

**GASTON ASSOCIATION OF REALTORS®, INC
2923 Audrey Drive, Gastonia, N. C. 28054**

BYLAWS

ARTICLE I - NAME

(verbatim adoption required)

Section 1. Name. The name of this organization shall be the Gaston Association of REALTORS®, Incorporated, 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

(verbatim adoption required)

The objectives of the Association are:

Section 1. 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. 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. 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. To further the interests of home and other real property ownership.

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

ARTICLE III - JURISDICTION

(verbatim adoption required)

Section 1. The territorial jurisdiction of the Association as a Member of the NATIONAL ASSOCIATION OF REALTORS® is Gaston County, excluding that portion located inside the city limits of Kings Mountain, North Carolina.

Section 2. Territorial jurisdiction is defined to mean:

(a) 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 rights of the National Association in the terms.

ARTICLE IV - MEMBERSHIP

Section 1. There shall be six 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 located 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 a state contiguous thereto shall qualify for REALTOR® Member only, and each is required to hold REALTOR® membership (except as provided in the following paragraph) 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.

In the case of a real estate firm, partnership, or corporation, whose business activity is substantially all commercial, only those principals actively engaged in the real estate business in connection with the same office, or any other offices within the jurisdiction of the Association in which one of the firm's principals holds REALTOR® membership, shall be required to hold REALTOR® membership unless otherwise qualified for Institute Affiliate Membership as described in Section 1 (b) of Article IV.

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 set out in Article V.

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

(4) Primary and secondary REALTOR® Members. An individual is a primary Member if the Board/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 Designated REALTOR® Member of the Board/Association in order for licensees affiliated with the firm to select the Board/Association as their "primary" Board/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 pursuant to Article 17 of the Code of Ethics and the payment of Association Dues as established in Article X of the Bylaws. The "Designated REALTOR®" must be a sole proprietor, partner, corporate officer or branch office manager acting on behalf of the firm's principal(s) and must meet all other qualifications for REALTOR® Membership established in Article V, Section 2 of the Bylaws.

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

(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 paragraph (a) or (b) of this section, have interests requiring information concerning real estate, and are in sympathy with the objects 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) Affiliate Employee Members: Affiliate Employee Members shall be individuals who are interested in the real estate profession as employees of Affiliate Members.

(e) 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.

ARTICLE V - QUALIFICATION AND ELECTION

Section 1. Application.

(a) 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 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 **(2)** that applicant consents that the Association may invite and receive information and comment about applicant from any Member or other person(s), and that applicant agrees that any information and comment furnished to the Association by any person in response to the invitation shall be conclusively deemed to be privileged and not form the basis of any action for slander, libel, or defamation of character. The applicant shall, with the form of application, have access to a copy of the Bylaws, Constitutions, Rules, Regulations, 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 s/he is actively engaged in the real estate profession, maintains a current, valid real estate Broker'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 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 Association, the Bylaws of the State Association and the Constitution and Bylaws and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, and shall agree that

if elected to membership he will abide by such Constitution, Bylaws, Rules and Regulations and Code of Ethics. The applicant shall agree to complete either of the succeeding two REALTOR® Orientation/Code of Ethics Training classes offered following membership approval.

(b) Individuals who are 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 Association, or a Designated REALTOR® Member of another Board/Association (if a secondary member), and must maintain a current, valid real estate broker's license or be licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, shall complete a course of instruction covering the Bylaws and Rules and Regulations of the Association, the Bylaws of the State Association, and the Constitution and Bylaws and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, and shall agree in writing that if elected to membership s/he will abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, and by the Constitution, Bylaws, and Rules and Regulations of the Local Association, State Association and the National Association. The applicant shall agree to complete either of the succeeding two REALTOR® Orientation/Code of Ethics Training classes offered following membership approval.

(c) Conditional membership shall be granted to any applicant qualifying pursuant to the provisions of Section 1 (a) and (b) above upon their election by the Board of Directors. Such a designation shall entitle a member to all benefits and services of the Association and shall likewise obligate the Member to perform all duties and obligations of Members; except, CONDITIONAL MEMBERSHIP SHALL BE TERMINATED AUTOMATICALLY if the Member shall not complete the course of instruction described in Section 1(a) and (b) above at either of the succeeding two courses given by the Education Committee following the conditional Member's election by the Board of Directors. Such termination shall not require any prior notice, nor will the terminated Member be entitled to a hearing or arbitration regarding the termination. 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 subsection (c) above. In such instances, dues shall be returned to the individual less a prorated amount to cover the number of days that the individual received association services and any application fee.

(d) An applicant for secondary membership shall be exempt from completing the course of instruction required in (a) or (b) of this section by supplying evidence to the Association that s/he is a Member in good standing and has completed the orientation program of his/her primary board/association.

(e) The Association refers to the current NATIONAL ASSOCIATION OF REALTORS® membership qualification criteria regarding Member application.

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

(a) The Chief Staff Executive (or duly authorized designee) shall determine whether the applicant is applying for the appropriate class of membership

(b) The Board of Directors shall review the qualifications of the applicant and the recommendation of the Chief Staff Executive (or duly authorized designee) and then vote on the applicant's eligibility for membership. If applicant receives a majority vote of the Board of Directors, s/he shall be declared elected to membership and shall be advised by written notice.

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

may electronically or mechanically record the proceedings. The Board of Directors shall conduct all proceedings with strict attention to the principles of due process and compliance with the Bylaws of the Association.

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

Section 4. New Member Code of Ethics Orientation

Applicants for REALTOR® membership shall complete an orientation program on the Code of Ethics of not less than two hours and thirty minutes of instructional time. This requirement does not apply to applicants for REALTOR® membership who have completed comparable orientation in another association, provided that REALTOR® Membership has been continuous, or that any break in membership is for one year or less. Failure to satisfy this requirement shall be in accordance with Section 2(C) of this Article. Note: Orientation programs must meet the learning objectives and minimum criteria established from time to time by the NATIONAL ASSOCIATION OF REALTORS®.

Section 5. Continuing Member Code of Ethics Training

Effective November 2019, 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 triennium ethics training of not less than two hours and thirty minutes of instructional time. This requirement will be satisfied upon presentation of documentation that the Member has completed a course of instruction conducted by this or another association, the State Association of REALTORS®, the NATIONAL ASSOCIATION OF REALTORS®, or any other recognized educational institution or provider which meets the learning objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTORS® from time to time. REALTOR® Members who have completed training as a requirement of membership in another association 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 this requirement selection of officers 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 for any three (3) 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 (3) 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 condition under which he/she holds membership shall be required to provide written notification to the Association within fifteen (15) days. A REALTOR® (Non-Principal) who becomes a principal in the firm with which s/he has been licensed, or alternatively, becomes a principal in a new firm which will be comprised of REALTOR® principals, may be required to satisfy any previously unsatisfied membership requirements applicable to REALTOR® (Principal) Members but shall, during the period of transition from one status of membership to another, be subject to all of the privileges and obligations of a REALTOR® (Principal). If the REALTOR® (Non-Principal) does not satisfy the requirements established in these bylaws for the category of membership to which they have transferred within fifteen (15) days of the date they advised the Association of their change in status, their new membership application will terminate automatically unless otherwise so

directed by the Board of Directors.

A REALTOR® who is transferring their license from one firm (or office in the case of firms with multiple office locations) comprised of REALTOR® principals to another firm (or office in the case of firms with multiple office locations) 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 fifteen (15) 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) Any application fee related to a change in membership status shall be reduced by an amount equal to any application fee previously paid by the applicant.

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

Section 7. Failure to Maintain Qualifications After Election.

(a) Failure to Maintain Valid Real Estate License

(1) In the event of the suspension or revocation of the real estate license or certification of any REALTOR® Member, his/her membership in the Association shall immediately and automatically suspend or terminate consistent with the action of the appropriate regulatory authority for the same term except that should such REALTOR® Member appeal the decision of the regulatory authority, membership shall continue until entry of a final judgment of suspension or revocation by any court of competent jurisdiction.

(2) In the event any REALTOR® Member ceases to maintain a current valid real estate license or certification for any reason other than specified in Section 6(a)(1) above, his/her membership in this Association shall immediately terminate.

(b) Termination of Membership. Any person whose membership is terminated under this section may reapply for membership in the manner prescribed for new applicants for membership.

ARTICLE VI - PRIVILEGES AND OBLIGATIONS

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

Section 2. Any Member of the Association may be reprimanded, fined, placed on probation, suspended, or expelled by the Board of Directors for a violation of these Bylaws, and Association Rules and Regulations not inconsistent with these bylaws, after a hearing as provided in the Code of Ethics and Arbitration Manual of the Association. Although Members other than REALTORS® are not subject to the Code of Ethics nor its enforcement by the Association, such Members are encouraged to abide by the principles established in the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and conduct their business and professional practices accordingly. Further, Members other than REALTORS® may, upon recommendation by a hearing panel of the Professional Standards Committee, be subject to discipline as described above, for any conduct, which in the opinion of the Board of Directors, applied on a nondiscriminatory basis, reflects adversely on the terms REALTOR® or REALTORS® and the real estate industry, or for conduct that is inconsistent with or adverse to the objectives and purposes of the Gaston Association of REALTORS®, and the North Carolina Association of REALTORS®, and the NATIONAL ASSOCIATION OF REALTORS®.

Section 3. Any REALTOR® Member of the Association may be disciplined by the Board of Directors for violations of the Code of Ethics or other duties of membership, after a hearing as described in the Code of Ethics and

Arbitration Manual of the Association. Provided that the discipline imposed is consistent with the discipline authorized by the Professional Standards Committee of the NATIONAL ASSOCIATION OF REALTORS® as set forth in the Code of Ethics and Arbitration Manual of the NATIONAL ASSOCIATION.

Section 4. Resignations of Members shall become effective when received from the Member of their resignation 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. If a Member resigns from the Association or otherwise causes membership to terminate with an ethics complaint pending, the complaint shall be processed until the decision of the association with respect to disposition of the complaint is final by this association (if respondent does not hold membership in any other association) or by any other association in which the respondent continues to hold membership. If an ethics respondent resigns or otherwise causes membership in all Boards to terminate before an ethics complaint is filed alleging unethical conduct occurred while the respondent was a REALTOR®, the complaint, once filed, shall be processed until the decision of the association with respect to disposition of the complaint is final. In any instance where an ethics hearing is held subsequent to an ethics respondent's resignation or membership termination, any discipline ratified by the Board of Directors shall be held in abeyance until such time as the respondent rejoins an association of REALTORS®.

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

Section 6. REALTOR® Members

REALTOR® Members, whether primary or secondary, in good standing whose financial obligations to the Association are paid in full shall be entitled to vote and to hold elective office in the Association.

REALTOR® Members may use the term REALTOR® and REALTORS®, which use shall be subject to the provisions of Article VIII.

REALTOR® Members have the primary responsibility to safeguard and promote the standards, interests and welfare of the Association and the real estate profession.

(a) If a REALTOR® Member is a sole proprietor in a firm, a partner in a partnership 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, unless connection with the firm, partnership, or corporation is severed, or management control is relinquished, whichever may apply. The membership of all other principals, partners, or corporate officers shall suspend or terminate during the period of suspension of the disciplined Member, or until readmission of the disciplined Member or unless connection of the disciplined Member with the firm, partnership, or corporation is severed, or unless the REALTOR® who is suspended or expelled removes himself from any form or degree of management control of the firm for the term of the suspension or until readmission to membership, whichever may apply. Removal of an individual from any form or degree of management control must be certified to the Association by the Member who is being suspended or expelled and by the individual who is assuming management control, and the signatures of such certification must be notarized. In the event the suspended or expelled Member is so certified to have relinquished all 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 the business during the period of suspension or until the former Member is readmitted to membership in the Association. The foregoing is not intended to preclude a suspended or expelled Member from functioning as an employee or independent contractor, providing no management control is exercised. Further the membership of REALTORS® other than principals who are employed or affiliated as independent contractors with the disciplined Member shall suspend or terminate during the period of suspension of the disciplined Member or until readmission of the disciplined Member, or unless connection of the disciplined Member with the firm, partnership, or corporation is severed, or management control is relinquished, or unless the REALTOR® (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(d) 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(d) 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®, REALTOR-ASSOCIATE®, 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 Employee Members. Affiliate Employee Members shall have rights and privileges and be subject to obligations prescribed by the Board of Directors.

Section 9. Honorary Members. Honorary Membership shall confer the right to attend meetings and participate in discussions.

Section 10. Certification By REALTOR®. "Designated" REALTOR® 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. "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 Board/Association based on said non-member licensees, the Designated REALTOR® 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. Designated REALTOR® Members shall also notify the Association of any additional individual(s) licensed or certified with the firm(s) within fifteen (15) days of the date of affiliation or severance of the individual.

Section 11. Harassment. Any Member of the Association may be reprimanded, placed on probation, suspended or expelled for harassment of an Association employee or Association officer or director after an investigation in accordance with the procedures of the Association. As used in this section, harassment means any verbal or physical conduct including threatening or obscene language, unwelcome sexual advances, stalking, actions including strikes, shoves, kicks, or other similar physical contact, or threats to do the same, or any other conduct

with the purpose or effect of unreasonably interfering with an individual's work performance by creating a hostile, intimidating or offensive work environment. The decision of the appropriate disciplinary action to be taken shall be made by the investigatory team comprised of the president, and president-elect and/or vice president and one Member of the Board of Directors selected by the highest-ranking officer not named in the complaint, upon consultation with legal counsel for the Association. Disciplinary action may include any sanction authorized in the Association's Code of Ethics and Arbitration Manual. If the complaint names the president, president-elect or vice president, they may not participate in the proceedings and shall be replaced by the immediate past president or, alternatively, by another Member of the Board of Directors selected by the highest-ranking officer not named in the complaint.

ARTICLE VII - PROFESSIONAL STANDARDS AND ARBITRATION

(verbatim adoption required)

Section 1. The responsibility of the Association and of Association Members relating to the enforcement of the Code of Ethics, the disciplining of Members and the arbitration of disputes and the organization and procedures incident thereto shall be governed by **the Code of Ethics and Arbitration Manual** of the NATIONAL ASSOCIATION OF REALTORS®, as amended from time to time, which 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. The association adheres to the NATIONAL ASSOCIATION OF REALTORS® Professional Standards Administrator Training guidelines to determine Association Members training requirements.

Section 2. 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, the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS®, and to abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, including the duty to 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 Ethic and Arbitration Manual** of this Association as from time to time amended.

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

(verbatim adoption required)

Section 1. Use of the terms REALTOR® or 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 Association shall have the authority to control jointly and in full cooperation with the NATIONAL ASSOCIATION OF REALTORS®, use of the terms within its jurisdiction. Any misuse of the terms by Members is a violation of a membership duty and may subject Members to disciplinary action by the Board of Directors after a hearing as provided for in the association's Code of Ethics and Arbitration Manual.

Section 2. 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. 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 are REALTOR® Members of a Board within the state or a state contiguous thereto 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) (Rev. 04)

Section 4. 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 MEMBERSHIPS

(verbatim adoption required)

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

Section 2. The Association recognizes the exclusive property right of the NATIONAL ASSOCIATION OF REALTORS® 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 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. The Association adopts the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and agrees to enforce that Code among its REALTOR® Members. The Association and all of its Members agrees 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 membership in reasonable amount, not exceeding three times the amount of the annual dues, which shall be required to accompany each application for 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. The annual dues of each Designated REALTOR® 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 brokers 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 Board/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 Section 2(a)(1) and (2) of this Article shall not be included in the computation of dues if the DR has paid dues based on said non-member licensees in another Board/Association in the state or a state contiguous thereto, provided the Designated REALTOR® notifies the Association in writing of the identity of the Board/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/Association shall be held to be any Member who has a place or places of business within the state or a state contiguous thereto and who, as a principal, partner, corporate officer, or branch office manager of a real estate firm, partnership, or corporation, is actively engaged in the real estate profession as defined in Article III, Section I, 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/her 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 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® membership during the preceding calendar year.

(b) The annual dues of each REALTOR® Member other than the Designated REALTOR® shall be in such amount as established annually by the Board of Directors.

(c) Institute Affiliate Members. The annual dues of each Institute Affiliate Member shall be in such amount as established annually 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 Board (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 board. The National

Association shall also credit \$25.00 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/Affiliate Employee Members. The dues of each Affiliate and Affiliate Employee shall be in such amount as established annually by the Board of Directors.

(e) Honorary Members. No dues payable, except as may be required to retain membership in the National and/or State Associations.

Section 3. Dues Payable. Dues for all Members shall be payable annually in advance on the first day of January. Dues for new Members shall be computed from the first day of the month in which a Member an application for Membership is received and shall be prorated for the remainder of the year. However, Membership dues shall not be prorated if the licensee held REALTOR® Membership during the preceding calendar year.

(a) In the event a broker 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 addition of a nonmember licensee. Dues shall be calculated from the first day of the current fiscal year and are payable within 30 days of the notice of termination.

Section 4. Nonpayment of Financial Obligations. If dues, fees, fines, or other assessments including amounts owed to the Association are not paid within thirty days (30) after the due date, the nonpaying Member is subject to suspension at the discretion of the Board of Directors. Forty-five (45) after due date membership of the nonpaying Member shall automatically terminate unless within that time the amount due is paid. However, no action shall be taken to suspend or expel a Member for nonpayment of disputed amounts until the accuracy of the amount owed has been confirmed by the Board of Directors. A former Member who has had his/her membership terminated for nonpayment of dues, fees, fines, or other assessments duly levied in accordance with the provisions of these Bylaws or the provisions of other Rules and Regulations of the Association or any of its services, departments, divisions or subsidiaries may apply for reinstatement in the manner prescribed for new applicants for membership, after making payment in full of all accounts due as of the date of termination.

Section 5. Deposit. All monies received by the Association for any purpose shall be deposited to the credit of the Association in a financial institution or institutions selected by resolution of the Board of Directors.

Section 6. Expenditures. The Board of Directors shall administer the finances of the Association but shall not incur an obligation in excess of \$100 over the available cash on hand without authorization by vote of a majority of all the REALTOR® Members.

Section 7. 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.

Section 8. The dues of REALTOR® Members who are REALTOR® Emeriti (as recognized by the National Association), past presidents and past treasurers of the National Association or recipients of the Distinguished Service Award shall be as determined by the board of directors.

ARTICLE XI - OFFICERS AND DIRECTORS

Section 1. Officers. The elected officers of the Association shall be a President, a President Elect, a Vice President, and a Treasurer. They shall be elected for terms of (1) one year.

Section 2. Qualifications of Officers. To be an eligible nominee for any office described in Section 1 of this Article, such nominee shall be a REALTOR® Member of the Association and must have served on the Board of Directors either prior to or concurrent with his/her or her name being placed in nomination.

Section 3. Duties of Officers. The duties of the officers shall be such as their titles, by general usage, would indicate and such as may be assigned to them by the Board of Directors. It shall be the particular duty of the Chief Staff Executive to keep the records of the Association and to carry on all necessary correspondence with the NATIONAL ASSOCIATION OF REALTORS® and the North Carolina REALTORS®.

Section 4. Removal of Officers. Any officer elected or appointed may be removed by a majority of the persons authorized to elect or appoint such officer whenever in their judgment the best interest of the Corporation would be served thereby. The removal of an officer shall be without prejudice to the contract rights, if any, of the officer so removed. Election or appointment of an officer or agent shall not of itself create contract rights.

Section 5. Vacancies.

(a) If the office of the President should become vacant as a result of death, resignation or incapacity, the President-Elect shall succeed to the office of President to complete the unexpired term. If such vacancy occurs within four (4) months of the end of that term, then the President-Elect shall complete the unexpired term and shall automatically become President for a full term after completion of the unexpired term. If such vacancy occurs prior to the four (4) months before the end of the term, then the President-Elect shall complete the unexpired term and shall be eligible for nomination for the office of President for the next term.

(b) In the event that the President-Elect succeeds to the office of President to fill a vacancy, the Board of Directors shall fill the President-Elect vacancy by a simple majority vote and that person shall serve the unexpired term of the President Elect. If the vacancy occurs prior to that year's election of officers, the appointee shall complete the unexpired term and shall be eligible for nomination for the office of President or President-Elect for the following year. If the election of officers for that year has already been held, then the Board of Directors shall appoint the person elected as President-Elect for the following year to fill the unexpired term and such person shall automatically assume the office of President following their elected term as President-Elect.

(c) In the event a vacancy occurs for any reason in any office other than that of the President, then the Board of Directors shall fill such vacancy by simple majority vote of the Board of Directors. If the vacancy filled is that of President Elect, whether or not such person automatically succeeds to the office of President shall be governed by sub-section (b) hereof.

Section 6. Board of Directors. 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 five (5) REALTOR® Members of the Association. No person shall be eligible to serve on the Board of Directors unless he or she shall have been a REALTOR® Member of the Association for at least two (2) years, must have served on at least one (1) standing committee or task force and must be in good standing with the Association prior to appointment or election to the Board of Directors.

REALTOR® Directors are limited to two (2) three (3) year terms and three (3) two (2) year terms not to exceed six (6) consecutive years. Thereafter as many Directors shall be elected each year as are required to fill vacancies.

- (a) Term Limits. No director shall serve for more than two (2) consecutive three (3)-year terms.
- (b) No more than three (3) REALTORS® from the same real estate firm may simultaneously serve on the Board of Directors.

In the event a Director runs for office or a place on the Board of Directors, he/she forfeits the remainder of his/her term as a Director when his/her election term begins for the new office or place on the Board of Directors.

Section 7. Election of Officers and Directors:

(a) In advance of three (3) months before the annual meeting a Certifying/Recruiting Committee of five (5) REALTOR® Members shall be appointed by the President with the approval of the Board of Directors. The Certifying/Recruiting Committee shall consist of one (1) Director Member of the Board of Directors, two (2) REALTORS® principals and one (1) REALTOR® non-principal not currently a Member of the Board of Directors. The Immediate Past President shall serve as chair of the Certifying/Recruiting Committee. In the event the Immediate Past President is unable to carry out this duty, the President, with the approval of the Board of Directors, will appoint a chairperson. Members serving on the Certifying/Recruiting Committee cannot be nominated for an open position on the Board of Directors. Not more than one person from the same company shall serve on the Certifying/Recruiting Committee except that the chair may be of the same company.

Where permitted by state law, and in accordance with applicable state requirements, nomination and election of officers may be conducted by electronic means, in accordance with procedures established by the board of directors. In May of each year, a notice of the election and a nomination form shall be sent to each REALTOR® Member soliciting names for nomination for each open position on the Board of Directors. The notice shall contain qualifications for the open positions and the due date of delivery of the nomination to the Association Office. Anyone interested in serving in a position can self-nominate or be nominated by another REALTOR® Member. A Member can be nominated for only one (1) open position. Each nomination must be on a separate form signed by both the Member being nominated and the Member making the nomination. A photograph of the nominated Member must be attached to the nomination form. Nominations must be delivered to the Association Office by the due date. Nominations which are not in conformance with such requirements or received after the due date will be invalid.

The Certifying/Recruiting Committee shall certify that those nominated meet the qualifications provided for in Sections 2 and 6 of this Article. If a qualified Member is not nominated for an open position, the Certifying/Recruiting Committee shall nominate at least one (1) qualified candidate for that position subject to consent of the candidate. The Certifying/Recruiting Committee shall prepare a list of all candidates for each position open on the Board of Directors. This list and a photograph of each candidate shall be sent with a voting ballot to each REALTOR® Member at least thirty (30) days before the annual meeting.

- (a) A ballot containing the names of all candidates and the position for which they are nominated shall be sent to each voting Member not later than thirty (30) days before the annual meeting via electronic voting. The deadline for electronic voting shall be at the close of business seven (7) days before the annual meeting.
- (b) If an open position is uncontested, voting for that position will not be held, the candidate shall be declared elected to the position.

- (c) The President, with the approval of the Board of Directors, shall appoint from among REALTOR® Members who are not associated with the company of a candidate an election committee of two (2) REALTOR® Members along with the Chief Executive Officer to verify Electronic Election results at the Association office no later than three (3) days before the annual meeting. Such persons receiving the greatest number of votes to fill the position(s) shall be elected. In the case of a tie vote, the chair of the Election Committee shall report this to the President of the Association. The President and the Executive Committee shall meet with the candidates who have tied at the Association office no later than one day before the annual meeting to break the tie by drawing. The drawing shall be done by the candidates. The Election Committee will announce the results of the election at the annual meeting.

Section 8. Removal of Directors. Any Director may be removed at any time with or without cause by a majority vote of the persons authorized to elect or appoint the directors whenever in their judgment the best interests of the corporation would be served thereby.

Section 9. Chief Staff Executive. There shall be a Chief Staff Executive, appointed by the board of directors, who shall be the chief administrative officer of the Association. The Chief Staff 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 Board of Directors.

ARTICLE XII - MEETINGS

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

Section 2. Meetings of Directors.

(a) The Board of Directors shall designate a regular time and place of meetings. Absence from three consecutive regular meetings shall be construed as resignation from the Board of Directors.

(b) A majority of the total number of directors fixed by these bylaws shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.

(c) Action taken by the Board of Directors without a meeting is nevertheless an action of the Board of Directors if written consent to the action in question is signed by all the Directors and filed with the minutes of the proceedings of the Board of Directors, whether done before or after the action is taken.

Section 3. Other Meetings. Meetings of the Members may be held at such other times as the President or the Board of Directors may determine, or upon the written request of at least ten (10) percent of the REALTOR® Members.

Section 4. Notice of Meetings. Notice shall be delivered not less than seven (7) or more than twenty-five (25) days before the date of the meeting to each Member entitled to vote at such meeting. If a special meeting, it shall be accompanied by a statement of the purpose of the meeting.

Section 5. Quorum. A quorum for the transaction of business at membership meetings shall consist of the Members present and eligible to vote. A quorum for the transaction of business at committee meetings shall consist of twenty-five percent (25%) of the Members entitled to vote.

ARTICLE XIII - COMMITTEES

Section 1. Standing Committees. The President shall appoint from among the Members, subject to confirmation by the Board of Directors, the following standing committees:

- Grievance
- Professional Standards

The President shall appoint Members to such other committee, task force, or ad hoc, that s/he deems necessary to advance the goals of the Association and its policies subject to confirmation by the Board of Directors.

Section 2. Organization. All committees shall be of such size and shall have such duties, functions and powers as may be assigned to them by the President or the Board of Directors, except as otherwise provided in these Bylaws.

Section 3. President. The President shall be ex-officio, a Member of all standing committees and shall be notified of their meetings.

Section 4. Committee Terms. The term for all Members serving shall be for a period of one year or as determined by the Board of Directors.

ARTICLE XIV - FISCAL AND ELECTIVE YEAR

Section 1. The fiscal and elective year of the Association shall be the calendar year.

ARTICLE XV - RULES OF ORDER

(verbatim adoption required)

Section 1. 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. These Bylaws may be amended by a majority two-thirds vote of the REALTOR® Members present and qualified to vote at any REALTOR® Member meeting at which a quorum (Article XII, Section 5) is present, provided the substance of such proposed amendment or amendments shall be plainly stated in the call for the meeting. Alternately, where permitted by state law, and in accordance with applicable state requirements, voting shall be permitted by electronic means, in accordance with procedures established by the board of directors; and shall consist of a majority of responses from REALTOR® Members qualified to vote. The Association shall provide notice of amendments in a regular or special membership communication.

Section 2. Notice of all meetings at which amendments are to be considered shall be delivered to each REALTOR® Member entitled to vote not less than ten (10) nor more than twenty-five (25) days before the date of the meeting.

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

Section 4. Subject to any applicable state law, when Bylaws amendments are mandated by NAR policy, these Bylaws may be automatically amended to reflect the mandate as of the effective date of the mandatory policy

authorized by the NATIONAL ASSOCIATION OF REALTORS®. The Association shall provide notice of that change in a regular or special membership communication.

ARTICLE XVII - DISSOLUTION

(verbatim adoption required)

Section 1. Upon the dissolution or winding up of the 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 nonprofit tax-exempt organization.

ARTICLE XVIII - MULTIPLE LISTING SERVICE

Section 1. Board Role. The Association shall use its best efforts to make available to the membership a Multiple Listing Service for its use, so they may better service their clients and the public. The Multiple Listing Service may be provided or made available to the membership in such a manner as the Board of Directors, in its discretion, determines is the most desirable or beneficial to the membership.

Section 2. Purpose. A Multiple Listing Service is a means by which authorized Participants make blanket unilateral offers of compensation to other Participants (acting as subagents, buyer agents, or in other agency or nonagency capacities defined by law); by which cooperation among participants is enhanced; by which information is accumulated and disseminated to enable authorized Participants to prepare appraisals, analyses, and other valuations of real property for bona fide clients and customers; by which Participants engaging in real estate appraisal 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).

ARTICLE XIX - NON-INVALIDATION

Section 1. In the event any article, section or subsection of these Bylaws shall be found unlawful under any valid statute, federal, state or local, it shall not invalidate any of these Bylaws other than those specifically affected.