



BYLAWS

**BRUNSWICK COUNTY ASSOCIATION OF REALTORS®
ADOPTED NOVEMBER 1997
LAST AMENDED OCTOBER 2011
APPROVED BY NAR JULY 2011**

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BRUNSWICK COUNTY ASSOCIATION OF REALTORS®
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ARTICLE I – NAME

Section 1. Name. The name of this organization shall be the Brunswick County Association of REALTORS®, hereinafter referred to as the “Association”.

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

ARTICLE II – OBJECTIVES

The objectives of the Association are:

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

Section 2. Code of Ethics. 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. Safeguard and Advance. To provide a unified medium for real estate owners and those engaged in the real estate profession whereby their interest may be safeguarded and advanced.

Section 4. Further Interests. To further the interests of home and other real property ownership.

Section 5. Association With State and National. To unite those engaged in the real estate profession in this Association with the North Carolina Association 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. Use of the Term REALTOR® To designate, for the benefit of the public, individuals authorized to use the terms REALTOR® and REALTORS® as licensed, prescribed, and controlled by the National Association of REALTORS®.

ARTICLE III – JURISDICTION

Section 1. Territorial Jurisdiction: The territorial jurisdiction of the Association as a member of the National Association of REALTORS® shall include that portion of Brunswick County, North Carolina, as herein described: All territory within the Counties of Brunswick, Bladen and Columbus, North Carolina.

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 in 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 Membership: There shall be six classes of Members as follows:

a. REALTOR® Members. REALTORS® Members, whether primary or secondary, shall be:

(1) Individuals who, as sole proprietors, partners, or 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, or building, developing or subdividing real estate, and who maintain or are associated with an established real estate office in the state of North Carolina or a state contiguous thereto. All persons who are partners in a partnership, or all officers in a corporation who are actively engaged in the real estate profession within the state or state contiguous thereto shall qualify for REALTOR® Membership only, and each is required to hold REALTOR® Membership except 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 in one of the firm's principal hold REALTOR® membership, shall be required to hold REALTOR® membership in a Board/Association of REALTORS® within the state or a state contiguous thereto unless otherwise qualified for Institute Affiliate Membership as described in Section 1 (b). of ARTICLE IV.

NOTE: REALTOR® Members may obtain membership in a “secondary” Board/Association in another state.

(2) Individuals who are engaged in the real estate profession other than as sole proprietors, partners, or corporate officers or branch office managers and are 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 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 & 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 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 Board/Association. One of the principals in a real estate firm must be a Broker in Charge member of the Association in order for licensees affiliated with the firm to select the Association as their "primary" Association.

(5) Broker in Charge 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 Association dues as established in Article X, of the Bylaws. The "Broker in Charge" 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.

b. 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 address a specialty area other than residential brokerage or individuals who otherwise hold a class of membership in such Institute, Society or Council that confers the right to hold office. Any such individual, if otherwise eligible, may elect to hold REALTOR® membership, subject to payment of applicable dues for such membership.

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

Affiliate membership may also be granted to individuals licensed or certified to engage in real estate practice who, if otherwise eligible, do not elect to hold REALTOR® membership in the association, provided the applicant is engaged exclusively in a specialty of the real estate business other than brokerage of real property.

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

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

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

g. Lifetime Achievement Members. Lifetime Achievement Members shall be REALTOR® members who have distinguished themselves by giving exemplary and meritorious service for the real estate profession and for the Association. Criteria and policy for Lifetime Achievement Members shall be established by the Board of Directors. Lifetime Achievement Members shall not be required to pay local dues to the Brunswick County Association of REALTORS®.

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 (1) that the applicant agrees as a condition to membership to thoroughly familiarize himself/herself with the Code of Ethics of the National Association of REALTORS®, the Constitutions, Bylaws, and Rules and Regulations of the Association, the 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® Member, will abide by the Code of Ethics of the National Association of REALTORS® including the obligation to arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics, and as further specified in the Code of Ethics and Arbitration Manual of the National Association of REALTORS®, as from time to time amended, and in accordance with the North Carolina Unified Arbitration Act and (2) that applicant consents that the Association; may invite and receive information and comment about applicant from any Member or other persons, and that applicant agrees that any information and comments furnished to the Association by any person in response to the invitation shall be conclusively deemed to be privileged and not form the basis of any action for slander, libel, or defamation of character. The Applicant shall, with the form of application, have access to a copy of the Bylaws, Constitution, Rules and Regulations, and the Code of Ethics referred to above.

Section 2. Qualification.

a. Sole Proprietor, Partner, Corporate Officer or Branch Office Manager. 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 through its Membership Committee or otherwise that he is actively engaged in the real estate profession, 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 a state contiguous thereto (unless a secondary member), has no record of recent or pending bankruptcy*, has no record of official sanctions involving unprofessional conduct**, agrees to complete a course of instruction covering the Bylaws and Rules and Regulations of the Board, 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 examination 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. (Amended 1/05)

b. Licensed Employee or Independent Contractor with a DR. Individuals who are actively engaged in the real estate profession other than as sole proprietors, partners, corporate officers, or branch office managers in order to qualify for REALTOR® Membership, shall at the time of application, be associated either as an employee or as an independent contractor with a Designated REALTOR® Member of the Board 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 or certified by an appropriate state regulatory agency to engage in the appraisal of real

* *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, corporate officer, or branch office manager, is not involved in any pending bankruptcy or insolvency proceedings or, has not been adjudged bankrupt in the past three (3) years. If a bankruptcy proceeding as described above exists, membership may not be rejected unless the association establishes that its interests and those of its members and the public could not be adequately protected by requiring that the bankrupt applicant pay cash in advance for association and MLS fees for up to one (1) year from the date that membership is approved or from the date that the applicant is discharged from bankruptcy (whichever is later). In the event that an existing member initiates bankruptcy proceedings, the member may be placed on a "cash basis" from the date that bankruptcy is initiated until one (1) year from the date that the member has been discharged from bankruptcy.

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

- A. 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
- B. 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 (10) 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)

property, has no record of official sanctions involving unprofessional conduct*, 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 Membership Committee 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. (Amended 5/07)

c. Pending Ethics Complaint or Arbitration Request. If a member resigns from another Board/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.

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 this or any other REALTOR® 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. (Amended 5/06)

"Provisional" membership may be granted in instances where ethics complaints or arbitration requests (or hearings) are pending in other associations or where the applicant for membership has unsatisfied discipline pending in another association (except for violations of the Code of Ethics; see Article V, Section 2(a), NOTE 2), provided all other qualifications for membership have been satisfied. Associations may reconsider the membership status of such individuals when all pending ethics and arbitration matters (and related discipline) have been resolved or if such matters are not resolved within six (6) 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 a member resigns from another association with an ethics complaint or arbitration request pending, the association may condition membership on the applicant's certification that he/she will submit to the pending ethics or arbitration proceeding (in accordance with the established procedures of the

association to which the applicant has made application) and will abide by the decision of the hearing panel.

Section 3. Election. The procedure for election to membership shall be as follows:

a. REALTOR® Membership Provisional. (8/2011) 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 approval by the Board of Directors. If the Board of Directors determines that the individual does not meet all of the qualifications for membership as established in the Association's bylaws, or if the individual does not satisfy all of the requirements of membership, except orientation, within 60 days from the Association's receipt of their application, the Board of Directors may, at their discretion terminate the membership. Orientation must be completed within 2 times of this course being offered. Failure to attend Orientation within 2 times of being offered may result in termination of membership.

b. Association Dues. Dues shall be computed from the date of application and shall be non-refundable unless the Association's Board of Directors terminates the individual's membership in accordance with section 3.a. above. In such instance, 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. Termination Restrictions of Provisional Membership. The Board of Directors may not terminate any provisional membership without providing the provisional member with advance notice, an opportunity to appear before the Board of Directors, to call witness 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. Termination Process. If the Board of Directors determines that provisional membership should be terminated, it shall record its reasons with the Secretary. If the Board of Directors believes that termination of provisional membership may become the basis of litigation and a claim of damage by a provisional membership member, it may specify that termination 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 termination violates no rights of the individual.

Section 4. New Member Code of Ethics Orientation.

a. Member Code of Ethics Requirements. Applicants for REALTOR® membership and provisional REALTOR® membership shall complete an orientation program on the Code of Ethics of not less than two and one half hours of instructional

time. If a member has completed a comparable orientation in another Board/Association, this requirement does not apply, provided that REALTOR® membership has been continuous, or that any break in membership is for one year or less. (*Policy manual indicates that this is the 2 ½ online program of NAR to be completed prior to the Orientation meeting. June 2005 BOD*)

b. Requirements for Code of Ethics. Failure to satisfy this requirement within 90 days of the date of application or the date that provisional membership was granted will result in denial of the membership application or termination of provisional membership.

Section 5. Continuing Member Code of Ethics Training.

Each REALTOR® member of the Association shall be required to complete quadrennial ethics training of not less than two and one half hours of instructional time. If this requirement is satisfied at another REALTOR® Board/Association 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, must present his/her documentation that the requirement has been satisfied. REALTOR® members who have completed training as a requirement of membership in another Board/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 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.

Failure to meet the requirement 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. (Adopted 1/01, Amended 11/08)

Section 6. Status Changes in Membership.

a. REALTOR® Requirements for Change in Status. A REALTOR® who changes the conditions under which he/she holds membership shall be required to provide written notification to the Association within thirty (30) days. A REALTOR® (non-principal) who becomes a principal in the firm with which he/she has been licensed or alternatively, becomes a principal in a new firm which will be comprised of REALTOR® principals may be required to satisfy any previously unsatisfied membership requirements applicable to REALTORS® (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 Thirty (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.

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

b. Application Fees Previously Paid. 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. Dues shall be prorated from the first day of the month in which the applicant makes application for membership, and shall be based on the new membership status for the remainder of the year.

ARTICLE VI – PRIVILEGES AND OBLIGATIONS

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

Section 2. Failure to Abide by Bylaws and Rules and Regulations. Any Member of the Association may be reprimanded, assessed a fee, 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 or 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 non-discriminatory 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. Discipline for Violations of the Code or Duties of Membership. Any REALTOR® Member of the Association may be disciplined by the Board of Directors for violations of the Code of Ethics or 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 4. Resignation. Resignation of Members shall become effective when received in writing by the Board of Directors, provided, however, that if any Member submitting the resignation is indebted to the Association for dues, fees, assessed fees, 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.

Section 5. Resignation/Termination With Pending Ethics Complaint. If a Member resigns from the Association or otherwise causes membership to terminate with an ethics complaint pending, that Board of Directors may condition the right of the resigning Member to reapply for membership upon the applicant's certification that he/she will submit to the pending ethics proceeding and will abide by the decision of the hearing panel.

a. Resignation/Termination with Pending Arbitration. 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. REALTORS Members Privileges & Obligations. 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.

a. Suspension/Termination. If a REALTOR® Member is a sole proprietor in a firm, a partner in partnership, or an officer in a corporation and is suspended or expelled, the firm, partnership or corporation shall not use the term 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 with the firm, partnership, or corporation is severed, or unless the REALTOR® who is suspended or expelled removes himself from any form or degree of management control of the firm for the term of the suspension or until readmission to membership, whichever may apply. Removal of an individual from any form or degree of management control must be certified to the Association by the Member who is being suspended or expelled and by the individual who is assuming management control and the signatures of such certification must be notarized. In the event the suspended or expelled Member is so

certified to have relinquished all form or degree of management control of the firm, the membership of other partners, corporate officers, or other individuals affiliated with the firm shall not be affected, and the firm partnership or corporation may continue to use the terms REALTOR® and REALTORS® in connection with its business during the period of suspension 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.

b. Action Taken for Suspension/Termination. 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®.

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

Section 8. Affiliate Members. Affiliate Members shall have only those rights and privileges and be subject to obligations as prescribed by the Board of Directors.

Section 9. Public Service Members. Public Service Members shall have only those rights and privileges and be subject to obligations as prescribed by the Board of Directors.

Section 10. Honorary Members. Honorary Membership shall confer no rights except that the right to attend meetings and participate in discussion.

Section 11. Student Members. Student Members shall have only those rights and privileges and obligations as prescribed by the Board of Directors.

Section 12. Certification by REALTOR®. Broker in Charge Members of the Association shall certify to the Association during the month of September, on a form provided by the Association, a complete listing of all individuals licensed or certified in the REALTOR'S® office(s) and shall designate a primary Board/Association for each individual who holds membership. Broker in Charge shall also identify any non-member licensees in the REALTOR'S® office(s) and if Broker in Charge dues has been paid to another Board/Association based on said non-member licensees, the Broker in Charge shall identify the Board/Association to which dues have been remitted. These declarations shall be used for purposes of calculating dues under Article X, Section 2.a. of the Bylaws. Broker in Charge Members shall also notify the Association of any additional individual(s) licensed or certified with the firm(s) within ten (10) days of the date of affiliation or severance of the individual.

Failure to return the Certification by Realtor form within (10) days will result in a \$100.00 fine.

Section 13. Status Notification.

Failure to notify the Association within 10 days of affiliation of new licensee will result in a \$100.00 fine per licensee and a non member salesperson assessment will apply retroactive to date of affiliation with the BIC.

Section 14. Harassment.

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.

Any member of the association may be reprimanded, placed on probation, suspended or expelled for harassment of an association or MLS employee or Association Officer or Director after an investigation in accordance with the procedures of the association.

Any staff member, contractor or other non-REALTOR® person affiliated with the association may be reprimanded, placed on probation, suspended or terminated for harassment of a Director, Officer or member of the association, after a hearing in accordance with the established procedures of the association.

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. (Amended 5/03)

ARTICLE VII – PROFESSIONAL STANDARDS AND ARBITRATION

Section 1. Responsibilities to the Code of Ethics. The responsibility of the Association and of Association Members relating to the enforcement of the Code of Ethics, the disciplining of members, and the arbitration of disputes, and the organization and procedures incident thereto, shall be governed by the Code of Ethics and Arbitration Manual of the National Association of REALTORS®, as from time to time amended, which is by this reference incorporated into these Bylaws, provided, however, that any provision deemed inconsistent with state law shall be deleted or amended to comply with state law.

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

Section 3. Responsibility for Enforcement of the Code of Ethics. The Association and Association members are also responsible for 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 into by the Association, which by this reference is made a part of these Bylaws.

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

Section 1. Authority and Control of the Term REALTOR®. Use of the terms REALTOR® and REALTORS® by Members shall, at all times, be subject to the provisions of the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS® and to the Rules and Regulations prescribed by its Board of Directors. The Board 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. (Amended 05/06)

Section 2. Member Privilege of Use. REALTOR® Members of the Board 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. (Amended 1/96)

Section 3. Principal Member Privilege of Use. 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 or Institute Affiliate Members as described in Section 1(b) of Article IV. (a) In the case of a REALTOR® member who is a principal of a real estate firm, partnership, or corporation whose business activity is substantially all commercial, the right to use the term REALTOR® or REALTORS® shall be limited to office locations in which a principal, partner, corporate officer, or branch office manager of the firm, partnership, or corporation holds REALTOR® membership. If a firm, partnership, or corporation operates additional places of business in which no principal, partner, corporate officer, or branch office manager holds REALTOR® membership, the term REALTOR® or REALTORS® may not be used in any reference to those additional places of business. (Amended 1/01)

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

ARTICLE IX – STATE AND NATIONAL MEMBERSHIP

Section 1. Membership with State and National. 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 its REALTOR® Members, decision is made to withdraw, in which case the State and National Associations shall be notified at least one month in advance of the date designated for the termination of such membership.

Section 2. Association Terms of use for term REALTOR®. The Association recognizes the exclusive property rights of the National Association of REALTORS® in the terms REALTOR® and REALTORS®. The Association shall discontinue use of the 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. Association Governing Documents. The Association adopts the Code of Ethics of the National Association of REALTORS® and agrees to enforce the Code among its REALTOR® Members. The Association and all of its Members agree to abide by the Constitution, Bylaws, Rules and Regulations, and policies of the National Association and the North Carolina Association of REALTORS®.

ARTICLE X – DUES AND ASSESSMENTS

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

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

a. REALTOR® Members – Designated REALTOR® Dues. The annual dues of each Designated REALTOR® (BIC Broker in Charge) Member shall be in such amount as established annually by the Board of Directors, plus an additional amount to be established annually by the Board of Directors times the number of real estate salespersons and licensed or certified appraisers who (1) are employed by or affiliated as independent contractors, or who are otherwise directly or indirectly licensed with such REALTOR® Member, and (2) are not REALTOR® Members of any association in the state or a state contiguous thereto or Institute Affiliate Members of the association. In calculating the dues payable to the association by a Designated REALTOR® Member, non-member licensees as defined in (1) and (2) of this paragraph shall not be included in the computation of dues if the Designated REALTOR® has paid dues based on said non-member licensees in another 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.

(1) For the purpose of this Section, a REALTOR® Member of a Member Board shall be held to be any Member who has a place or places of business within the state or a state contiguous thereto and who, as a principal, partner, corporate officer, or branch office manager of a real estate firm, partnership, or corporation, is actively engaged in the real estate profession as defined in Article III, Section 1, of the Constitution of the NATIONAL ASSOCIATION OF REALTORS®. An individual shall be deemed to be licensed with a REALTOR® if the license of the individual is held by the REALTOR®, or by any broker who is licensed with the REALTOR®, or by any entity in which the REALTOR has a direct or indirect ownership interest and which is engaged in soliciting

and/or referring clients or customers to the REALTOR® or his firm on a substantially exclusive basis or which is engaged in other aspects of the real estate business (except as provided for in Section 2 (a) (1) hereof) provided that such licensee is not otherwise included in the computation of dues payable by the principal, partner, corporate officer, or branch office manager of the entity.

A REALTOR® with a direct or indirect ownership interest in an entity engaged exclusively in soliciting and/or referring clients and customers to the REALTOR® for consideration on a substantially exclusive basis shall annually file with the association on a form approved by the association a list of the licensees affiliated with that entity and shall certify that all of the licensees affiliated with the entity are solely engaged in referring clients and customers and are not engaged in listing, selling, leasing, managing, counseling or appraising real property. The individuals disclosed on such form shall not be deemed to be licensed with the REALTOR® filing the form for purposes of this Section and shall not be included in calculating the annual dues of the (BIC) Designated REALTOR®.

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

b. REALTOR® Members Dues. The annual dues of each REALTOR® Member other than the Broker in Charge shall be as established by the Board of Directors.

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

NOTE: The Institutes, Societies and Councils of the National Association shall be responsible for collecting and remitting dues to the National Association for Institute Affiliate Members (\$75.00). The National Association shall credit \$25.00 to the account of a local association for each Institute Affiliate Member whose office address is within the assigned territorial jurisdiction of that association, provided, however, if the office location is also within the territorial jurisdiction of a Commercial Overlay Association (COB), the \$25.00 amount will be credited to the COB, unless the Institute Affiliate Member directs that the dues be distributed to the other Association. The National Association shall also credit to the account of state associations for each Institute Affiliate Member whose office address is located within the territorial jurisdiction of the state association. Local and state associations may not establish any additional entrance, initiation fees or dues for Institute Affiliate Members, but may provide service packages to which Institute Affiliate Members may voluntarily subscribe.

d. Affiliate Members Dues. The annual dues of each Affiliate Member shall be as established by the Board of Directors.

e. Public Service Members Dues. The annual dues of each Public Service Member shall be as established by the Board of Directors.

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

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

CAVEAT: Dues for Secondary Members may be the same as or less than the dues for REALTOR® Members but shall not include any allocated portions for the State or National Associations.

Section 3. Dues Payable. Dues for all Members shall be due annually on the first day of January. Dues for new member shall be computed from the date of application and granting of provisional membership. (Adopted 1/98, 1/05, 12/09, 10/10, 8/11)

- a. Obligation of Dues.** In the event a sales licensee or licensed or certified appraiser who holds REALTOR® 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 2.a. will be increased to reflect the additional of a non-Member licensee. Dues shall be calculated from the first day of the current fiscal year and are payable within 10 days of the notice of termination.
- b. Late Fees for Annual Membership Dues.** Annual Membership dues late fees will be assessed in the amount of 10% if payment not received by midnight January 1. If dues not received in the Association office within 7 business days of due date the member shall be terminated with notification sent to the Board of Directors.
- c. Reinstatement.** In the event a REALTOR®'s membership is terminated for non-payment of dues, and the individual wishes to reinstate their membership within the calendar year they were terminated, the individual may do so by paying all amounts owed to the Association, its MLS and/or any other of its divisions or subsidiaries, plus non pro rata local dues, NCAR and NAR dues, plus a reinstatement fee.
- d. Terminations/Resignations** All terminations/resignations for members who were assessed annual dues, must be received by the Association Office prior to midnight January 1 (or otherwise stipulated date by the Board of Directors). Terminations/Resignations received after January 1 will not remove annual dues obligations to the DR (inclusive of local, state and national dues amounts).

Section 4. Nonpayment of Financial Obligations. If fees, late fees, or other assessments including amounts owed to the Association or the Association's Multiple Listing Service are not paid when due a 10% late fee will be assessed, and if not paid within one month after the due date, the nonpaying Member shall be terminated with

notification to the Board of Directors. However, no action shall be taken to suspend or expel a Member for nonpayment of disputed amounts until the Board of Directors has confirmed the accuracy of the amount owed. A former Member who has had his membership terminated for nonpayment of dues, fees, late fees, 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. Notices of Dues, Fees, Late Fees, Assessments, and Other Financial Obligations of Members. Notice shall be sent of all dues, fees, late fees, assessment, or other financial obligations to the Association or Association Multiple Listing Service to the delinquent Association Member in writing setting forth the amount owed and due date.

Section 7. REALTOR® Emeriti and other Dues. The dues of REALTOR® Members who are REALTOR® Emeriti (as recognized by the National Association), Past President of the National Association or recipients of the Distinguished Service Award shall be as determined by the Board of Directors.

ARTICLE XI – OFFICERS AND DIRECTORS

Section 1. Officers. The elected officers of the Association shall be: President, President-Elect, Vice-President, and Secretary-Treasurer. The Vice-President shall be elected for a one-year term. The Treasurer shall be elected for a two-year term. The President-Elect automatically assumes the office of President the year following their term as President-Elect. 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. *(amended 10/14/11)*

Section 2. Duties of Officers. The duties of the officers shall be such as their titles; 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 Secretary-Treasurer or staff designee to keep the records of the Association and to carry on all necessary correspondence with the National Association of REALTORS® and the North Carolina Association of REALTORS®.

Section 3. Board of Directors.

Board of Directors Defined. The governing body of the Association shall be a Board of Directors consisting of the Elected Officers, the immediate past president of the Association, and nine REALTOR® Members of the Association and the Chair of the

MLS. Directors shall be elected to serve for terms of three (3) years. The Board of Directors shall have the responsibility to establish policy and procedures in order to assure compliance with the Bylaws of the Association, and shall be charged with the full responsibility and authority to carry out all business and professional activities of the Association.

a. Term Limits. No director shall serve for more than two consecutive three year terms.

b. Firm Limits. No more than three (3) REALTORS® from the same real estate firm may simultaneously serve on the Board of Directors.

c. Treasurer Term Limit. The position of Treasurer may serve a maximum of 3 consecutive two-year terms. *(amended 10/14/11)*

d. Candidate Requirements of Service. *(amended 8/2011)*

Officer - A candidate for election as an officer of the association must have previously served or is currently serving on the BOD for a period of 12 months prior to taking office, with the exception of Treasurer.

Director - Applicants for Director must have been a BCAR REALTOR® member a minimum of 2 years prior to taking office and must be in good standing. No person may be a candidate for more than one position whether nominated by the Nominating Committee or by petition. Applicants must have involvement in BCAR including a minimum of one (1) year service on a committee, task force, or similar activity, including attendance at BCAR sponsored functions.

President Elect – The President-Elect must have previously served two (2) years as a Director or Officer of BCAR or MLS Chair.

Treasurer – The Treasurer must have been a member of the BCAR Board of Directors or Budget and Finance Committee for a minimum of one (1) year.

e. Replacement Appointees. Replacement appointees, as approved by the BOD, must also be in compliance with Section 3.

Section 4. Chief Executive Officer. There shall be a Chief Executive Officer, 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 in accordance with state and federal labor laws. The Executive Committee will supervise all hiring and termination recommendations of the CEO to ensure compliance with federal and state labor laws. The CEO shall perform other duties as prescribed by the Board of Directors or the Executive Committee. The CEO shall be an

Ex-Officio member of the Board of Directors and the Executive Committee without a vote.

Section 5. Election of Officers and Directors.

a. Election Process Defined. At least two months before the annual election, a Nominating Committee of five REALTOR® members shall be appointed by the President with the approval of the Board of Directors. The Nominating Committee shall select one or more candidates for each Officer position and one or more candidates for the position of Director, except that of President if there is a sitting President-Elect. No member of the Nominating Committee may run for an Officer or Director position. All Officers and Directors shall be elected at large. The report of the Nominating Committee shall be mailed or electronically transmitted to each Member eligible to vote at least three weeks preceding the election. Additional Candidates for the positions to be filled may be placed in nomination by petition signed by at least 3% of the REALTOR® Members eligible to vote. The petition shall be filed with the President and/or President-Elect ten (10) business days before the election and their name shall be placed on the ballot. To be placed on the ballot by petition, the candidate must meet the same eligibility requirements as those mentioned in the Bylaws and/or Policy Manual. President and/or President Elect shall send notice of such additional candidates to all members eligible to vote before the election.

b. Term and Times of Election. The election of Officers and Directors shall take place as determined by the Election Committee. The Election shall be conducted by electronic means, in accordance with procedures detailed in the Policy Manual. In case of emergency and/or electronic failure, the Executive Committee may extend the voting period as established in the Policy Manual. The times the polls will open and close for election shall be determined by the Election Committee and be published at least three weeks prior to the election. Absentee voting shall not be permitted. No proxy votes will be allowed. The ballot shall contain the names of all candidates and the offices for which they are nominated.

c. Election Committee Defined. The President, with the approval of the Board of Directors, shall appoint an Election Committee of three or more REALTOR® Members to conduct the election. No member of the Election Committee may run for an Officer or Director position. In the case of more than one candidate for a single position, the candidates receiving the largest number of votes cast shall be declared elected by the Election Committee. In case of a tie vote, the issue shall be determined by lot.

d. Election Lobbying. On-site lobbying for or by any candidate during polling hours on the Association property shall be prohibited.

Section 6. Vacancies. Vacancies among the Officers and the Board of Directors shall be filled by a simple majority vote of the Board of Directors until the next annual election, except in the case of the President-Elect.

Section 7. Removal of Officers and Directors. In the event that an Officer or Director is deemed to be incapable of fulfilling the duties for which elected, but will not resign from office voluntarily, the Officer or Director may be removed from office under the following procedure:

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

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

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

ARTICLE XII – MEETINGS

Section 1. 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 upon a vote by voice or e-mail for a special called meeting. Absence from two regular meetings without an excuse deemed valid by the Board of Directors shall be construed as resignation as set forth in the Policy Manual.

To the fullest extent permitted by law, the Board of Directors may conduct business by electronic means. Special BOD meetings held via teleconference and documented with minutes approved at the next regular BOD meeting. Voting by facsimile or email is permissible when an issue arises that, in the opinion of the President, warrants an immediate response. Any action taken by the Board by facsimile or email must be approved by a majority of the Directors voting with no less than a majority of the entire Board participating in the vote. The EVP or staff liaison to the BOD shall retain proof of a vote so taken and shall record and report the vote to all board members no later than the next regular meeting at which time the minutes will reflect a confirmation of the action.

Section 3. Special 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 20% percent of the Members eligible to vote.

Section 4. Notice of Meetings. Written notice shall be given to every member entitled to participate in the meeting at least one week preceding all meetings. If a special meeting is called, a statement of the purpose of the meeting shall accompany it.

Section 5. Quorum. A quorum for the transaction of business shall consist of those Active members present and qualified to vote.

ARTICLE XIII – COMMITTEES

Section 1. Committees. The President shall appoint from among the REALTOR® Members, enough committees and committee members to carry out the objectives and programs of the Association subject to confirmation by the Board of Directors with the exception of Membership Meeting, Member Services, and Banquet Center committees which may have Affiliate members.

Section 2. Special Committees. The President may appoint, subject to confirmation by the Board of Directors, special committees as deemed necessary.

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

Section 4. President. The President shall be an ex-officio member of standing committees, except for the Nominating Committee, and shall be notified of their meetings.

Section 5. Cooperative Enforcement Agreement. The President will appoint members to the Regional Professional Standards committee and shall be consistent with the cooperative professional standards enforcement agreement of the Association.

Section 6. Attendance by Telephone. Members of a committee may participate in any meeting through the use of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Such participation shall be at the discretion of the president and shall constitute presence at the meeting.

ARTICLE XIV – FISCAL AND ELECTIVE YEAR

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

ARTICLE XV – 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. Amendment of Bylaws. These Bylaws may be amended by the majority vote of the Members present and qualified to vote at any meeting at which a quorum is present, provided the substance of such proposed amendment or amendments shall be plainly stated in the call for the meeting. Further, voting may be conducted by electronic means as detailed in the Policy Manual – Online Voting Policy. In case of emergency and/or electronic failure, the Executive Committee may extend the voting period. The times the voting will be available shall be determined by the Bylaws & Policy Committee. The Board of Directors may, at any regular or special meeting of the Board of Directors at which a quorum is present, approve amendments to the Bylaws which are mandated by NAR policy. (10/10)

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

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

ARTICLE XVII - DISSOLUTION

Upon the dissolution or winding up of affairs of this Association, 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

Section 1. Authority. The Association of REALTORS® shall maintain for the use of its Members a Multiple Listing Service, which shall be subject to the Bylaws of the

Association of REALTORS® and such Rules and Regulations as, may be hereinafter adopted.

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

Section 3. Participation. Any REALTOR® Member of this or any other Board/Association who is a principal, partner, or corporate officer or branch manager acting on behalf of the principal, without further qualification, except as otherwise stipulated in these bylaws, shall be eligible to participate in Multiple Listing Service 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 the Multiple Listing Service is strictly limited

* 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 the 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 requirements shall be applied on a nondiscriminatory manner to all Participants and potential Participants. (Adopted 11/08)

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

Any applicant for MLS participation and any licensee (including licensed or certified appraisers) affiliated with an MLS participant who has access to and use of MLS-generated information shall complete an orientation program of no more than eight (8) classroom hours devoted to the MLS Rules and Regulations and computer training related to MLS information entry and retrieval within 2 times of it being offered after access has been provided. Failure to attend this orientation may result in suspension of MLS services until completion of course. *(added 8/2011)*

Participants and subscribers may be required, at the recommendation of the MLS Committee and approval of the BOD, to complete additional training of not more than four (4) classroom hours in any twelve (12) month period when deemed necessary by the MLS Committee to familiarize participants and subscribers with system changes or enhancements and/or changes to MLS rules or policies. Participants and subscribers must be given the opportunity to complete any mandated additional training remotely. *(added 8/2011)*

Section 4. Supervision. The activity shall be operated under the supervision of the Multiple Listing Service Committee in accordance with the Rules and Regulations, as approved by the Board of Directors.

Section 5. Appointment of Committee. The President of the Association of REALTORS® shall appoint, subject to confirmation by the Board of Directors, a Multiple Listing Service Committee of ten members. All members of the Committee shall be Participants in Multiple Listing, or shall be affiliated with a Participant. The Committee members so named shall serve a two-year term. The Committee shall select its Chairperson from among the members thereof, or the President of the Association may designate the Chairperson.

Section 6. Vacancies. Vacancies in un-expired terms shall be filled as in the case of original appointees.

Section 7. Attendance. Any Member who fails to attend two regular or special meetings of the Committee, without excuse acceptable to the Chair of the Committee, shall be deemed to have resigned from the Committee and the Vacancy shall be filled as herein provided for original appointees.

Section 8. Access to Comparable and Statistical Information. Only MLS Participants are entitled to receive statistical reports, sold information and other informational reports derived from the MLS.

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

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

ARTICLE XIX – LOCK BOX SYSTEM

Section 1. Authority. The Association of REALTORS® shall sponsor for the use of its Members a Lock Box System, which shall be subject to the Bylaws of the Association and such Rules, and Regulations as may be hereinafter adopted.

Section 2. Purpose. A Lock Box System is a means by which authorized members may lease/use boxes from the Association for the purpose of placing the Lock Box on a listed property, and authorized members can also lease Keys to access Lock Boxes.

Section 3. Participation. The Lock Box system is an activity of the Association owned and operated Multiple Listing Service, every MLS Participant and every non-principal broker, sales licensee and licensed or certified appraiser who is affiliated with an MLS Participant and who is legally eligible for MLS access shall be eligible to hold a key subject to their execution of a lease agreement with the MLS. Home Inspectors and Termite Inspectors are also eligible to hold a key subject to their execution of a lease agreement that shall be signed by the principal, partner, or corporate officer of key holder's firm if not the individual requesting use of the system.

- a. Under no circumstances is any individual or firm, regardless of membership status, be eligible to participate in the Lock Box System unless they hold a current, valid real estate license or are licensed or certified by an appropriate state regulatory agency.