Members shall be entitled to all the rights and privileges of REALTOR® Membership, and shall be subject to all the obligations of REALTOR® Membership, except that the Board of Directors may confer certain concessions in the matter of dues.

Section 11. Certification

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

Section 12. 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 policies 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 & ARBITRATION

Section 1. Code of Ethics and Arbitration Manual

The responsibility of the Association and of Association Members relating to the enforcement of the Code of Ethics, the disciplining of members and the arbitration of disputes and the organization and procedures incident thereto shall be governed by the *Code of Ethics and Arbitration Manual* of the National Association of REALTORS®, as amended from time to time,

which by this reference is 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. Duty to Abide by State and National Constitutions

It shall be the duty and responsibility of every REALTOR® of this Association to abide by the Constitution and Bylaws and the Rules and Regulations of the Association, the Constitution and Bylaws of the State Association, 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 mediate and 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 this Association as from time to time amended.

Section 3. Code of Ethics Enforcement

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

ARTICLE VIII: USE OF TERMS REALTOR® & REALTORS®

Section 1. Use of the terms REALTOR® and REALTORS®

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 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. Use of the terms REALTOR® and REALTORS® Continued

REALTOR® Members of the Association shall have the privilege of using the terms REALTOR® and REALTORS® in connection with their places of business within the state or a state contiguous thereto so long as they remain REALTOR® Members in good standing. No other class of Members shall have this privilege.

Section 3. Use of the terms REALTOR® and REALTORS® by Principals

A REALTOR® Member who is a principal of a real estate firm, partnership, or corporation may use the terms REALTOR® and REALTORS® only if all the principals of such firm, partnership, or corporation who are actively engaged in the real estate profession within the state or a state

contiguous thereto are REALTOR[®] Members of the Association or Institute Affiliate Members as described in Section 1(b) of Article IV.

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 office, 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. Use of the terms REALTOR[®] and REALTORS[®] by Institute Affiliate Members

Institute Affiliate Members shall not use the term REALTOR[®] or REALTORS[®], or the imprint of the emblem seal of the NATIONAL ASSOCIATION OF REALTORS[®].

ARTICLE IX: STATE & NATIONAL MEMBERSHIPS

Section 1. State and National Membership

The Association shall be a member of the NATIONAL ASSOCIATION OF REALTORS[®] and of the North Carolina Association of REALTORS[®]. By reason of the Association's membership, each REALTOR[®] Member of the Member Association shall be entitled, to membership in the NATIONAL ASSOCIATION OF REALTORS[®] and the North Carolina Association of REALTORS[®] without further payment of dues. The Association shall continue as a member of the State and National Associations, unless by a majority vote of all of its REALTOR[®] Members, decision is made to withdraw, in which case the State and National Associations, shall be notified at least one month in advance of the date designated for the termination of a membership.

Section 2. Use of the terms REALTOR[®] and REALTORS[®] as NAR Member

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

Section 3. Adoption of NAR Code of Ethics Agreement

The Association adopts the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS[®] and agrees to enforce the Code among its REALTOR[®]. 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 NORTH CAROLINA ASSOCIATION OF REALTORS[®].

ARTICLE X: DUES & ASSESSMENTS

Section 1. Application Fee

The Board of Directors may adopt an application fee for REALTOR® Membership in reasonable amount, not exceeding three (3) times the amount of the annual dues for REALTOR® Membership, which shall be required to accompany each application for REALTOR® Membership, and which shall become the property of the Association upon final approval of the application.

Section 2. Dues

The dues of each Designated REALTOR® Member shall be in such amount as established annually by the Board of Directors. Also, an additional amount shall be established annually by the Board of Directors times the number of real estate sales persons and licensed or certified appraisers who are (1) employed by or affiliated as independent contractors, or who are otherwise directly or indirectly licensed with the REALTOR® who are (2) not REALTOR® Members of any Association in the state or a state contiguous thereto Institute Affiliate Members of the Association. In calculating the dues payable to the Association by the Designated REALTOR®, non-member licensees as defined in Section 2 (1) and (2) of this Article shall not be included in the computation of dues if the DR has paid dues based on said non-member licensees in another Association in the state or a state contiguous thereto, provided the Designated REALTOR® notifies the Association in writing of the identity of the Association to which dues have been remitted. 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.

For the purpose of this Section, a REALTOR® Member of a Member Association shall be held to be any Member who has a place or places of business within the state or a state contiguous thereto and who, as a principal, partner, corporate officer, or branch office manager of a real estate firm, partnership, or corporation, is actively engaged in the real estate business as defined in Article III, Section 1, of the Constitution, 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, 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, or corporate officer of the entity.

A REALTOR® with a direct or indirect ownership interest in an entity engaged exclusively in soliciting and/or referring clients and customers to the REALTOR® for consideration on a substantially exclusive basis shall annually file with the association on a form approved by the association a list of the licensees affiliated with that entity and shall certify that all of the licensees affiliated with the entity are solely engaged in referring clients and customers and are

not engaged in listing, selling, leasing, renting, managing, counseling or appraising real property. The individuals disclosed on such form shall not be deemed to be licensed with the REALTOR® filing the form for purposes of this Section and shall not be included in calculating the annual dues of the Designated REALTOR®.

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

Membership dues shall be prorated for any licensee included on a certification form submitted to the association who during the same calendar year applies for REALTOR® membership in the association. However, membership dues shall not be prorated if the licensee held REALTOR® membership during the preceding calendar year.

The annual dues, if any, of each Designated Associate Member, Associate Member, Honorary Member, and Life Member shall be established annually by the Board of Directors.

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

Section 3. Dues Payable

Dues for all continuing members shall be payable annually, due December 15th and delinquent after January 15th. Dues for a new member shall be computed from the date of application and granting of provisional membership.

In the event a sales licensee, or licensed or certified appraiser, who holds REALTOR® or Licensed Assistant/Referral membership is dropped for nonpayment of Association dues, and the licensee remains with the designated REALTOR'S® firm, the dues obligation of the "designated" REALTOR® (as set forth in Article X, Section 2a) 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 two weeks of the notice of termination to the designated REALTOR®.

Section 4. Nonpayment of Financial Obligations

If dues, fees, fines, or other assessments including amounts owed to the association or the association'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/her 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 association 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. Deposits and Expenditures

Deposits and expenditures of funds shall be in accordance with policies established by the Board of Directors.

Section 6. Notice of Dues, Fees, Fines, Assessments, and Other Financial Obligations of Members

All dues, fees, fines, assessments, or other financial obligations to the Association or Association Multiple Listing Service shall be noticed to the delinquent Association member in writing setting forth the amount owed and due date.

Section 7. REALTOR® Emeriti

The dues of REALTOR® members who are REALTOR® Emeriti (as recognized by the National Association), past presidents and past treasurers of the National Association or recipients of the Distinguished Service Award shall be as determined by the Board of Directors.

ARTICLE XI: OFFICERS & DIRECTORS

Section 1. Officers

The elective Officers of the Association shall be: a President, a President-elect, and a Secretary/Treasurer. The President-Elect shall automatically succeed to the position of President, in the year after his or her term, without the necessity of standing for election. In order to serve as an Officer, a member shall have served at least one year as a Director. All Officers and Directors must be active REALTOR® members of the Association. There shall also be a non-elected Chief Executive Officer who shall be employed by the Association to manage and operate the Association as directed by the Board of Directors.

Section 2. Duties of Officers

The duties of the Officers shall be such as their titles, by general usage, would indicate and such as may be assigned to them by the Board of Directors. It shall be the particular duty of the Chief Executive Officer to keep the records and carry on all necessary correspondence with the North Carolina Association of REALTORS®, Inc. and the NATIONAL ASSOCIATION OF REALTORS®.

Section 3. Board of Directors

The governing body of the Association shall be a Board of Directors consisting of the elective Officers, the immediate Past President, the President of the REALTOR® Foundation of the Wake County, Inc. and 20 elective Directors. The Board of Directors may invite other members serving in official capacities of state and National REALTOR® organizations to serve in a non-

voting, advisory capacity on the Board of Directors. To serve on the Board of Directors a member must have been a REALTOR® for at least two years. The Chief Executive Officer shall be a non-voting member of the Board of Directors.

The term of office for Directors shall be two years with approximately one-half elected each year. The Directors will be limited to serving six consecutive years, including appointed and/or elected terms, with service as an Officer or NAR Director not included in that limitation. The Past President, President and President-Elect shall be held over without election to the Board of Directors in order to fulfill the Officer positions for which they were elected.

The President-Elect will have the option to appoint one additional member to the Board of Directors per the policy. This appointee will serve a two-year term as a local Director and must meet the same requirements as elected Directors and are subject to the limitation that not more than twenty percent (20%) of the Board of Directors may be from the same firm.

Section 4. Election of Officers and Directors

Nominating and Certifying Committee and Nomination Procedures - At least ninety (90) days before the date established for the election, notice will be made to all members identifying available elected positions of the Association open in the next election and nomination procedures. At least ninety (90) days before the date established for the election, a Nominating and Certifying Committee shall be convened to perform the duties described in 4.1.h of RRAR policies. The Committee shall consist of the four most immediate Past Presidents available and two members who have been appointed by the President from the general membership. The Past President, who is four years out of office, shall be Chair. In the absence of that person, the Past President three years out will be the Chair, and likewise in succession. No member of the Nominating and Certifying Committee may be running for a Director or Officer's position. The Committee will certify each candidate according to the policies of the Association for the election. The Nominating and Certifying Committee shall select one or more candidates for each office, except that of President if there is a sitting President-Elect. A person who is nominated by the committee for an Officer's position may be nominated for a Director's position during the same election. If an individual should win both an Officers' and Directors' race, they shall automatically decline the position of Director. The next highest vote receiver will assume the declined position. The Nominating and Certifying Committee shall communicate the list of candidates to each member at least thirty days preceding the election. The Nominating and Certifying Committee shall administer the Election and all other membership votes in accordance with these bylaws.

Write-In Candidates - Members shall have the option to nominate additional candidates who meet the requirements for the position being nominated. Members may choose to write in the name of a person who has been nominated as an Officer and indicate that they are voting for that person as a Director. If a write-in candidate is elected as an Officer and as a Director, he or she shall serve as an Officer.

Election Procedure - Voting for Officers and Directors shall take place each year on a day(s) designated by the Board of Directors. Ballots will be tabulated after the polls close and results of the election will be announced as soon as possible.

Section 5. Vacancies

Any vacancy among the Board of Directors shall be filled by the first runner-up from that election who meets all other election criteria. In the case a Presidential appointee should leave, the current President may select a replacement to fulfill the balance of the term of that Director.

Section 6. 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 person may be removed from office under the procedure described in this section. For the purposes of this section, "incapable" may mean either that a person suffers from incapacity for health reasons or that a person is found to have engaged in conduct flagrantly in violation of the objectives of the Association, as defined in Article II.

A petition requiring the removal of an Officer or Director and signed by no 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.

Upon receipt of the petition, and not less than twenty (20) days or more than forty-five (45) days thereafter, a special meeting of the voting members of the Association of REALTORS® 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.

The special meeting shall be noticed to all REALTOR® Members at least ten (10) 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. Provided a quorum is present, a three-fourths vote of the members present and voting shall be required for removal from office.

Section 7. Chief Executive Officer

There shall be a CEO, appointed by the Board of Directors, who shall be the chief administrative officer of the Association. The CEO 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. Liability

The Officers and Members of the Board of Directors of the corporation, designated or elected as provided in these bylaws, shall not be liable for any mistake of judgement, negligence, or other act or omission, except for individual willful misconduct or bad faith. The Officers and Members of the Board of Directors are indemnified and held harmless to the fullest extent allowed by law against all liabilities to others arising out of contracts made by the Officers and Board of Directors on behalf of the corporation, unless any such contract shall have been made in bad faith or contrary to the provisions of these bylaws and against all liability arising out of

any other actions taken by the Officers and Members of the Board of Directors in good faith within the course of their duties and the scope of their authorities. It is intended that the Officers, Members of the Board of Directors and any agent or employee on behalf of the corporation shall have no personal liability with respect to any contract made by them on behalf of the corporation. Every agreement made by the Officers, Members of the Board of Directors or by any agent or employee on behalf of the corporation, which agreement the Officer, Director, agent or employee is authorized to make shall provide that the Officers, Board of Directors, agents or employees, as the case may be, are acting only as agents for the corporation and shall have no personal liability thereunder. The corporation shall obtain, to the extent available, Directors' and Officers' liability insurance and errors and omissions liability insurance, the cost for said insurance to be provided at the expense of the corporation.

ARTICLE XII: MEETINGS

Section 1. Annual Meetings

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

Section 2. Meetings of Directors

The Board of Directors shall designate a regular time and place of meetings or shall meet at the call of the President with due notice. Absence from three (3) regular meetings without an excuse deemed valid by the Board of Directors shall be construed as resignation. A quorum for the transaction of business shall be a majority of the Board of Directors, except as may otherwise be required by state law.

Section 3. Other Meetings

Meetings of the Members may be held at such other times as the President or Board of Directors may determine, or upon the written request of at least twenty percent (20%) of the Members eligible to vote.

Section 4. Notice of Annual and/or Other Meetings

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

Section 5. Quorum

The Members in good standing present at any Annual Meeting or Other Meeting of the Association shall constitute a quorum.

Section 6. Electronic Transaction of Business

To the fullest extent permitted by law, the Board of Directors at the discretion of the Executive Committee or membership may conduct business by electronic means.

Section 7. Action without Meeting

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

ARTICLE XIII: COMMITTEES

Section 1. Standing Committees

The President shall appoint from among the Active Members per the policies of the Association, subject to confirmation by the Executive Committee, the following standing committees:

Bylaws, Communications and Public Relations, Diversity, Finance, Government Affairs, Grievance, Nominating and Certifying, Personnel, Policy Rapid Response, Priorities and Issues, Professional Development, Professional Standards, RPAC, Strategic Planning, YPN and the Awards Committees of Hall of Fame and REALTOR® of the Year.

Appointments to the Professional Standards and Grievance Committee shall be consistent with the cooperative professional standards enforcement agreement of the Association.

Section 2. Executive Committee

The Executive Committee shall be composed of all Officers elected by the general Membership or their successors, and the Immediate Past President of the Association as well as the Chief Executive Officer who shall be a non-voting member. The Executive Committee shall meet at the call of the President. The Executive Committee may only make recommendations to the Board of Directors for its consideration and action and may not act on behalf or exercise the authority of the Board of Directors except to transact business of an emergency nature between meetings of the Board of Directors, while reporting such actions at the next Board of Directors meeting for confirmation.

Section 3. Special Committees

The President shall appoint, subject to confirmation by the Board of Directors, such special committees or task forces, as deemed necessary.

Section 4. Organization

All committees shall be of such size and shall have such duties, functions and powers as may be assigned to them by the President subject to approval of the Board of Directors, except as otherwise provided in the bylaws.

Section 5. President

The President shall be an ex-officio member of all committees and shall be notified of their meetings.

Section 6. President-Elect

The President-Elect shall be an ex-officio member of all committees and shall be notified of their meetings.

Section 7. Action without Meeting

By unanimous consent, any committee may choose to act upon a specifically stated matter without a meeting. Only the specifically stated matter may be discussed or acted upon.

Section 8. 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 Executive Committee and shall constitute presence at the meeting.

ARTICLE XIV: FISCAL & ELECTIVE YEAR

Section 1. Fiscal and Elective Year of the Association

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

ARTICLE XV: RULES OF ORDER

Section 1. Robert's Rules of Order

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. Bylaws

These Bylaws may be amended by majority vote of the Directors 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. Article XVII may be amended only by majority vote of all REALTOR® Members. When Bylaws amendments are mandated by NAR policy, these Bylaws may be automatically amended to reflect the mandate as of the effective date of the mandatory policy authorized by the NATIONAL ASSOCIATION OF REALTORS®. The Association shall provide notice of that change in a regular or special membership communication.

Section 2. Consideration of Amendments

Notice of all meetings at which such amendments are to be considered shall be given to every Director either by written or electronic notice, at least one week prior to the time of the meeting.

Section 3. Institution of Amendment(s)

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 by the Board of Directors of the National Association of REALTORS®.

ARTICLE XVII: DISSOLUTION

Section 1. Dissolution

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

ARTICLE XVIII: MULTIPLE LISTING SERVICE

Section 1. Authority

The Association of REALTORS® may maintain for the use of its Members a Multiple Listing Service which shall be a lawful corporation of the state of North Carolina, all the stock of which shall be owned by the Association of REALTORS®.

Section 2. Purpose

A Multiple Listing Service is a means by which authorized Participants make blanket unilateral offers of compensation to other Participants (acting either 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, analyses, and other valuations of real property for bona fide clients and customers; by which Participants engaging in real estate appraisal to 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® 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 North Carolina or Virginia 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's 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's Multiple Listing Service where access to such information is prohibited by law. (Amended 11/08)

Note: 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 on-going 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 on a nondiscriminatory manner to all Participants and potential Participants.

Section 5. Access to Comparable and Statistical Information

REALTOR® 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 a 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-principle brokers, sales associates, and licensed and certified appraisers affiliated with Participants.