

**BYLAWS OF THE
HIGH COUNTRY ASSOCIATION OF REALTORS, INC.
(Adopted March 25, 2021)**

ARTICLE I - NAME

Section 1. Name. The name of this organization shall be the High Country Association of REALTORS®, Inc. (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® (“NAR”).

ARTICLE II - OBJECTIVES

The objectives of the Association are:

Section 1. Unity. To unite those engaged in the recognized branches of the real estate profession 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 the NAR.

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. To unite those engaged in the real estate profession in this community with the North Carolina Association of REALTORS®, Inc. (“NCAR”) and the 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, individuals authorized to use the terms REALTOR® and REALTORS® as licensed, prescribed and controlled by the NAR.

ARTICLE III - JURISDICTION

Section 1. Territory. The territorial jurisdiction of the Association, as a member of the NAR, is:

Alleghany, Ashe, Avery, and Watauga Counties of North Carolina, plus that portion of the Town of Blowing Rock, North Carolina, which extends into Caldwell County, and 2,000 feet on either side of U.S. Highway 221 as it passes through Caldwell County, North Carolina.

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

ARTICLE IV - MEMBERSHIP

Section 1. - There shall be eight classes of members, as follows.

(a) **REALTOR® Members.** REALTOR® Members, whether primary or secondary, shall be:

(1) Individuals who, as sole proprietors, partners, corporate officers, or branch office managers, are engaged actively in the real estate profession, including buying, selling, exchanging, renting, or leasing, managing, appraising for others for compensation, counseling, building, developing or subdividing real estate, and who maintain or are associated with an established real estate office in the state of North Carolina or a contiguous state 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 a state contiguous thereto 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 the state or a state contiguous thereto, unless otherwise qualified for Institute Affiliate membership.

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

NOTE: REALTOR® members may obtain membership in a "secondary" association in another state.

(2) 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.

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

(4) **Primary and Secondary REALTOR® Members.** An individual is a primary member if the Association pays state and National dues based on such member. An individual is

a secondary member if state and National dues are remitted through another association. One of the principals in a real estate firm must be a designated REALTOR® member of the Association in order for licensees affiliated with the firm to select the Association as their "primary" association.

(5) **Designated REALTOR® 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 (or to mediate if required by the association) pursuant to Article 17 of the Code of Ethics and the payment of Association dues. The "Designated REALTOR®" must be a sole proprietor, partner, corporate officer, or branch office manager acting on behalf of the firm's principal(s) and must meet all other qualifications for REALTOR® membership.

(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 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 real estate owners and other individuals or firms who, while not engaged in the real estate profession as defined in this Article, have interests requiring information concerning real estate and are in sympathy with the objectives of the Association. Affiliate membership shall 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 are interested in the real estate profession as employees of or affiliated with educational, public utility, governmental, or other similar 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) **NCAR Life Members. NCAR Life Members.** Individuals who have been designated by the NCAR as Life Members.

(h) **REALTOR® Emeritus Members.** Individuals who have been designated by the 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 (“Board”) and made available to anyone requesting it. The application form shall contain among the statements to be signed by the applicant (1) that applicant agrees as a condition to membership to become thoroughly familiar with the Code of Ethics of the NAR, the Constitutions, Bylaws, and Rules and Regulations of the Association, NCAR and NAR, and if elected a Member, will abide by the Constitutions, Bylaws, and Rules and Regulations of the Association, NCAR and NAR, and, if a REALTOR® Member, will abide by the Code of Ethics of the NAR (including the obligation to arbitrate (or to mediate if required by the Association) controversies arising out of real estate transactions as further specified in the *Code of Ethics and Arbitration Manual* of the NAR, and (2) that 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 person in response to 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 Constitution, Bylaws, Rules and Regulations, policies, and Code of Ethics referred to above.

Section 2. Qualification.

(a) An applicant for REALTOR® membership who is a sole proprietor, partner, corporate officer, or branch office manager of a real estate firm shall supply evidence satisfactory to the Association that the applicant meets the NAR *Membership Qualification Criteria for REALTOR® Applicants That Are Principals*, including that:

- (1) The applicant holds a valid real estate license or a license to appraise real property and is engaged with a real estate firm located within North Carolina or a contiguous state.
- (2) The applicant is actively engaged in the real estate business and its recognized fields.
- (3) The applicant has a place of business within North Carolina or a state contiguous thereto.
- (4) The applicant must have no record of civil judgments imposed within the past seven (7) years involving judgments of civil rights laws, real estate license laws, or other laws prohibiting unprofessional conduct rendered by the courts or other lawful authorities. An applicant who has a record of criminal conviction(s) within the past seven (7) years involving a crime that reasonably relates to the real estate business or puts clients, customers, or other real estate professionals at risk, must provide, and the Association must consider, mitigating factors relating to that criminal history.
- (5) The applicant has provided (and the Association may consider) any information related to the following: (1) All final findings of Code of Ethics violations and violations of other membership duties in any other association within the past three (3) years; (2) Pending ethics complaints (or hearings); (3) Unsatisfied discipline pending; (4) Pending arbitration requests (or hearings); (5) Unpaid arbitration awards or unpaid financial obligations to any other association or association MLS; (6) Any misuse of the term REALTOR® or REALTORS ® by the applicant or in the name of the applicant’s firm.
- (6) The applicant and the real estate firm in which the applicant is a principal must not have been named as a debtor in any bankruptcy judgements or pending bankruptcy proceeding within three (3) years of the date of the application for membership.
- (7) The applicant must complete the Association’s orientation course.

- (8) The applicant must agree to continuously abide by the NAR Code of Ethics.
- (9) The applicant must agree to abide by the constitution, bylaws, policy, and rules and regulations of the local board, NCAR, and the NAR.

(b) 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 supply evidence satisfactory to the Association that the applicant meets the NAR *Membership Qualification Criteria for REALTOR® and REALTOR-ASSOCIATE® Applicants That Are Non-Principals*, including that:

- (1) The applicant holds a valid real estate license and is engaged with a real estate firm located within North Carolina or a contiguous state.
- (2) The applicant is employed by or affiliated with a REALTOR® as an independent contractor.
- (3) The applicant must have no record of civil judgments imposed within the past seven (7) years involving judgments of civil rights laws, real estate license laws, or other laws prohibiting unprofessional conduct rendered by the course or other lawful authorities. An applicant who has a record of criminal conviction(s) within the past seven (7) years involving a crime that reasonably relates to the real estate business or puts clients, customers, or other real estate professionals at risk, must provide and the Association must consider mitigating factors relating to that criminal history.
- (4) The applicant makes written application for REALTOR® or REALTOR-ASSOCIATE® membership in the board.
- (5) The applicant has provided (and the Association may consider) any information related to the following: (1) All final findings of Code of Ethics violations and violations of other membership duties in any other association within the past three (3) years; (2) Pending ethics complaints (or hearings); (3) Unsatisfied discipline pending; (4) Pending arbitration requests (or hearings); (5) Unpaid arbitration awards or unpaid financial obligations to any other association or association MLS; (6) Any misuse of the term REALTOR® or REALTORS® by the applicant or in the name of the applicant's firm.
- (6) The applicant must agree to continuously abide by the National Association of REALTORS® Code of Ethics.
- (7) The applicant must agree to abide by the constitution, bylaws, policy, and rules and regulations of the Association, NCAR, and NAR.
- (8) The applicant must complete the Association's orientation course.
- (9) The applicant must submit an application for membership that is "acknowledged" by a REALTOR® Principal.

"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. The 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) The Association Executive (or duly authorized designee) shall determine whether the applicant is applying for the appropriate class of membership. If the Association has adopted provisional membership, applicants for REALTOR® membership may be granted provisional membership immediately upon submission of a completed application form and remittance of applicable Association dues and any application fee. Provisional members shall be considered REALTORS® and shall be subject to all of the same privileges and obligations of membership. Provisional membership is granted subject to final review of the application by the Board.

(b) If the Board 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 within 30 days from the Association's receipt of their application, membership may, at the discretion of the Board, be terminated. The Board shall vote on the applicant's eligibility for membership. If the applicant receives a majority vote of the Board, the applicant shall be declared elected to membership and shall be advised by written notice.

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

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

Section 4. New Member Code of Ethics Orientation. Applicants for REALTOR® membership and provisional REALTOR® members shall complete an orientation program on the Code of Ethics that meets the learning objectives and minimum criteria established by the NAR of not less than two (2) hours and thirty (30) minutes of instructional time. This requirement does not apply to applicants for REALTOR® membership or provisional members who have completed comparable orientation in another association, provided that REALTOR® membership has been continuous, or that any break in membership is for one (1) year or less.

Failure to satisfy this requirement within 30 days of the date of application (or, alternatively, the date that provisional membership was granted), will result in denial of the membership application or termination of provisional membership.

Section 5. Continuing REALTOR® Code of Ethics Training. Effective January 1, 2019, through December 31, 2021 and for successive three year periods thereafter, each REALTOR® member of the Association (with the exception of REALTOR® members granted REALTOR® Emeritus status by the National Association) shall be required to complete ethics

training of not less than two (2) hours and thirty (30) minutes of instructional time. This requirement will be satisfied upon presentation of documentation that the member has completed a course of instruction conducted by this or another REALTOR® association, the NCAR or NAR, which meets the learning objectives and minimum criteria established by the 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 three-year cycle shall not be required to complete additional ethics training until a new three-year cycle commences.

Failure to satisfy the required periodic ethics training shall be considered a violation of a membership duty. Failure to meet the requirement in any three-year cycle will result in suspension of membership for the first two months (January and February) of the year following the end of any three-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.

New Member Fair Housing Orientation.

Applicants for REALTOR® membership and provisional REALTOR® members (where applicable) shall complete Fair Housing training of not less than two (2) hours of instructional time. This requirement will be satisfied upon presentation of documentation that the member has completed a course of instruction conducted by this or another REALTOR® association, the State Association of REALTORS®, the NATIONAL ASSOCIATION OF REALTORS®, or the Institutes, Societies, and Councils, which meets the learning objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTORS® from time to time. Fair Housing training approved by a state licensing authority for an existing Fair Housing requirement to gain or maintain licensure shall also fulfill this requirement, provided it also meets the learning objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTORS® from time to time. This requirement does not apply to applicants for REALTOR® membership or provisional members who have completed comparable orientation in another association, provided that REALTOR® membership has been continuous, or that any break in membership is for one (1) year or less.

Failure to satisfy this requirement within 30 days of the date of application (or, alternatively, the date that provisional membership was granted), will result in denial of the membership application or termination of provisional membership.

Continuing Fair Housing Training.

Effective January 1, 2025, through December 31, 2027 and for successive three year periods thereafter, each REALTOR® member of the association (with the exception of REALTOR® members granted REALTOR® Emeritus status by the National Association) shall be required to complete Fair Housing training of not less than two (2) hours of instructional time. This requirement will be satisfied upon presentation of documentation that the member has completed a course of instruction conducted by this or another REALTOR® association, the State Association of REALTORS®, the NATIONAL ASSOCIATION OF REALTORS®, or the Institutes, Societies, and Councils, which meets the learning objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTORS® from time to time. Fair Housing training approved by a state licensing authority for an existing Fair Housing requirement to maintain licensure shall also fulfill this requirement, provided it also meets the learning objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTORS® from time to time. REALTOR® members who have completed Fair Housing training as a requirement of membership in another association shall not be required to complete additional Fair Housing training until a new three year cycle commences.

Failure to satisfy the required periodic Fair Housing training shall be considered a

violation of a membership duty. Failure to meet the requirement in any three year cycle will result in suspension of membership for the first two months (January and February) of the year following the end of any three year cycle or until the requirement is met, whichever occurs sooner. On March 1 of that year, the membership of a member who is still suspended as of that date will be automatically terminated.

Section 6. Status Changes.

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

A REALTOR® (or REALTOR-ASSOCIATE®, where applicable) who is transferring a REALTOR® 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.

The Board, 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 and shall be based on the new membership status for the remainder of the year.

ARTICLE VI - PRIVILEGES AND OBLIGATIONS

Section 1. Privileges. 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 Board 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 neither subject to the Code of Ethics nor its enforcement by the Association, such Members are encouraged to abide by the principles established in the Code of Ethics of the NAR and conduct their business and professional practices accordingly. Further, Members other than REALTORS® may, upon recommendation of the Membership Committee, or 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, applied on a nondiscriminatory basis, reflects adversely on the terms REALTOR® or REALTORS®, and the real estate industry, or for conduct that is inconsistent with or adverse to the objective and purposes of the local Association, NCAR, and NAR.

Section 3. Discipline of REALTOR® Members. Any REALTOR® member of the Association may be disciplined by the Board for violations of the Code of Ethics or other duties of membership, after a hearing as described in the *Code of Ethics and Arbitration Manual* of the Association, provided that the discipline imposed is consistent with the discipline authorized by the Professional Standards Committee of the 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 Board, provided, however, that if any 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.

Section 5. Disposition of Complaints. If a member resigns from the Association or otherwise causes membership to terminate with an ethics complaint pending, the complaint shall be processed until the decision of the Association with respect to disposition of the complaint is final by this Association (if respondent does not hold membership in any other association) or by any other association in which the respondent continues to hold membership. If an ethics respondent resigns or otherwise causes membership in all Boards to terminate before an ethics complaint is filed alleging unethical conduct occurred while the respondent was a REALTOR®, the complaint, once filed, shall be processed until the decision of the Association with respect to disposition of the complaint is final. In any instance where an ethics hearing is held subsequent to an ethic respondent's resignation or membership termination, any discipline ratified by the Board shall be held in abeyance until such time as the respondent rejoins an association of REALTORS®.

(a) If a member resigns or otherwise causes membership to terminate, the duty to submit to arbitration (or to mediation if required by the Association) continues in effect even after membership lapses or is terminated, provided that the dispute arose while the former member was a REALTOR®.

Section 6. Rights and Obligations of REALTOR® Members. REALTOR® members, whether primary or secondary, in good standing are entitled to vote and to hold elective office in the Association; and may use the terms REALTOR®. For purposes of this section, the term "good standing" means the member satisfies the "Obligations of REALTOR® Members", is current with all financial and disciplinary obligations to the association and MLS, has completed any

new member requirements, and complies with NAR's trademark rules.

(a) If a REALTOR® member is a sole proprietor in a firm, a partner in a partnership or an officer in a corporation, and is suspended or expelled, the firm, partnership or corporation shall not use the terms REALTOR® or REALTORS® in connection with its business during the period of suspension, or until readmission to REALTOR® membership, or unless connection with the firm, partnership or corporation is severed, or management control is relinquished, whichever may apply. The membership of all other principals, partners, or corporate officers shall suspend or terminate during the period of suspension of the disciplined member, or until readmission of the disciplined member or unless connection of the disciplined member with the firm, partnership, or corporation is severed, or unless the REALTOR® who is suspended or expelled removes himself/herself 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 or until the former member is admitted to membership in the Association. The foregoing is not intended to preclude a suspended or expelled member from functioning as an employee or independent contractor, providing no management control is exercised. Further, the membership of REALTORS® other than principals who are employed or affiliated as independent contractors with the disciplined member shall suspend or terminate during the period of suspension of the disciplined member or until readmission of the disciplined member, or unless connection of the disciplined member with the firm, partnership, or corporation is severed, or management control is relinquished, or unless the REALTOR® member (non-principal) elects to sever his/her 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) 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 consistent with the Constitution and Bylaws of the NAR. No Institute Affiliate Member may be granted the right to use the term REALTOR®, REALTOR-ASSOCIATE®, or the REALTOR® logo; to vote; to hold elective office; or to be a participant in the Association's multiple listing service.

Section 8. Affiliate Members. Affiliate members shall have rights and privileges and be subject to obligations prescribed by the Board. No Affiliate Member may be granted the right to use the term REALTOR®, REALTOR-ASSOCIATE®, or the REALTOR® logo; to vote; to hold elective office; or to be a participant in the Association's multiple listing service.

Section 9. Public Service Members. Public Service Members shall have rights and privileges and be subject to obligations prescribed by the Board. No Public Service Member may be granted the right to use the term REALTOR®, REALTOR-ASSOCIATE®, or the REALTOR® logo; to vote; to hold elective office; or to be a participant in the Association's multiple listing service

Section 10. Honorary Members. Honorary membership shall confer only the right to attend meetings and participate in discussions. No Honorary Member may be granted the right to use the term REALTOR®, REALTOR-ASSOCIATE®, or the REALTOR® logo; to vote; to hold elective office; or to be a participant in the Association's multiple listing service.

Section 11. Student Members. Student Members shall have rights and privileges and be subject to obligations prescribed by the Board. No Student Member may be granted the right to use the term REALTOR®, REALTOR-ASSOCIATE®, or the REALTOR® logo; to vote; to hold elective office; or to be a participant in the Association's multiple listing service.

Section 12. Life Members. NCAR dues shall be waived for individuals who were approved by NC REALTORS® as Life Members on or before January 24, 2014.

Section 13. Emeritus Members. Upon approval of an application for REALTOR® Emeritus status by the Board of the NAR, no further payment of dues to the NAR is necessary by the member association of which the REALTOR® Emeritus is a member. The dues waiver does not take effect until the dues year immediately following approval. In addition, REALTOR® Emeritus Members are exempt from the Code of Ethics training requirement.

Section 14. Certification by REALTOR®. "Designated" REALTOR® members of the Association shall certify to the Association annually on a form provided by the Association a complete listing of all individuals licensed or certified in the REALTOR®'s office(s) and shall designate a primary association for each individual who holds membership. Designated REALTORS® shall also identify any non-member licensees in the REALTOR®'s office(s) and if designated REALTOR® dues have been paid to another association based on said non-member licensees, the designated REALTOR® shall identify the association to which dues have been remitted. These declarations shall be used for purposes of calculating dues under Article X, Section 2(a) of the Bylaws. "Designated" REALTOR® members shall also notify the Association of any additional individual(s) licensed or certified with the firm(s) within 30 days of the date of affiliation or severance of the individual.

Section 15. Harassment. The Association is committed to providing a productive and welcoming environment that is free from discrimination and harassment. Members are expected to act with courtesy and mutual respect toward each other, NAR staff, service providers, speakers and event participants. Any Member may be reprimanded, placed on probation, suspended or expelled for harassment of any kind in accordance with the Harassment Policy adopted by the Board.

ARTICLE VII – PROFESSIONAL STANDARDS AND ARBITRATION

Section 1. Enforcement of the Code. 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 NAR, 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. Bylaws Rules & Regulations. It shall be the duty and responsibility of every REALTOR® member of this Association to safeguard and promote the standards, interests, and welfare of the association and the real estate profession; and to protect against conduct that may cause a lack of public confidence in the real estate profession or in REALTOR®. REALTOR® members also must abide by the governing documents and the policies of the Association, the Bylaws of the NCAR, the NATIONAL ASSOCIATION OF REALTORS®, as well as 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, including the duty to mediate and arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics, and in accordance with the procedures set forth in the Code of Ethics and Arbitration Manual.

Every REALTOR® member shall maintain a high level of integrity and adhere to the association's membership criteria. Any violent act or threat of violence to person or property, hateful conduct, or acts of moral turpitude impacting the public shall not be tolerated and may be cause for disciplinary action, up to and including termination of membership

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

Section 4. Ethics Workshop. Every member of the Grievance Committee, the Professional Standards Committee and the Association Board shall, every three (3) years, attend an NAR or NCAR approved Code of Ethics workshop. This requirement is to be completed before a member can serve in a decision-making capacity to review and vote on Grievance, serve on a Professional Standards hearing panel or serve on an appeal panel.

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

Section 1. Use. 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 NAR and to the Rules and Regulations prescribed by its Board. The Association shall have the authority to control, jointly and in full cooperation with the NAR, 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 after a hearing as provided for in the Association's Code of Ethics and Arbitration Manual.

Section 2. Good Standing Requirement. REALTOR® members of the Association shall have the privilege of using the terms REALTOR® and REALTORS® in connection with their places of business within the state or a state contiguous thereto so long as they remain REALTOR® members in good standing. No other class of members shall have this privilege.

Section 3. Use by Principals. A REALTOR® member who is a principal of a real estate firm, partnership or corporation may use the terms REALTOR® and REALTORS®, only if all the principals of such firm, partnership, or corporation who are actively engaged in the real estate profession within the state or a state contiguous thereto are REALTOR® members.

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, corporation 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, corporation 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 4. Institute Affiliate Members. Institute Affiliate members shall not use the terms REALTOR® or REALTORS®, nor the imprint of the emblem seal of the NAR.

Section 5. Others. Affiliate Members, Public Service Members, Honorary Members, and Student Members shall not use the terms REALTOR® or REALTORS®, nor the imprint of the emblem seal of the NAR.

ARTICLE IX – STATE AND NATIONAL MEMBERSHIPS

Section 1. NAR and NCAR. The Association shall be a member of the NAR and the NCAR. By reason of the Association’s membership, each REALTOR® member of the Member Board shall be entitled to membership in the NAR and the NCAR without further payment of dues. The Association shall continue as a member of the NAR and NCAR, unless by a majority vote of all of its REALTOR® members, decision is made to withdraw, in which case the NAR and NCAR shall be notified at least one 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 NAR in 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 the NAR, or upon a determination by the Board of the NAR that it has violated the conditions imposed upon the terms.

Section 3. Code of Ethics. The Association adopts the Code of Ethics of the NAR 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 NAR and the NCAR.

ARTICLE X – DUES AND ASSESSMENTS

Section 1. Application Fee.

(a) The Board 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 may adopt an application fee for other memberships, as appropriate, in a reasonable amount not in excess of three (3) times the amount of the annual dues for that membership.

Section 2. Dues. The annual dues of members 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, plus an additional amount to be established annually by the Board 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.

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 the firm, partnership or corporation is actively engaged in the real estate profession as defined in Article III, Section 1 of the Constitution of the NAR. 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 other aspects of the real estate business 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, renting, managing, counseling, or appraising real property. The individuals disclosed on such form shall not be deemed to be licensed with the REALTOR® filing the form for purposes of this section and shall not be included in calculating the annual dues of the designated REALTOR®. Designated REALTORS® shall notify the Association within three (3) days of any change in status of licensees in a referral firm.

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

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

(b) **REALTOR® Members' Dues.** The annual dues of REALTOR® members other than the designated REALTOR® shall be as established annually by the Board.

(c) **Institute Affiliate Members' Dues.** The annual dues of each Institute Affiliate member shall be as established in Article II of the Bylaws of the NAR.

(d) **Affiliate Members.** The annual dues of each Affiliate member shall be as established annually by the Board.

(e) **Public Service Members.** The annual dues of each Public Service member shall be as established annually by the Board.

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

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

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

Section 3. Dues Payable. Dues for all members shall be payable annually. Dues are billed the 5th day of January and due on the 5th day of February. Dues for new members shall be computed from the date of application and granting of provisional membership.

Section 4. Nonpayment of Financial Obligations. If dues, fees, fines, or other assessments including amounts owed to the Association or the Association's multiple listing service are not paid within one (1) month after the due date, the nonpaying Member is subject to suspension at the discretion of the Board. Two (2) months after the due date, membership of the nonpaying member may be terminated at the discretion of the Board. Three (3) months after the due date, membership of the nonpaying Member shall automatically terminate unless within that time the amount due is paid. However, no action shall be taken to suspend or expel a member for nonpayment of disputed amounts until the accuracy of the amount owed has been confirmed by the Board. A former member who has had his/her membership terminated for nonpayment of dues, fees, fines, or other assessments duly levied in accordance with the provisions of these Bylaws or the provisions of other rules and regulations of the Association or any of its services, departments, divisions, or subsidiaries may apply for reinstatement in a manner prescribed for new applicants for membership, after making payment in full of all accounts due as of the date of termination.

Section 5. Deposits and Expenditures. Deposits and expenditures of funds shall be in accordance with policies established by the Board.

Section 6. Notice of Dues, Fees, Fines, Assessments, and Other Financial Obligations of Members. All dues, fees, fines, assessments, or other financial obligations to the Association shall be noticed to the delinquent Association member in writing setting forth the amount owed and due date.

ARTICLE XI – OFFICERS AND DIRECTORS

Section 1. 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 and Treasurer, shall be elected by the General Membership. The President and President-Elect shall serve for one year or until their successors are installed. The Secretary shall serve for two years or until their successor is installed. The Treasurer shall be appointed by the Executive Committee and serve for two years or until their successor is installed, and shall be installed with the elected officers. Neither the Secretary nor Treasurer shall serve for more than two consecutive two-year terms.

Section 2. Duties of Officers. The duties of the officers shall be such as their titles, by general usage, would indicate and such other duties as may be assigned to them by the Board, but shall include:

(a) **President.** The President shall have and exercise general charge and supervision of the affairs of the Association. The President may call meetings of and shall preside at meetings of the Members, the Board and the Executive Committee. The President shall serve as a State Director to the NCAR.

(b) **President-Elect.** The President-Elect shall assist the President and, in the absence of the President, preside at meetings of the Association, the Board and the Executive Committee. The President-Elect shall succeed to the office of President. The President-Elect shall serve as a State Director to the NCAR.

(c) **Secretary.**

(1) The Secretary or designee shall have oversight of such books, documents and papers as the Board may determine and carry on all necessary correspondence with the NAR or NCAR.

(2) The Secretary or designee shall attend and oversee the preparation of minutes of all meetings of the Members, the Board and the Executive Committee.

(3) The Secretary or designee 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.

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

(d) **Treasurer.**

(1) The Treasurer shall be the custodian of the funds of the Association and shall keep an accurate record of all receipts and disbursements.

(2) The Treasurer may endorse, on behalf of the Association, such checks, notes and other obligations as the Board may designate.

(3) The Treasurer shall provide to the Board, at a minimum, a quarterly statement of all accounts and financial affairs for the Association.

(4) The Treasurer shall serve as Chairman of the Finance Committee.

(e) **State Law.** All Officers agree to abide by all laws of North Carolina including the NC Nonprofit Corporation Act and the duties enumerated for general standards of conduct of a director of a corporation.

(f) **Delegation of Duties.** The duties of the officers of the Association, as the Board of Directors may so direct, may be delegated to agents and employees of the Association.

Section 3. Board of Directors. The governing body of the Association shall be a Board of Directors consisting of the elected officers, the appointed Treasurer, the immediate past President of the Association, the President of the MLS, and one local Director for every 150 REALTOR® members of the Association (or fraction thereof) based on the July 1 membership count. Directors shall be elected to serve for terms of two-years, with terms staggered so that one-half of the terms expire each year. Directors shall serve until their successor are installed.

(a) **Term Limits.** No director shall serve for more than two consecutive two-year terms.

(b) **Restrictions.** No more than two elected REALTOR® members from the same real estate firm may simultaneously serve on the Board. However, no elected Director shall have a term shortened as a result of the membership count as of June 1st or a change of company.

(c) Nominated candidates and/or petition candidates must be balloted to run against each other. If any candidate is running for office and the election of that candidate will violate the provisions contained in Section 3 b, the offending candidate will be removed from the ballot. If two or more candidates from the same office are running for the same position and the election of two or more of them will violate the provisions contained in Section 3 b the candidate which receives the lower vote total between them will forfeit the election. When two or more candidates from the same office are running for an Officer position and a Director position, they will be candidates for the Officer position, unless one withdraws, and the candidate which receives the lower vote total between them will forfeit the election.

Section 4. Duties of the Board. The Board shall have control of all of the affairs of the Association and their duties shall include, but not be limited to, those specified below.

(a) Conduct, manage and control the business and affairs of the Association, not inconsistent with law, the Articles of Incorporation and the Bylaws

(b) Change the principal office of the Association from one location to another within the same county

(c) Fix and to locate from time to time one or more subsidiary offices of the Association within the state of North Carolina

(d) Designate any place within the state of North Carolina for the holding of any meeting or meetings

(e) Adopt, make and use a corporate seal

(f) Prescribe the forms and methods of issuance of certificates of membership and membership cards, if applicable

(g) Borrow money and incur indebtedness for the purposes of the Association and to cause to be executed and delivered therefore, in the corporate name promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, or other evidences of debt and securities therefore. However, no obligation in excess of \$5000 other than for a regularly budgeted item included in the annual budget as adopted by the Board, shall be incurred without the consent of two-thirds of the members of the Board present at any meeting with a quorum in attendance

(h) Authorize all expenditures of funds

(i) Develop a business plan

(j) Cause an audit of the books of the Association to be made at least annually by a Certified Public Accountant, and to bond certain officers. The Board shall have the right to perform an audit of all the books and accounts at any time without notice.

(k) Suspend or expel a member or members of the Association for a violation or violations of the Articles of Incorporation, Bylaws and to discipline REALTOR® members for violations of the Code of Ethics of the NAR

(l) Remove the officers, agents, and employees of the Association, prescribe such powers and duties for them as may not be inconsistent with law, the Articles of Incorporation or the Bylaws, set their compensation and require from them security for faithful service.

(m) Faithfully prepare for and attend all meetings in a timely manner and commit adequate quality time to the performance of their fiduciary and leadership duties and responsibilities.

(n) Attend training and education as available to enhance their effectiveness as leaders and policy makers and to personally conduct such activities as are necessary for the Directors to accurately advance member needs and desires.

(o) Ensure that meeting agendas facilitate formulating policy and future plans of the Association.

(p) Identify and eliminate committees and functions whose continued existence and resource allocation is inconsistent with the primary goal of the Association.

(q) The Board shall obtain the services of such executive, legal and office personnel it deems necessary to care for and maintain the properties of the Association and otherwise conduct the administrative business of the Association. Except as may otherwise be provided in these Bylaws, the action of the Board shall be final.

Section 5. Election of Officers and Directors. The officers and directors of the Association Board shall be elected by a vote of the REALTOR® members of the Association as set forth below.

(a) **Nominating Committee:** The President shall appoint a Nominating Committee each year, which committee shall be comprised of six (6) Designated REALTORS® or REALTORS® of the Association. The appointment of the Nominating Committee shall be appointed by such a date as to enable the committee to meet and select a proposed slate of officers and directors of the Association not less than 45 days prior to the date of the annual meeting of the members. The Recruiting/Certifying Committee shall notify the membership of the openings for nominations and shall receive written nominations from any member, review qualifications and nominee's willingness to serve, and ensure availability of candidates for each office and position to be filled on the Board.

All members of the Nominating Committee shall agree not to be a candidate for office the following year. The proposed slate of officers and directors shall be reported to the president and secretary of the service.

To help maximize the effectiveness of the Association and to ensure the efficient operation in line with general company policies, the President-Elect position must have at least one (1) year experience on the Board, with the office of President requiring two (2) years Board experience. The Recruiting/Certifying Committee shall strive to make candidates available with representation from all geographic areas of the Association and from different business offices.

(b) **Notice of Proposed Nominees:** The President shall cause a list of the proposed nominees selected by the Nominating Committee to be forwarded to the Designated REALTORS® and REALTORS® of the Association on a date at least 30 days prior to the annual meeting.

(c) Rights of Designated REALTORS® or REALTORS® to Select Additional Nominees: The names of additional proposed nominees may be added to the list selected by the Nominating Committee by a petition submitted to the Secretary by five percent (5%) of the REALTOR® members of the Association, with said petition received by Association office not less than 20 days prior to the date of the annual meeting.

Electronic Voting: Voting shall be conducted using an electronic online voting method to be determined by the Board. Said election will be open and available to participants for voting online no earlier than 4 days (96 hours) prior to the annual meeting and shall close no later than 24 hours prior to annual meeting time.

Section 6. Vacancies

(a) Vacancies among the Officers and the Board shall be filled by the Board for the remainder of the term.

(b) If the Immediate Past President is unable to serve or fulfill their term, the position will remain vacant.

(c) If the President is unable to serve or fulfill their term, the President-Elect will assume the office of President. A vacancy in the office of the President that cannot otherwise be filled by the President-Elect may be filled by the Board for the remainder of the term.

(d) If the President-Elect is unable to serve or fulfill their term, the President will:

1. Notify the membership within five calendar days that applications are being accepted for the President-Elect vacancy. Applications will be accepted for a period of twenty (20) days.

2. The Nominating Committee will meet within five calendar days of after the application deadline date and may interview any applicant. The committee shall notify the President and the Board within five calendar days of the candidate(s) for the President-Elect Position. The Committee must have at least five members to conduct interviews and no member of the Committee may be eligible for President-Elect. The Committee may solicit candidates for the position. The Committee shall consider the eligibility provisions contained in these Bylaws.

3. The report of the Committee shall be provided to the President within five calendar days. Upon submittal of the report to the Board, the Nominating chair shall notify the nominee(s) of their selection for the election. The committee chair will also notify the candidate(s) whose election would violate the prohibitions contained in the Bylaws that they will not be balloted.

4. The President shall, within two calendar days of submittal of the report, direct the Association Executive to publish and distribute the approved nominated candidate to each member eligible to vote. That notification will also notice the Special Election date, not to exceed thirty (30) calendar days from the date of the published candidate selection.

5. Additional candidates for the President-Elect position to be filled may be placed in nomination by petition signed by at least five percent (5%) of the REALTOR® Members eligible to vote on the date the petition is submitted to the

Association Executive. Electronic signatures are allowed on petitions submitted. The petition shall be filed with the Association Executive no less than two (2) weeks prior to the Special Election. The Association Executive shall send notice of such additional nominations to all Members eligible to vote before the election. All petition candidates are subject to prohibitions contained in the Bylaws.

e. Ballots will be counted by the Association Executive and certified by not less than two (2) officers who are not being elected by those ballots.

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 members 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 (20) days or more than forty-five (45) days thereafter, a special meeting of the membership 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 members at least ten (10) days prior to the meeting and shall be conducted by the President of the Association unless the President's continued service in office is being considered at the meeting. In such case, the next-ranking officer will conduct the meeting or the hearing by the members. Provided a quorum is present, a three-fourths vote of the members present and voting shall be required for removal from office.

Section 8. Standards of Officers and Directors.

(a) In accepting election to office and the duties and responsibilities thereby imposed, the President, each officer, each member of the Board of Directors, and all other persons holding elected or appointed positions in or on behalf of the Association, reaffirms and acknowledges his or her commitment to the high standards of practice set forth in the Code of Ethics of the National Association REALTORS® and to the obligations imposed by law on all real estate licensees and /or real estate appraisers duly licensed/certified by the State of North Carolina. Each such officer, director, and other elected or appointed representative acknowledges that his or her failure to conform to such standards and obligations may reflect adversely on the organization.

(b) The President, any officer, any member of the Board of Directors, or any other person holding an elected or appointed position in or on behalf of the Association shall immediately and automatically be removed from such position in the event their license/certification is revoked or they are placed on active suspension by the North Carolina Real Estate Commission or the North Carolina Appraisal Board (whether or not the revocation or active suspension is appealed), or in the event they are no longer a member in good standing with the Association, the NAR or the NCAR. Any such removal shall result in the immediate termination of all rights, privileges, duties and responsibilities accompanying that office.

(c) In the event the President, officer, any member of the Board, or any other person holding an elected or appointed position in or on behalf of the Association is found guilty of a

violation of the Code of Ethics of the NAR, thereby bringing discredit to the position to which he or she was elected or appointed and to the Association, such individual may be removed from such position by action of the Board after due notice given to such person and an opportunity to be heard. In the event the Board by a majority vote determines that the individual should be removed from the position to which he/she was elected or appointed, such action shall cause removal of that individual from such position together with all rights, privileges, duties and responsibilities accompanying that position, and such removal shall be effective immediately.

Section 9. Executive Committee. The Executive Committee shall consist of the President, President-Elect, immediate past President, Secretary, and President of the MLS. The Executive Committee has the authority to act for the Board in carrying out the policies and activities of the Association between meetings of the Board, and shall review and make recommendations of items appearing on the agendas for Board meetings, including recommendations of the Association's committees. The Executive Committee shall also perform such other duties as may be assigned to it by the Board. The Executive Committee shall have exclusive oversight of the Association Executive, including, but not limited to hiring, reviews, and work schedule.

Section 10. Association Executive (AE). There shall be an Association Executive appointed by the Executive Committee, who shall be the chief administrative officer of the Association. The Association Executive shall have the authority to hire, supervise, evaluate and terminate other staff, if any, and shall perform such other duties as prescribed by the Executive Committee. The AE shall have the authority to maintain and enhance products and services offered by the Association and make decisions concerning the day-to-day operation of the Association consistent with the Association's existing policies. The AE shall not be actively engaged in the real estate business.

ARTICLE XII - MEETINGS

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

Section 2. Meetings of the Board. The Board shall designate a regular time and place of meetings. Absence from three (3) regular meetings without an excuse deemed valid by the Board shall be construed as a resignation. Special meetings of the Board may be called by the President or any two directors.

Section 3. Other Meetings. Meetings of the Members may be held at other times as the President or the Board may determine 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 (1) days preceding any meeting of the Members. If a special 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 Meeting.** A quorum for the transaction of business at a meeting of the Board

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, or its committees.

Section 7. Electronic Transaction of Business. To the fullest extent permitted by law, Board meetings may be conducted electronically.

Section 8. Action Without Meeting. Any action required or permitted to be taken at a meeting of the Board may be taken without a meeting if the action is taken by all members of the Board. Such action shall be evidenced by one or more written consents signed by each director before or after such action, describing the action taken, and included in the minutes or filed with the corporate records reflecting the action taken. A director's consent to action taken without meeting may be in electronic form and delivered by electronic means.

ARTICLE XIII- COMMITTEES

Section 1. Standing Committees. The president shall appoint from among the REALTOR® members, subject to confirmation by the Board, the following standing committees:

- Building
- Bylaws
- Community Outreach
- Finance
- Grievance
- Membership
- Nominating
- Professional Standards
- Publication / Media
- Realtor of the Year
- RPAC

Section 2. Special Committees. The President, subject to confirmation by the Board, shall create or discharge any committee, advisory group or task force or any member thereof as deemed necessary.

Section 3. Organization. All committees, advisory groups, and task forces shall be of such size and shall have duties, functions and powers as may be assigned by the President or the Board, except as otherwise provided in these Bylaws.

Section 4. President. The President shall be an ex-officio member of all standing committees except the Grievance, Nominating, and Professional Standards Committees, and shall be notified of their meetings.

Section 5. Action without Meeting. Any committee may act by unanimous consent in writing without a meeting. 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 of the members of the committee.

Section 6. Committee Meetings. Committee meetings may be held by electronic means, including telephone or videoconference, so long as the meeting provides conditions of opportunity for simultaneous aural communication. Such participation shall be at the discretion of the committee chair and shall constitute presence at the meeting.

ARTICLE XIV – MULTIPLE LISTING SERVICE

Multiple Listing Service Operated As a Separate Corporation Wholly-Owned by the Association

Section 1. Authority. The Association shall maintain for the use of its Members a Multiple Listing Service (“MLS”) that shall be a lawful corporation of the State of North Carolina, all the stock of which shall be owned by the Association.

ARTICLE XV - FISCAL AND ELECTIVE YEAR

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

ARTICLE XVI - DISSOLUTION

Dissolution shall be in accordance with State law and the Association’s Articles of Incorporation.

ARTICLE XVII - INDEMNIFICATION

Indemnification rights shall be in accordance with State law and the Association’s Articles of Incorporation.

ARTICLE XVIII - 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 XIX - AMENDMENTS

Section 1. Bylaws. 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 online, provide that the substance of such proposed amendment is 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 will determine whether or not a meeting is required for the vote.

Section 2. Other Matters. Amendments to these Bylaws affecting the admission or qualification of REALTOR® and Institute Affiliate members, the use of the terms REALTOR® and REALTORS®, or any alteration in the territorial jurisdiction of the Association shall become effective upon their approval as authorized by the Board of the NAR.