



Charlotte Regional **Realtor**[®] Association

Bylaws

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**BYLAWS OF THE
CHARLOTTE REGIONAL REALTOR® ASSOCIATION, INC.**

ARTICLE I - NAME

Section 1. Name. The name of this organization is the Charlotte Regional REALTOR® Association, Inc. (the "Association").

Section 2. REALTOR®. Inclusion and retention of the Registered Collective Membership Mark REALTOR® in the name of the Association shall be governed by the Bylaws of the National Association of REALTORS® ("NAR") as from time to time amended.

ARTICLE II - OBJECTIVES

The objectives of the Association are:

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

Section 2. High Standards. To promote and maintain high standards of conduct in the real estate profession as expressed in The Code of Ethics of NAR, as such may be amended from time to time and which, by this reference is incorporated into these Bylaws provided, however, that any provision in The Code of Ethics and Arbitration Manual determined to be inconsistent with state law shall be deleted or amended, as necessary, to comply with state law.

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. Interests of Owners. To further the interests of home and other real property ownership.

Section 5. Unity with NCAR and NAR. To unite those engaged in the real estate profession in this community with the North Carolina Association of REALTORS® ("NCAR") and NAR, thereby furthering their own objectives throughout the state and nation and obtaining the benefits and privileges of membership therein.

Section 6. REALTOR® 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 NAR.

Section 7. Free Enterprise. To uphold the principles of free, private and competitive enterprise.

ARTICLE III - JURISDICTION

Section 1. City and Counties. The territorial jurisdiction of the Association as a member of NAR, is the City of Charlotte, North Carolina and the counties of Mecklenburg, Iredell and Alexander (except for Whitten Township) North Carolina, as designated by the Board of Directors of NAR.

Section 2. 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 in these Bylaws and those of NAR, in return for which the Association agrees to protect and safeguard the property rights of NAR in such terms.

ARTICLE IV - MEMBERSHIP

Section 1. Primary and Secondary REALTOR® Members. An individual is a Primary Member if the Association pays NCAR and NAR dues on behalf of such Member. An individual is a Secondary Member if NCAR and/or NAR 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. That principal must hold a current, valid real estate license or must be licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property. To qualify for Primary Membership in the Association, an applicant must be licensed in the state of North Carolina or South Carolina and meet all other requirements of Section 2(a)(1) below. Primary and Secondary REALTOR® Members may vote and hold appointive and elective office.

Section 2. Classes of Membership. Membership classes within the Association are as follows:

(a) **REALTOR® Members.** REALTOR® Members, whether Primary or Secondary, shall be:

(1) **REALTOR® Members.** Individuals who, as sole proprietors, partners, branch office managers or corporate officers, are actively engaged 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 or business in North Carolina or South Carolina. All persons who are partners in a partnership, all directors and officers in a corporation, or members or managers of a limited liability company who are actively engaged in the real estate profession in North Carolina or South Carolina shall qualify for REALTOR® Membership only and each is required to hold REALTOR® Membership (except as provided in the following paragraph) in an association of REALTORS® within North Carolina or South Carolina unless otherwise qualified for Institute Affiliate Membership as described below.

In the case of a real estate firm, partnership, corporation or limited liability company whose business activity is substantially all commercial, only those principals actively engaged in the real estate business in connection with the same office or any other offices within the jurisdiction of the Association in which one of the firm's principals holds REALTOR® membership, shall be required to hold REALTOR® membership unless otherwise qualified for Institute Affiliate Membership as described below.

Individuals who are engaged in the real estate profession other than as sole proprietors, partners, corporate officers or branch office managers and are associated with a REALTOR® Member and meet the qualifications set forth in Article V.

(2) **Designated REALTOR® Members.** 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 all dues and assessments as established in Article X. The Designated REALTOR® must be an individual acting on behalf of the firm's principal(s) and must meet all other qualifications for REALTOR® Membership established in Article V.

(3) **Franchise REALTOR® Members.** Franchise REALTOR® Members are 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 Bylaws. Such individuals shall enjoy all of the rights, privileges and obligations of REALTOR® membership (including compliance with the Code of Ethics) **except:** obligations related to Association mandated education, meeting attendance or indoctrination classes or other similar requirements; the right to use the term REALTOR® in connection with their franchise organization's name; and the right to hold elective office in the Association, NCAR and NAR.

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

(c) **Affiliate Members.** Affiliate Members shall be individuals who do not possess an active real estate and/or appraisal license and are not engaged in the real estate profession as otherwise defined in this Article but are engaged in a profession related to real estate, and are in agreement with the objectives of the Association.

(d) **Honorary Members.** Honorary Members shall be individuals not engaged in the real estate brokerage, but who have performed notable service for the real estate profession, the Association or who have rendered an outstanding public service for which such achievement or accomplishment the Association shall desire that they be made Honorary Members.

(e) **Life Members.** A Life Member shall be an individual who has been a REALTOR® for at least twenty-five (25) years and who shall continue to be in agreement with the Association's objectives. A Life Member may be so designated only at the discretion of the Board of Directors. Local dues for any REALTOR® so designated who intends to remain actively engaged in the practice of real estate, shall be charged at a 25% discount. Unless approved for Life Membership with NCAR or REALTOR® Emeritus membership with NAR, these Life Members must continue to pay NCAR and NAR dues on an annual basis. Any Life Member so designated by the Board of Directors who is not actively engaged in the practice of real estate and whose license is inactive shall not pay local dues and will not be a REALTOR® member with NCAR or NAR.

(f) **NCAR Life Members.** NCAR Life Members shall be individuals who, for at least twenty-five (25) continuous years or more, have been actively engaged in the real estate profession and have distinguished themselves by giving exemplary and meritorious service for the real estate profession, including active service on NCAR committees for at least ten years. Dues shall be waived for individuals approved by the NCAR Board of Directors as NCAR Life Members.

(g) **Realtor® Emeritus Members.** Dues shall be waived for individuals who have been designated by NAR as Realtor® Emeritus Members.

ARTICLE V - QUALIFICATION AND ELECTION

Section 1. Application. An application for membership shall be made in such manner and form as may be prescribed by the Board of Directors and made available to anyone requesting it. The application form shall contain among the statements to be signed by the applicant a statement that (i) applicant agrees as a condition of membership, to become thoroughly familiar with the Code of Ethics, the Bylaws and Rules and Regulations and all policies of the Association, NCAR and NAR, and, if elected, a Member will abide by the Bylaws and Rules and Regulations and all policies of the Association, NCAR and NAR, and, if a REALTOR® Member, will abide by the Code of Ethics of NAR (including the duty to arbitrate business disputes as specified by the Code of Ethics and as further specified in The Code of Ethics and Arbitration Manual) as from time to time amended; and (ii) applicant consents that and authorizes the Association, to invite and receive information and comment about applicant from any Member or other persons, and that applicant agrees that any information and comment furnished to the Association by any Member or other person in response to any such 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, at application, have access to a copy of the Code of Ethics, Bylaws, the Rules and Regulations, and all policies referred to above.

Section 2. Qualification.

(a) An applicant for Designated REALTOR® Membership shall supply evidence satisfactory to the Board of Directors through its Vice President of Member Services or otherwise that the applicant is actively engaged in the real estate profession and maintains a current and valid Real Estate Broker's or Provisional Broker's license in North Carolina or a Broker's or Salesperson's License in the state of South Carolina or is licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property within the state of North Carolina or South Carolina; has an established business in the state of North Carolina or South Carolina (unless a Secondary Member); has no record of recent or pending bankruptcies* and no record of official sanctions involving unprofessional conduct;** agrees to complete a course of instruction covering the Bylaws, Rules and Regulations and all policies of the Association, NCAR and NAR, the Code of Ethics of NAR, including the duty to arbitrate; and may be required to satisfactorily complete a reasonable and nondiscriminatory examination thereon as may be required by the Board of Directors. If elected to membership, the applicant shall agree to abide by the aforementioned Code of Ethics, Bylaws, Rules and Regulations, all Policies and the duty to arbitrate, all as from time to time amended.

*No recent or pending bankruptcy is intended to mean that the applicant or any real estate firm in which the applicant is a sole proprietor, general partner, branch office manager, or corporate officer is not involved in any pending bankruptcies or insolvency proceedings or has not been adjudged bankrupt in the past three (3) years. If a bankruptcy proceeding as described above

exists, membership may not be rejected unless the Association establishes that its interest and those of its Members and the public could not be adequately protected by requiring that the bankrupt applicant pay cash in advance for Association and Carolina Multiple Listing Services, Inc. ("CMLS") fees for up to one (1) year from the date that membership is approved or from the date that the applicant is discharged from bankruptcy (whichever is later).

**No record of official sanctions involving unprofessional conduct is intended to mean that the Association may only consider:

judgments within the past three (3) years of violations of (1) civil rights law, (2) real estate license law, or (3) other laws prohibiting unprofessional conduct against the applicant rendered by the courts or other lawful authorities.

criminal convictions if (1) the crime was punishable by death or imprisonment in excess of one year under the law under which the applicant was convicted, and (2) no more than ten years have elapsed since the date of the conviction or the release of the applicant from the confinement imposed for that conviction, whichever is the later date. (Amended 5/07)

(b) Individuals who are actively engaged in the real estate profession other than as sole proprietors, partners, corporate or limited liability company officers or branch office managers, in order to qualify for REALTOR® Membership, at the time of application, shall hold a current valid Real Estate Broker's or Provisional Broker's license in North Carolina or a 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 within the state of North Carolina or South Carolina, and shall 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), has no record of recent or pending bankruptcies;* has no record of official sanctions involving unprofessional conduct,** and agrees to complete a course of instruction, covering the Bylaws, Rules and Regulations and all policies of the Association, NCAR and NAR, the Code of Ethics of NAR including the duty to arbitrate and may be required to satisfactorily complete a reasonable and nondiscriminatory examination thereon as may be required by the Board of Directors . If elected to membership, the applicant shall agree , to abide by the aforementioned Code of Ethics, Bylaws, Rules and Regulations, all policies and the duty to arbitrate, all as from time to time amended.

*No recent or pending bankruptcy is intended to mean that the applicant or any real estate firm in which the applicant is a sole proprietor, general partner, branch office manager, or corporate officer is not involved in any pending bankruptcies or insolvency proceedings or has not been adjudged bankrupt in the past three (3) years. If a bankruptcy proceeding as described above exists, membership may not be rejected unless the Association establishes that its interest and those of its Members and the public could not be adequately protected by requiring that the bankrupt applicant pay cash in advance for Association and Carolina Multiple Listing Services, Inc. ("CMLS") fees for up to one (1) year from the date that membership is approved or from the date that the applicant is discharged from bankruptcy (whichever is later).

** No record of official sanctions involving unprofessional conduct is intended to mean that the association may only consider:

judgments against the applicant within the past three (3) years of violations of (1) civil rights laws, (2) real estate license laws, and (3) or other laws prohibiting unprofessional conduct against the applicant rendered by the courts or other lawful authorities

criminal convictions if (1) the crime was punishable by death or imprisonment in excess of one year under the law under which the applicant was convicted, and (2) no more than ten

years have elapsed since the date of the conviction or the release of the applicant from the confinement imposed for that conviction, whichever is the later date (Adopted 5/07)

(c) The Association will also consider the following in determining an applicant's qualifications for REALTOR® membership: (i) All final findings of Code of Ethics violations and violations of other membership duties in this or any other REALTOR® association within the past three (3) years; (ii) pending ethics complaints (or hearings); (iii) pending unsatisfied discipline; (iv) pending arbitration requests or hearings; (v) unpaid arbitration awards or unpaid financial obligations to any other association or association MLS; and (vi) any misuse of the term REALTOR® or REALTORS® in the name of the applicant's firm. (Amended 06/2006)

(d) NAR Bylaws prohibit member associations from knowingly granting REALTOR® membership to any applicant who has an unfulfilled sanction pending which was imposed by another association of REALTORS® for violation of the Code of Ethics.

Section 3. Election/Provisional Membership

The procedure for election to membership shall be as follows:

(a) Applicants for REALTOR® membership shall be granted provisional membership immediately upon submission of a completed application form and remittance of applicable association dues and any application fee. Provisional members shall be considered REALTORS® and shall be subject to all of the same privileges and obligations of membership. Provisional membership is granted subject to subsequent review of the application by the vice president of Member Services or his/her designee. If it is determined that the individual does not meet all of the qualifications or satisfy all the requirements for primary membership as established in the Association's bylaws, (for example, completion of new member Code of Ethics training, if applicable; completion of an orientation program; or payment of fees) within sixty (60) days from the Association's receipt of the application, provisional membership will be terminated and the applicant will be required to reapply or the applicant's DR will be charged a non-member licensee assessment fee.

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

(c) The Board of Directors may not terminate any provisional membership for any reason other than failure to comply with the requirements of membership without providing the provisional member with advance notice, an opportunity to appear before the Board of Directors, to call witnesses on his behalf, to be represented by legal counsel, and to make such statements as deemed 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 provisional membership should be terminated, it shall record its reasons with the Chief Staff Executive. If the Board of Directors believes that termination of provisional membership may become the basis of litigation and a claim of damage by a provisional member, it may specify that termination shall become effective

upon entry in a suit by the Board for a declaratory judgment by a court of competent jurisdiction of a final judgment declaring that the termination violates no rights of the individual.

Section 4. New Member Code of Ethics Orientation. Applicants for primary REALTOR® membership shall complete an orientation program on the Code of Ethics of not less than two hours and thirty minutes of instructional time. Failure to satisfy this requirement within sixty (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, 2001 through December 31, 2004 and for successive four-year periods thereafter, each REALTOR® Member of the Association shall be required to complete quadrennial ethics training of not less than two hours and thirty minutes of instructional time. This requirement will be satisfied upon presentation of documentation that the Member has completed a course of instruction conducted by this Association or another local association, NCAR, NAR, or any other recognized educational institution or provider which meets the learning objectives and minimum criteria established by NAR from time to time. REALTOR® Members who have completed training as a requirement of membership in another association and REALTOR® Members who have completed the New Member Code of Ethics Orientation during any four-year cycle shall not be required to complete additional ethics training until a new four-year cycle commences.

Failure to satisfy this requirement shall be considered a violation of a membership duty for which REALTOR® membership shall be suspended until such time as the training is completed. Suspension of REALTOR® Membership includes suspension of all Membership privileges and benefits. In addition to the loss of the aforementioned privileges and benefits, if a Member Participant to the Carolina Multiple Listing Services ("CMLS") fails to complete the mandatory Code of Ethics training, access to the CMLS will be terminated, which will terminate access for the entire firm, until such time as the training is completed by the Member Participant.

REALTOR® Members of the Association suspended for failing to meet the requirements for the first four (4)-year cycle (2001 through 2004) will have until December 31, 2005 to meet the requirement. Failure to meet the requirement by that time will result in automatic termination of membership. Failure to meet the requirement for the second (2005 through 2008) cycle and subsequent four (4)-year cycles will result in suspension of membership for the first two months (January and February) of the year following the end of any four (4)-year cycle or until the requirement is met, whichever occurs sooner. On March 1 of that year, the membership of a member who is still suspended as of that date will be automatically terminated.

Section 6. Status Change

(a) A REALTOR® who changes the conditions under which they hold membership shall be required to provide written notification to the Association within thirty (30) days of such change. A REALTOR® who is not a principal who becomes a principal in the firm with which he or she 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® does not satisfy the requirements established in these Bylaws for the category of membership to which they have transferred within thirty (30) days of the date membership applications have been submitted to the Association

regarding the status change, 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.

(b) 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.

(c) 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.

A REALTOR® who is transferring their license from one firm comprised of REALTOR® principals to another firm comprised of REALTOR® principals shall complete a transfer form and file it with the Member Services Department. During the period of transition all privileges of membership shall be suspended. If the transfer is not completed within ninety (90) days of the date the Association is advised of the disaffiliation with the prior firm, membership will terminate automatically unless otherwise so directed by the Board of Directors.

ARTICLE VI - PRIVILEGES AND OBLIGATIONS

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

Section 2. Suspension or Expulsion. Any Member of the Association may be reprimanded, fined, placed on probation, suspended or expelled by the Association for violation of these Bylaws, Rules and Regulations and all policies of the Association or any of its affiliated entities, after a hearing as provided in The Code of Ethics and Arbitration Manual or as otherwise specified in these Bylaws. Although Members other than REALTOR® Members are not subject to the Code of Ethics or enforcement of the Code of Ethics by the Association, such Members are encouraged to abide by the principles established in the Code of Ethics of NAR and conduct their business and professional practices accordingly. Further, all Members may be subject to discipline 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® or the real estate industry or for conduct that is inconsistent with or adverse to the objectives and purposes of the Association, NCAR or NAR.

Section 3. Discipline. Any REALTOR® Member of the Association may be disciplined by the Association for violations of the Code of Ethics or other duty of membership, after a hearing as described in The Code of Ethics and Arbitration Manual, provided that the discipline imposed is generally consistent with the discipline authorized by the Professional Standards Committee of NAR as set forth in The Code of Ethics and Arbitration Manual.

Section 4. Resignation. Resignations of Members shall become effective when received in writing by the Association.

(a) If the Member submitting the resignation is indebted to the Association for dues, fees, fines or other assessments of the Association or any of its services, departments, divisions or

subsidiaries, the Association may condition the right of the resigning Member to reapply for membership upon payment in full of all such monies owed.

(b) Members who resign in good standing may reapply for membership within a period of one (1) year from date of receipt of resignation by the Association and shall complete all requirements for membership (except for attendance at orientation) and pay a reinstatement fee as established by the Board of Directors and applicable dues.

Section 5. Conditional Readmission. If a Member resigns from the Association or otherwise causes membership to terminate while an ethics complaint is pending against such Member, the Board of Directors will condition the right of the resigning Member to reapply for membership upon the Member's agreement to submit to the pending ethics proceeding and to abide by the decision of the hearing panel. If a Member resigns or otherwise causes membership to terminate, the duty to submit to arbitration continues in effect even after membership lapses or is terminated, provided that the dispute arose while the former Member was a REALTOR®.

Section 6. Leave of Absence. The vice president of Member Services shall have the authority to grant a temporary leave of absence to a Member. Leaves of absence are granted for providential reasons and cannot be retroactive. A leave of absence may only be granted for severe medical reasons and active military duty. All requests for leaves of absence must be submitted to the vice president of Member Services in writing substantiating the request. Request for a leave of absence for any other reason must be submitted in writing and is subject to review and approval by the Executive Committee and/or Board of Directors.

Section 7. Rights and Obligations of REALTOR® Members. REALTOR® Members, whether Primary or Secondary, in good standing and whose financial obligations to the Association are paid in full, shall be entitled to vote and hold elective and appointive 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.

(a) If a REALTOR® Member is a sole proprietor in a firm, a partner in a partnership, a managing member of a limited liability company or an officer in a corporation and is suspended or expelled from membership, the firm, partnership, limited liability company 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, limited liability company or corporation is severed or management control is relinquished, whichever may apply. The membership of all other principals, partners, limited liability company 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, limited liability company or corporation is severed or unless the REALTOR® who is suspended or expelled removes himself from any form or degree of management control of the firm for the term of the suspension or until readmission to membership, whichever may apply. Removal of an individual from any form or degree of management control must be certified to the Association by the Member who is being suspended or expelled and by the individual who is assuming management control and the signatures of such certification must be notarized. In the event the suspended or expelled Member is so certified to have relinquished all form or degree of management control of the firm, the membership of other partners, officers or other individuals affiliated with the firm shall not be affected, and the firm, partnership, limited liability company or corporation may continue to use the terms REALTOR®

and REALTORS® in connection with its business during the period of suspension or until the former Member is readmitted 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, limited liability company or corporation is severed, or management control is relinquished, whichever may apply.

If a REALTOR® Member other than a sole proprietor in a firm, partner in a partnership, managing member of a limited liability company or an officer of a corporation is suspended or expelled, the use of the term REALTOR® or REALTORS® by the firm, partnership, or corporation shall not be affected.

(b) In any action taken against a REALTOR® Member for suspension or expulsion under ARTICLE VI Section 2(a) hereof, notice of such action shall be given immediately in writing by certified, return-receipt registered mail to all REALTORS® employed by or affiliated as independent contractors with such REALTOR® Member and they shall be advised that the provisions of ARTICLE VI, Section 7(a) shall apply.

Section 8. Rights and Obligations of 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 Bylaws of NAR. No Institute Affiliate Member may be granted the right to use the term REALTOR® or the REALTOR® logo; to serve as President of the Association; or to be a Member Participant in CMLS.

Section 9. Rights and Obligations of Affiliate Members. Affiliate Members shall have all rights and privileges except the right to vote, hold elective office, participate in CMLS, or serve on Association/MLS committees, except as otherwise determined by the Board of Directors, and shall be subject to obligations prescribed by the Association.

Section 10. Rights and Obligations of Honorary Members. Honorary Members shall have only the right to attend meetings and participate in discussions.

Section 11. Certification by Association. Each year, the Association staff will certify that the Association membership records match the Real Estate Commission's roster of active licensees for each individual firm listed with the Association. Designated REALTOR® Members will be notified by the Association of any roster discrepancies. Each will be given details on the application process for these active licensees. The Designated REALTOR® of any active non-member licensee who does not join the Association as a REALTOR® Member, will be assessed a non-member licensee fee for that agent. If dues have been paid to another association based upon said non-member licensee(s), 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 with the firm(s) within thirty (30) days of the date of affiliation or severance of affiliation of the individual.

Section 12. Member Harassment. The Members of the Association and the Association's affiliated entities are to abide by a high standard of ethics. No type of harassment

shall be tolerated between Members and staff. Harassment shall include sexual harassment, violent harassment (actual or implied threat of disruptive physical behavior or verbal intimidation), obscene language and harassment on any other basis. 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. Harassment also includes actions, words, jokes or comments based on the individual's sex, race, color, national origin, age, religion, disability, citizenship, sexual orientation or any other characteristic will not be tolerated. Therefore any Member of the Association may be reprimanded, placed on probation, suspended or expelled for harassment of an employee. The appropriate disciplinary action to be taken shall be made by a committee comprised of the President, the President-Elect 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 or President-Elect, they shall 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. The decision of the committee shall be final.

ARTICLE VII - PROFESSIONAL STANDARDS AND ARBITRATION

Section 1. The 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 NAR, provided, however, any provision deemed inconsistent with state law shall be deleted or amended to comply with state law.

Section 2. Bylaws, Rules and Regulations. It shall be the duty and responsibility of every REALTOR® Member of the Association to abide by the Bylaws and Rules and Regulations and all policies of the Association and NCAR, and Bylaws and Code of Ethics of NAR, including the duty to arbitrate controversies arising out of real estate transactions as specified in the Code of Ethics and as further defined and in accordance with the procedures set forth in The Code of Ethics and Arbitration Manual.

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

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

Section 1. NAR Bylaws. Use of the terms REALTOR® and REALTORS® by Members shall, at all times, be subject to the provisions of the Bylaws of NAR and to the Rules and Regulations prescribed by its Board of Directors. The Association shall have the authority to control, jointly and in full cooperation with NAR, use of such terms within its jurisdiction. Any misuse of the terms by the 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. (Amended 06/2006)

Section 2. Good Standing Requirement. REALTOR® Members of the Association shall have the privilege of using the terms REALTOR® and REALTORS® so long as they remain REALTOR® Members in good standing. No other class of Members shall have this privilege.

Section 3. Use by Principals. A REALTOR® Member who is a principal of a real estate firm, partnership, limited liability company or corporation may use the terms REALTOR® and REALTORS® only if all of the principals of such firm, who are actively engaged in the real estate profession are REALTOR® Members of the Association.

Section 4. Commercial Real Estate. In the case of a REALTOR® Member who is a principal of a real estate firm, partnership, limited liability company 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, officer or branch office manager of the firm, holds REALTOR® membership. If a firm, partnership, limited liability company or corporation operates additional places of business in which no principal, partner, corporate officer, or branch office manager holds REALTOR® membership, the term REALTOR® or REALTORS® may not be used in any reference to those additional places of business.

Section 5. Institute Affiliate Members. Institute Affiliate Members shall not use the terms REALTOR® or REALTORS® or the imprint of the emblem seal of NAR.

ARTICLE IX - STATE AND NATIONAL MEMBERSHIPS

Section 1. NAR and NCAR. The Association shall be a Member of NAR and NCAR. By reason of the Association's Membership, each REALTOR® Member of the Association shall be entitled to membership in NAR and NCAR. The Association shall continue as a Member of NCAR and NAR, unless by a majority vote of all of its REALTOR® Members, a decision is made to withdraw, in which case the NCAR and NAR shall be notified at least one (1) month in advance of the date designated for the termination of such membership.

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

Section 3. Code of Ethics. The Association adopts the Code of Ethics of NAR and agrees to enforce the Code among its REALTOR® Members. The Association and all of its Members agree to abide by the Bylaws, Rules and Regulations, and policies of NAR and NCAR.

ARTICLE X - FEES AND DUES

Section 1. Application Fee.

(a) The Board of Directors of the Association may adopt an application fee for REALTOR® membership in a 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.

(b) The Board of Directors may adopt an application fee for Affiliate Members in a reasonable amount not in excess of three (3) times the amount of the annual dues for Affiliate Members.

Section 2. Dues. The annual dues of Members are not refundable and shall be as follows:

(a) Designated REALTOR® Members. The annual dues of each Designated REALTOR® Member shall be in such amount as established annually by the Board of Directors of the Association, plus an additional amount as established annually as a non-member licensee assessment fee by such Board of Directors times the number of real estate licensees and licensed or certified appraisers who (1) are employed by or affiliated as independent contractors or who are otherwise directly or indirectly licensed with such REALTOR® Member; and (2) are not REALTOR® Members of any association within North Carolina or South Carolina or Institute Affiliate Members of the Association. In calculating the dues payable to the Association for a Designated REALTOR® Member, non-member licensees as defined above in this paragraph shall not be included in the computation of dues if the Designated REALTOR® has paid dues based on said non-member licensees in another association in North Carolina or South Carolina 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, limited liability company 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 above in 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.

(1) For the purpose of this Section, a Designated REALTOR® Member of a Member association shall be held to be any Member who has a place or places of business within North Carolina or South Carolina who as a principal, partner, branch office manager, or officer of a real estate firm, partnership, limited liability company or corporation, is actively engaged in the real estate profession. An individual shall be deemed to be licensed with a Designated REALTOR® if the license of the individual is held by the Designated REALTOR®, or by any broker who is licensed with the Designated REALTOR® by any entity in which the Designated REALTOR® has a direct or indirect ownership interest and which is engaged in other aspects of the real estate business (except as provided for in this Section) provided that such licensee is not otherwise included in the computation of dues payable by the principal, partner, officer or branch office manager of the entity, by virtue of being a REALTOR®.

A Designated 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

Designated 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 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.

(2) Each Designated REALTOR® will be assessed dues for any real estate licensees and licensed or certified appraisers who have not made application to the Association for membership within thirty (30) days of their affiliation with a Designated REALTOR®. Proration of dues shall be based upon the date of affiliation with the Designated REALTOR® within the current fiscal year.

(b) **REALTOR® Members.** The annual dues of REALTOR® Members (other than the Designated REALTOR®), shall be an amount established periodically by the Board of Directors.

(c) **Institute Affiliate Members.** The annual dues of each Institute Affiliate Member shall be as established by NAR.

(d) **Affiliate Members.** The annual dues of each Affiliate Member shall be an amount established periodically by the Board of Directors.

(e) **Honorary Members.** There shall be no dues payable for Honorary Members.

(f) **Life Members.** Local dues shall be reduced for Life Members who continue to engage in the practice of real estate. There shall be no local dues payable for Life Members whose real estate license is inactive.

(g) **NCAR Life Members.** There shall be no local or state dues payable for NCAR Life Members.

(h) **NAR Realtor® Emeritus Members.** There shall be no local, state or national dues payable for Realtor® Emeritus Members.

Section 3. Increase. Any increase over the previous year's dues/assessments (excluding increases of dues and/or assessments levied by NCAR and/or NAR) must be approved at a meeting of the Board of Directors of the Association called for that purpose. Increases in NCAR and/or NAR's dues and/or assessments shall not require Membership approval and shall become effective upon notice from NCAR or NAR.

Section 4. Dues Payable. Dues for all Members shall be payable annually in advance on the first day of January of each year. Dues for new Members shall be computed from the date of application granting provisional membership and shall be prorated for the remainder of the year.

In the event a sales licensee or licensed or certified appraiser who holds REALTOR® Membership is dropped from Membership for nonpayment of dues, and the individual remains with the Designated REALTOR®'s firm, the dues obligation of the Designated REALTOR® 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 thirty (30) days of the notice of termination. Any appeal shall be made to the Executive Committee of the Board of Directors of the Association.

Section 5. Nonpayment of Financial Obligations. If dues are not paid within one (1) month of the due date, the nonpaying Member will be dropped from REALTOR® membership and converted to a non-member licensee and the former REALTOR®'s DR will be charged a non-member licensee assessment fee. If any fees, fines or assessments including amounts owed to the Association or any of its subsidiary corporations are not paid within fifteen (15) days after the due date, MLS services will be suspended until such fee, fine or assessment is paid. However, no action shall be taken to drop from Membership a Member for nonpayment of disputed amounts until the amount in dispute has been confirmed by the Board of Directors. A former Member, who has had 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 or policies of the Association or any of its services, departments, divisions or subsidiaries, may apply for reinstatement in a manner prescribed by the Board of Directors.

Section 6. Notice of Financial Obligations of Members. All dues, fees, fines, assessments or other financial obligations to the Association or Association's subsidiary corporations shall be noticed in writing, electronically or otherwise, to the delinquent Association Member setting forth the amount owed and the due date(s).

Section 7. Discretionary Dues. The dues of Past Presidents of NAR or recipients of the Distinguished Service Award shall be as determined by the Board of Directors.

ARTICLE XI - OFFICERS AND DIRECTORS

Section 1. Officers.

(a) **Officers.** The officers of the Association shall be: a President, a President-Elect, a Secretary and a Treasurer, each of whom, except for the President, shall be elected by the REALTOR® Members entitled to vote and shall serve as officers of CMLS and the Charlotte Regional REALTOR® Association Housing Opportunity Foundation ("Foundation").

(b) **Term.** The officers shall be elected for a term of one (1) year, with the exception of the Secretary and Treasurer who shall be elected for two-year alternating terms. All officers shall assume their respective offices effective January 1 of each year, even though the ceremonial installation may not occur until some time thereafter.

(c) **Executive Staff Officer.** The Board of Directors may employ a Chief Executive Officer (CEO) as deemed necessary and may delegate to the CEO all or part of the duties of the Secretary and Treasurer and may otherwise prescribe the CEO's functions. In the event of absence or illness of the Secretary and/or Treasurer, the CEO shall assume the duties of those officers without further authority.

(d) **Executive Committee.** The Board of Directors of the Association shall have an Executive Committee which shall be composed of the officers, the immediate Past President and the CEO. The Executive Committee shall have such authority and rights as may be assigned to it by the Board of Directors of the Association. The CEO shall not have voting privileges.

(e) **Fidelity Bonds Required.** At the discretion of the Board of Directors, all officers and employees handling Association funds may be required to be bonded at the expense of the Association in such amounts as the Board of Directors may instruct.

Section 2. Duties of Officers.

(a) **President.** The President shall have and exercise general charge and supervision of the affairs of the Association and shall perform such other duties as may be assigned to him or her by the Board of Directors. The President shall preside at all meetings of the Members of the Association and at all meetings of the Executive Committee and at all meetings of the Board of Directors. The President shall, whenever he or she deems necessary, call meetings of the Association Members and the Board of Directors. The President shall also have such duties as described in the CMLS and Foundation Bylaws.

(b) **President-Elect.** It shall be the duty of the President-Elect to assist the President and, in the absence of the President, to preside at meetings of the Association, meetings of the Executive Committee and meetings of the Board of Directors. The President-Elect shall also attend all Executive Committee meetings and all meetings of the Board of Directors. The President-Elect shall succeed to the office of President. The President-Elect shall also have such duties as described in the CMLS and Foundation Bylaws.

(c) Secretary.

(1) The Secretary shall have oversight of such books, documents and papers as the Board of Directors may determine.

(2) The Secretary shall attend and oversee the preparation of minutes of all the meetings of the Board of Directors and Members of the Association. The Secretary shall oversee the keeping of records, containing the names, alphabetically arranged, of all persons, firms, corporations or partnerships who are Members of the Association, showing their places of business and such records shall be open for inspection if and as may be required by law.

(3) The Secretary may sign with the President, President-Elect and the CEO, in the name and on behalf of the Association, any contracts or agreements authorized by the Board of Directors.

(4) The Secretary shall perform, in general, all duties incident to the office of Secretary, subject to the control of the Board of Directors and shall perform such other duties as may be assigned to him or her by the Board of Directors.

(5) The Secretary shall also have such duties as described in the CMLS Bylaws and Foundation Bylaws.

(d) Treasurer.

(1) The Treasurer shall have oversight responsibility for the custody of all funds, property and securities of the Association and all subsidiary corporations, subject to such rules as may be imposed by the Board of Directors. When necessary or proper, the Treasurer may endorse, on behalf of the Association, such checks, notes and other obligations as the Board of Directors may designate.

(2) The Treasurer shall sign all checks of the Association and all bills of exchange and promissory notes issued by the Association, except in cases where the signing and execution thereof shall be designated by the Board of Directors or these Bylaws to some other officer or agent of the Association.

(3) The Treasurer shall perform, in general, all duties incident to the office of Treasurer, subject to the control of the Board of Directors and shall assist the Directors as necessary for them to carry out their duties under these Bylaws.

(4) The Treasurer shall also have such duties as described in the CMLS Bylaws and Foundation Bylaws.

(e) **Delegations of Duties.** The duties of the officers of the Association, as the Board of Directors may so instruct, may be delegated to agents and employees of the Association.

(f) **Death, Resignation or Incapacity of President and/or President-Elect.** In the event of death, resignation, or incapacity of both the President and President-Elect, the immediate Past President shall perform those duties delegated to the President-Elect as set forth in these Bylaws.

(g) **Death, Resignation or Incapacity of the CEO.** In the event of a vacancy in the position of CEO, the Executive Committee shall have the responsibility of insuring that the duties of the CEO are carried out by the staff, following the procedures outlined in the Adverse Issues Plan policy document, until the position of CEO is filled.

Section 3. Board of Directors.

(a) **Governing Body.** The governing body of the Association shall be a Board of Directors consisting of the president, elected officers, ten (10) other Primary REALTOR® members of the Association, and Ex-Officio Members of the Association as outlined in Article XI, Section 3 (b) below. Nine (9) Directors shall be elected to serve staggered terms of three (3) years each and as many Directors as required to fill vacancies shall be elected each year. One (1) Director from an office located in the Northern Region shall also be elected for a three (3) year term to represent the Northern Region defined as Iredell County and the towns of Cornelius, Davidson and Huntersville in Mecklenburg County and as defined further from time to time by the Board of Directors. No Officer or Director shall hold office in any other REALTOR® association.

(b) **Ex-Officio Members.** The immediate Past President of the Association, as a voting member and the CEO as a nonvoting member, shall be Ex-Officio Members of the Board of Directors. Ex-Officio Member(s), except for the CEO, must hold Primary REALTOR® membership, Primary or Secondary, in the Association.

(c) **Chief Executive Officer.** The Board may employ a Chief Executive Officer (CEO) and may delegate to the CEO all or part of the duties of the Secretary and Treasurer and any other functions they may prescribe.

- (1) In the event of absence or illness of the Secretary and/or the Treasurer, the CEO may assume the duties of that officer without further authority.
- (2) The CEO shall serve as an Ex-Officio member of the Board, without voting privileges.

(d) **Duties.** The Board of Directors shall have control of all of the affairs of the Association and their duties shall include, but not be limited to, those specified below. The Board of Directors shall have the right to make an audit of all books and accounts at any time without notice.

(1) **Deposits.** All money received by the Association for any purpose shall be deposited to the credit of the Association in a financial institution or institutions selected by the Board of Directors or its designee.

(2) **Expenditures.** The Board of Directors shall oversee the finances of the Association, but shall not incur any obligation in excess of the available cash on hand of its combined consolidated balance sheet without authorization by vote of a majority of the REALTOR® Members present and voting at any meeting at which a quorum is present, provided the substance of such proposed expenditure is plainly stated in the call for the meeting.

(3) **Budget.** The Board of Directors shall, prior to the end of each fiscal year, prepare or cause to be prepared, a budget reflecting projected income from all sources and projected costs and expenses of the Association for the next fiscal year. The budget shall be submitted to the Directors for approval on a date not less than thirty (30) days prior to the first day of the fiscal year.

(4) **Annual Audit and Report.** The Board of Directors shall contract with an outside independent accounting firm to conduct an annual audit of the Association's books, said audit to commence no later than the first quarter of the following year after the close of the fiscal year.

(5) **Rules and Regulations and Policies.** The Board of Directors shall have the power to adopt Rules and Regulations and Policies and amendments thereto, for the administration of the business of the Association. These Rules and Regulations and Policies shall be in conformity with the Bylaws as from time to time amended.

Section 4. Election of Officers and Directors.

(a) **Eligibility.** Any REALTOR® Member in good standing with the Association shall be eligible for office provided that the following criteria are met. The President-Elect must have previously served two (2) years as a Director or Officer of the Association, CMLS or the Foundation. The Secretary, Treasurer and Directors must have been a Member of an association of Realtors® for a minimum of two (2) years and have Association involvement including service on a committee, task force, or similar activity, including attendance at association sponsored functions. Credit will be given for service on any local REALTOR® board of directors or association or Multiple Listing Service in meeting the requirement for active committee service.

No Member may hold more than one office at the same time. Any member nominated to serve as a Director or Officer of the Association must be a primary member of the Association at the time they are a candidate and remain so if elected. If a Director is nominated to another office, he or she may remain a Director until inducted to the other office. Such vacancies shall be filled in accordance with the provisions set forth in Section 5 of this article except for an Ex-Officio Member(s). Ex-Officio Member offices other than the CEO shall not be filled unless the Board of Directors decides otherwise.

(b) Nominating Committee Process.

(1) A Nominating Committee of at least seven (7) REALTOR® Members, composed of two (2) Members of either the Association or CMLS Board of Directors, two (2) Non-Principals, and three (3) others, shall be appointed by the President with approval of the Executive Committee. Appointees must have been a Primary Member of the Association for a minimum of two (2) years. In addition, at least one (1) CMLS Member Participant and/or Subscriber who is not a Primary member of the Association shall be appointed by the President with approval of the Executive Committee to serve on the Nominating Committee in order to identify candidates to fill the open At-Large seat on the CMLS Board. The CMLS Member Participant and/or Subscriber who is not a Primary member of the Association appointed to serve on the Nominating Committee in order to identify candidates to fill the open At-Large seat on the CMLS Board shall enjoy all privileges of being on the Nominating Committee including the right to vote on the final slate of candidates for CRRA and CMLS.

(a) The Nominating Committee shall select at least one candidate for each office and at least one candidate for each seat to be filled on the Board of Directors.

(b) When necessary, but not less than every three (3) years, the Nominating Committee shall select at least one nominee to fill the Director's seat from the Northern Region, and that nominee(s) must work in a real estate office located in Iredell County.

(2) At least one hundred twenty (120) days before the annual election, the Nominating Committee shall notify all primary REALTOR® Members, and Member Participants and Subscribers, of the requirements for each office and the time period in which to submit applications for candidacy. After the last date for submission of applications, the Nominating Committee shall review all candidates' applications and nominate at least one (1) candidate for each available position.

(3) Additional candidates for Director and Officer positions may be placed in nomination by the Membership in the following manner: a petition signed by a minimum of five-percent (5%) of all active REALTOR® Members at the time of petition, each of whom shall supply name, in both written and printed form, REALTOR® member identification number and firm name. The petition shall include the signature of the nominee indicating the nominee's willingness to serve and shall include a completed application and personal photo. No more than twenty percent (20%) of the petitioned signatures may come from any one firm. The petition shall be filed with the Secretary or the Secretary's designee at least thirty-five (35) days prior to the fourth Wednesday in June of the applicable election year. All nominations received in this manner will be posted on the Association Web site at least 10 days prior to the election.

(4) The report of the Nominating Committee including the profiles and photos of the candidates and the petition candidate information shall be posted on the Association Web site at least fifty (50) days prior to the fourth Wednesday in June.

(5) The Nominating Committee shall also serve as the Nominating Committee of the CMLS and shall follow the procedures described in the CMLS Bylaws as they pertain to the CMLS Board of Directors.

(c) **Election.** Only those candidates nominated by the Nominating Committee or nominated by petition shall be placed on the official online ballot. At least twenty-one (21) days prior to the fourth Wednesday in June, the Executive Committee shall adopt and post the election rules and the official online ballot on the Association Web site and thereafter all REALTOR® Members, Primary and Secondary, may vote online.

Any Member who does not have access to the Internet may come to the Association office during regular business hours beginning twenty-one (21) days prior to the fourth Wednesday in June and vote online. If the voting Member does not have Internet access, is ill and cannot come to the Association office to vote online, a manual ballot will be provided upon receipt of a signed and witnessed letter/request from that Member. These manual ballots will be counted by the Election Judge and added to the computer tally. All votes must be cast online or, if a manual ballot is provided, delivered to the Association office no later than the close of business on the fourth Wednesday in June of the applicable election year. All votes shall be considered confidential. Candidates receiving the largest number of votes cast are elected. In case of a tie vote, the election shall be determined by runoff.

(c) **Election Judge.** The immediate Past-President, or other designee, shall act as the Election Judge and shall oversee the tabulation of votes. In the event the Past-President is not available, the most recent Past-President available will oversee the election results/process. The validity of all votes shall be at the sole determination of the Election Judge. Election results will be published when available. Vote tabulations will be available to any member upon request.

Section 5. Vacancies.

(a) If any Officer or Director is suspended or terminated from membership for any cause, including the nonpayment of financial obligations to the Association or any of its subsidiaries, then the office or seat on the Board of Directors occupied by such person, shall be deemed to be immediately vacated. Such vacancies shall be filled by the President with approval by a majority of the Board of Directors; the term of an Officer or Director so appointed shall expire on the date that the term of the suspended or terminated Officer or Director would otherwise have expired had such Officer or Director not been suspended or terminated.

(b) If a vacancy is created as a result of the election of a Director to another office, said vacancy shall be filled in accordance with (a) of this Section 5 above.

(c) In the event of death, resignation or incapacity of any Officer or Director, the office or seat on the Board of Directors shall be deemed to be immediately vacated. Such vacancies may be filled by the President with approval by a majority of the Board of Directors; the term of an Officer or Director so appointed shall expire on the date that the term of the deceased, resigned or

incapacitated Officer or Director would otherwise have expired had such Officer or Director not died, resigned or become incapacitated.

(d) If the office of the President should become vacant between elections, the President-Elect shall fill the vacancy and complete the unexpired term. The President-Elect who fills a vacancy in the office of President shall automatically become President for a full term after completion of the unexpired term.

Section 6. Removal of Officers and Directors. In the event an Officer or Director is deemed to be incapable of fulfilling the duties for which elected, but will not resign from office voluntarily, the Officer or Director may be removed from office under the following procedure:

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

(b) 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 Board of Directors of the Association shall be held and the sole business of the meeting shall be to consider the charge against the Officer or Director and to render a decision on such petition.

(c) Notice of the special meeting shall be given at least ten (10) days prior to the meeting. The meeting shall be conducted by the President of the Association unless the President's continued service in office is being considered at the meeting. In such case, the next ranking officer will conduct the meeting of the hearing by the Members. Provided a quorum is present, a three-fourths vote of Members present and voting shall be required for the removal from office.

Section 7. CEO. There shall be a CEO, employed 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.

ARTICLE XII - MEETINGS

Section 1. Annual Meetings. The annual meeting of the Association shall be held during the fourth quarter of each year and the date, place and hour of such Annual Meeting shall be designated by the Board of Directors.

Section 2. Meetings of Directors. The Board of Directors shall designate a regular time and place for its meetings. Absence by a Director from three (3) regular meetings in a calendar year, without an excuse deemed valid by the President, shall be construed as resignation.

Section 3. Other Meetings. Meetings of the Members may be held at other times as the President or the Board of Directors may determine or upon the written request of at least one-third of the Members eligible to vote.

Section 4. Notice of Member Meetings. Written or electronic notice of a meeting of the Members shall be given to every Member entitled to participate in the meeting at least ten (10) days preceding any meeting of the Members. If a special member meeting is called, it shall be accompanied by a statement of the purpose of the meeting.

Section 5. Quorum.

(a) Membership Meeting. A quorum for the transaction of business at a meeting of the Members shall consist of those Members present and eligible to vote.

(b) Board Meetings. A quorum for the transaction of business at a meeting of the Board of Directors shall consist of a majority of the Directors.

Section 6. Proxy Voting. Proxy voting shall not be permitted at any meetings of the Association, its Board of Directors, its committees or any other of its departments on any issue to be decided.

Section 7. Electronic Transaction of Business. To the fullest extent permitted by law, the Board of Directors or the membership may conduct business by electronic means.

Section 8. Action without Meeting. Unless specifically prohibited by the Articles of Incorporation of the Association, 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, electronically or otherwise, setting forth the action so taken, shall be agreed upon 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 Chief Executive Officer to be filed with 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 membership of the Association, subject to confirmation by the Executive Committee, committees, advisory groups and task forces. The following are standing committees:

- Executive
- Grievance
- Nominating
- Professional Standards
- Audit

The President of the Association, subject to confirmation by the Executive Committee, shall create or discharge any advisory group, committee or task force or any member thereof as deemed necessary.

Section 2. Organization. All committees, advisory groups, task forces, etc. shall be of such size and shall have duties, functions, and powers as assigned by the President or the Board of Directors except as otherwise provided in these Bylaws.

Section 3. Ex-officio Member. The President and President-Elect shall be Ex-Officio Members of all committees, task forces or advisory groups, except Nominating, Grievance and Professional Standards Committees and shall be notified of their meetings.

Section 4. Absences. Absence from three (3) scheduled committee meetings without an excuse deemed valid by the Chair shall be construed as resignation.

Section 5. Actions. All actions of committees, except the Nominating, Grievance and Professional Standards Committees, shall be subject to the approval of the Board of Directors.

ARTICLE XIV - FISCAL AND ELECTIVE YEAR

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

ARTICLE XV - RULES OF ORDER

The rules contained in the current edition of "Robert's Rules of Order Newly Revised" shall govern the Association in all cases to which they are applicable and in which they are not inconsistent with these Bylaws and any special rules of order the Association may adopt.

ARTICLE XVI - AMENDMENTS

Section 1. Articles of Incorporation. Article I and Article II of these Bylaws may be amended only upon amendment of the Articles of Incorporation of the Association.

Section 2. Bylaws. Except as provided in Section 1 above, amendments to these Bylaws shall be by consideration and approval of the Board of Directors and, if the Directors deem necessary, by a majority vote of those Members present and voting at the Annual Meeting or at a special or other meeting of the Members or by a majority vote of those Members casting votes on-line, provided that the substance of such proposed amendment or amendments are posted on the Association Web site at least ten (10) days prior to the Annual Meeting or ten (10) days prior to the vote deadline. The Board of Directors will determine whether or not a meeting is required for the vote.

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 NAR. The Board shall provide notice of that change in a regular or special membership communication.

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

Section 4. Online Votes. If votes are cast online, any Member who does not have access to the Internet may come to the Association office during regular business hours, beginning ten (10) days prior to the voting deadline and vote online. If the voting Member does not have access to the Internet and is ill and cannot come to the Association office to vote online, upon receipt of a signed and witnessed letter/request from that Member, a manual ballot will be provided. These manual ballots will then be counted and added to the computer tally. Votes must

be cast online, or if a manual ballot is provided, delivered to the Association office no later than the deadline posted for the Bylaws amendment(s) vote.

ARTICLE XVII - DISSOLUTION

Upon the dissolution of this Association, the Board of Directors, after providing for the payment of all obligations, shall distribute any remaining assets to any other non-profit or tax exempt organization.

ARTICLE XVIII - SUBSIDIARY CORPORATIONS

The Association may establish and maintain for the use of its Members, wholly-owned subsidiary corporations, including, but not limited to Carolina Multiple Listing Services, Inc., as established in Article XIX and the Charlotte Regional REALTOR® Association Housing Opportunity Foundation, Inc., as established in Article XX. All corporations, so established shall be lawful corporations of the State of North Carolina. All stock shares of such corporations, if any, shall be owned by the Association.

ARTICLE XIX - CAROLINA MULTIPLE LISTING SERVICES, INC.

Section 1. Authority. The Association shall maintain, for the use of its Members, a multiple listing service, CMLS, which is a lawful corporation of the State of North Carolina, all the stock of which shall be owned by the Association.

Section 2. Purpose. A multiple listing service is a means by which authorized Participants make blanket unilateral offers of compensation to other Participants (acting as subagents, buyer agents or in other agency or non-agency capacities defined by law); by which cooperation among Participants is enhanced; by which information is accumulated and disseminated to enable authorized Participants to prepare appraisals, analyses, and other valuations of real property for bona fide clients and customers; by which Participants engaging in real estate appraisal contribute to common data bases; and is a facility for the orderly correlation and dissemination of listing information so Participants may better serve their clients and the public. Entitlement to compensation is determined by the cooperating broker's performance as procuring cause of the sale (or lease).

Section 3. Governing Documents. The Board of Directors shall cause any multiple listing service established by it, pursuant to this Article, to conform to its corporate charter, Bylaws, Rules and Regulations, and policies, practices, and procedures and at all times to the Bylaws, Rules, Regulations and Policies of NAR.

Section 4. Participation. Any REALTOR® Member of this or any other association who is a principal, partner, corporate officer, limited liability company manager, or branch office manager acting on behalf of the principal, without further qualification, except as otherwise stipulated in the CMLS Bylaws, shall be eligible to participate in CMLS upon agreeing in writing to conform to the rules and regulations thereof and to pay the costs incidental thereto. Any applicant for CMLS participation and any licensee, (including licensed or certified appraisers and appraisal trainees) affiliated with a CMLS Member Participant, who has access to and use of CMLS-generated information shall complete an orientation program of no more than eight (8) classroom hours devoted to the CMLS Rules and Regulations, and computer training related to CMLS information entry and retrieval before access is provided. 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 in North Carolina or South Carolina and offer and accept compensation to and from other Participants or are licensed or certified by an appropriate state regulatory agency in North Carolina or South Carolina to engage in the appraisal of real property (CMLS Bylaws – Article IV, Section 3 (c)). Member Participant and/or Subscriber use of information developed by or published by CMLS is strictly limited to the activities authorized under a Member 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 CMLS where access to such information is prohibited by law. The REALTOR® principal of any firm, partnership or corporation, and the broker-in-charge of any branch office of the REALTOR® principal designated by said firm, partnership or corporation shall be termed the "Member Participant" in CMLS and shall have all rights, benefits and privileges of CMLS, and shall accept all obligations to CMLS for the Member Participant's firm, partnership, corporation or branch offices(s) and for compliance with the Bylaws and Rules and Regulations of CMLS by all persons affiliated with the Member Participant who utilizes CMLS. REALTORS® who are Member Participants or Subscribers of CMLS who are not members of the association are subject to the Code of Ethics on the same terms and conditions as association members. (Amended 1/09)

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 in the MLS and/or to accept offers of cooperation and compensation made by listing brokers or agents in the MLS. "Actively" means on a continual and ongoing basis during the operation of the participant's real estate business. The "actively" requirement is not intended to preclude MLS participation by a participant or potential participant that operates a real estate business on a part-time, seasonal, or similarly time-limited basis or that has its business interrupted by periods of relative inactivity occasioned by market conditions. Similarly, the requirement is not intended to deny MLS participation to a participant or potential participant who has not achieved a minimum number of transactions despite good faith efforts. Nor is it intended to permit an MLS to deny participation based on the level of service provided by the participant or potential participant as long as the level of service satisfies state law. (Adopted 11/08)

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

The membership requirement shall be applied in a nondiscriminatory manner to all participants and potential participants. (Adopted 1/09)

Section 5. Subscribers. Subscribers (or users) of the CMLS include non-principal brokers and sales associates who hold a North Carolina or South Carolina broker or sales license, licensed and certified appraisers and appraisal trainees affiliated with Member Participants.

ARTICLE XX – THE CHARLOTTE REGIONAL REALTOR® ASSOCIATION HOUSING OPPORTUNITY FOUNDATION

Section 1. Authority. The Association has created a non-stock, non-profit Corporation 501 (c) (3) under the Laws of the State of North Carolina as specified in Chapter 55A of the General Statutes of North Carolina, entitled "Non-Profit Corporation Act," and the several amendments thereto. The name of such corporation is The Charlotte Regional REALTOR® Association Housing Opportunity Foundation (the "Foundation").

Section 2. Purpose. The Foundation is organized to provide support and funding on a charitable or educational basis for housing opportunities for all people. The Foundation's scope of activity and prohibitions are as listed in its Bylaws.

Section 3. Governing Documents. The Board of Directors shall cause the Foundation to conform to its Charter, Bylaws, Rules and Regulations, policies, practices and procedures and at all times to the Bylaws, Rules and Regulations and policies of NAR.

Section 4. Participation. The Foundation shall have no members. The CRRA Board of Directors and the Foundation Chair shall serve as the Board of Directors of the Foundation.

ARTICLE XXI - INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Association shall indemnify any Director or Officer or former Director or Officer of the Association and his or her heirs, executors and administrators, for any award of expenses incurred by such Director or Officer in connection with the defense of any actions, suit, or proceeding in which he or she is made a party by reason of being or having been such Director or Officer, except in relation to matters as to which he or she shall be adjudged in such action, suit, or proceeding to be liable for negligence or misconduct in the performance of duty. The Association may also reimburse any Director or Officer in settling said action, suit, or proceeding should the Association decide that it is to the best interest of the Association that such settlement be made. The foregoing right to indemnification shall not be deemed exclusive of any other rights to which such Director or Officer may be entitled under any Bylaws, agreement, vote of the Association or otherwise.