



Carolina Multiple Listing Services, Inc.

CHARLOTTE REGIONAL REALTOR® ASSOCIATION

BYLAWS

REVISED Feb 28, 2013

ARTICLE I - NAME

The name of this organization is Carolina Multiple Listing Services, Inc. (CarolinaMLS), a wholly owned subsidiary corporation of the Charlotte Regional REALTOR® Association, Inc. (association).

ARTICLE II - PURPOSE

A multiple listing service (MLS) is a means by which:

- (i) Member Participants make blanket unilateral offers of compensation to other Member Participants (acting as subagents, buyer agents, or in other agency or non-agency capacities defined by law);
- (ii) cooperation among Member Participants is enhanced
- (iii) listing information is accumulated and disseminated to enable Member Participants to prepare appraisals, analyses, and valuations of real property for bona fide clients and customers;
- (iv) Member Participants engaging in real estate appraisal contribute to common databases; and
- (v) listing information is correlated and disseminated in an orderly fashion among the Member Participants so they may better serve their clients and the public. Entitlement to compensation is determined by the cooperating broker's performance as procuring cause of the transaction.

ARTICLE III - SERVICE AREA

The area within which CarolinaMLS shall function shall, at a minimum, be coextensive with the territorial jurisdiction of the association, Gaston Association of REALTORS®, Central Carolina Association of REALTORS®, Union County Association of REALTORS®, and Lincoln County Board of REALTORS®. In addition, the CarolinaMLS service area should include any area or portion of an area in which a Member Participant or Subscriber may be able to effectively deliver service to a potential client or customer. The service area may be extended by agreement between CarolinaMLS and other associations of REALTORS® and by amending these Bylaws as appropriate.

ARTICLE IV – DEFINITIONS AND PARTICIPATION

Section 1. Member Participant. Any REALTOR® of this or any other association of REALTORS® who is a principal, partner, limited liability company member or manager, corporate officer, or branch office manager, or trustee of a real estate brokerage firm acting on behalf of a principal.

Section 2. Subscribers. Subscribers (or users) of CarolinaMLS include non-principal brokers, sales associates, property management licensees, licensed and certified appraisers and appraiser trainees affiliated with a Member Participant.

Section 3. Participation. Any Member Participant, without further qualification, except as otherwise stipulated in these Bylaws, shall be eligible to participate in CarolinaMLS. Under these qualifications the REALTOR® member must comply with the following requirements and agree to the following terms of membership:

- a) Complete MLS application forms and deliver same to the CarolinaMLS office with the initial participation fee and applicable fees;
- b) Agree in writing to abide by the Bylaws and the Rules and Regulations thereof. These rules require that costs be paid.
- c) Any applicant for CarolinaMLS participation and any licensee (including licensed or certified appraisers or appraiser trainees) affiliated with a CarolinaMLS Member Participant who has access to and use of MLS-generated information shall complete an orientation program of no more than eight (8) classroom hours devoted to CarolinaMLS Rules and Regulations and computer training related to MLS information entry and retrieval, prior to MLS access being provided.

However, under no circumstances is any individual or firm, regardless of membership status, entitled to CarolinaMLS membership or participation unless they hold a current, valid real estate broker's or property management license in North Carolina or South Carolina and offer or accept cooperation and compensation to and from other Member Participants or are licensed or certified by an appropriate state regulatory agency in North Carolina or South Carolina to engage in the appraisal of real property. Use of information developed by or published by CarolinaMLS is strictly limited to the activities authorized under a Member Participant's licensure(s) or certification and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey "participation" or "membership" or any right of access to information developed by or published by CarolinaMLS where access to such information is prohibited by law. The REALTOR® principal of any firm, partnership or corporation, and the broker-in-charge of any branch office of the REALTOR® principal designated by said firm, partnership or corporation shall be termed the "Member Participant" in CarolinaMLS and shall have all rights, benefits and privileges of CarolinaMLS, and shall accept all obligations to CarolinaMLS for the Member Participant's firm, partnership, corporation or branch offices(s) and for compliance with the Bylaws and Rules and Regulations of CarolinaMLS by all persons affiliated with the Member Participant who utilizes CarolinaMLS. REALTORS® who are Member Participants or Subscribers of CarolinaMLS who are not members of the association are subject to the Code of Ethics on the same terms and conditions as association members. *(Amended 1-09)*

Note: Mere possession of a broker's or property management license is not sufficient to qualify for MLS participation. Rather, the requirement that an individual or firm "offers or accepts cooperation and compensation" means that the Participant actively endeavors during the operation of its real estate business to list real property of the type listed on the MLS and/or to accept offers of cooperation and compensation made by listing brokers or agents in the MLS. "Actively" means on a continual and on-going basis during the operation of the Participant's real estate business. The "actively" requirement is not intended to preclude MLS participation by a Participant or potential Participant that operates a real estate business on a part time, seasonal, or similarly time-limited basis or that has its business interrupted by periods of relative inactivity occasioned by market conditions. Similarly, the requirement is not intended to deny MLS participation to a Participant or potential Participant who has not achieved a minimum number of transactions despite good faith efforts. Nor is it intended to permit an MLS to deny participation based on the level of service provided by the Participant or potential Participant as long as the level of service satisfies state law.

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

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

Section 4. Application for Participation. Application for participation shall be made in such manner and form as may be prescribed by the Board of Directors of CarolinaMLS (Board) and made available to any REALTOR® principal member of this or any other association of REALTORS® requesting it.

Section 5. Discontinuance of Service. Member Participants of CarolinaMLS may discontinue MLS service by giving CarolinaMLS written notice and may reapply to CarolinaMLS by making formal application in the manner prescribed for new applicants for participation, provided all past dues and fees are paid in full.

Section 6. Designation of Replacement. In the event of a vacancy created by the death, resignation or other permanent absence of a Member Participant from a firm which continues in operation, MLS service may be interrupted for a period of time. In order to prevent the service from being interrupted, the firm must designate a replacement as a Member Participant, submit the appropriate paperwork and pay any applicable fees within forty-eight (48) hours. The replacement must meet the criteria of Section 3 of this Article and must either be a REALTOR® member of a REALTOR® association or be in the process of becoming a REALTOR® member of a REALTOR® association. If the firm has not designated a replacement within forty-eight (48) hours, MLS service will be terminated until a replacement is found and has made application to become a REALTOR® member of a REALTOR® association and CarolinaMLS.

ARTICLE V - SERVICE CHARGES

Charges for participation in CarolinaMLS shall be as determined, and as amended from time to time by the Board, and specified in the Rules and Regulations of CarolinaMLS.

ARTICLE VI - GOVERNING BODY

Section 1. Government of CarolinaMLS. The government of CarolinaMLS shall be vested in a Board of Directors comprised of the Officers and Directors nominated and elected, or appointed, as described in this Article. The Board shall owe its primary duty of loyalty to CarolinaMLS's shareholder (association).

Section 2. Officers of CarolinaMLS. The Officers of CarolinaMLS, who shall also be Directors, shall be the Officers of the association. The Officers of the Board shall be selected in accordance with the Bylaws of the association. The terms of the Officers shall conform to the term requirements prescribed by the association Bylaws.

Section 3. Board of Directors of CarolinaMLS. There shall be a total of 18 appointed or elected Directors of CarolinaMLS, including the Executive Committee of the association, to be

elected or appointed from among the Member Participants and Subscribers of CarolinaMLS as set forth below. The Executive Committee is composed of the President, President-Elect, the Secretary, the Treasurer, the immediate Past President, and the CEO who serves without voting privileges. The Executive Committee shall have such authority and rights as may be assigned to it by the Board of Directors. Officers and Directors shall take office on January 1 of each year. No Officer or Director shall serve in the same office for more than two (2) consecutive terms, except for REALTOR® Association Representatives and Large Firm Representatives. All members of the CarolinaMLS Board of Directors must be a Member Participant or Subscriber of CarolinaMLS. The method of selection and term of office for Officers and Directors of CarolinaMLS shall be as described in this Article:

A. There shall be three (3) elected At-Large Members.

1. Each year, one At-Large Member of the Board shall be nominated in accordance with the provisions of Section 4 of this Article and elected by a vote of CarolinaMLS Member Participants and Subscribers in accordance with the provisions of Article VIII, Meetings, of these Bylaws and as set forth below.
2. The three (3) At-Large Directors shall be elected to serve for terms of three (3) years. Each year one At-Large director shall be elected.

B. There shall be six (6) appointed or elected REALTOR® Association Representatives.

1. The board of directors for each REALTOR® association with at least one-hundred (100) members as of May 31 the prior year where CarolinaMLS has been expressly designated the primary MLS either by a written agreement or by virtue of ownership, as with the association, may appoint or elect their representative. REALTOR® associations where CarolinaMLS is the primary MLS are the Gaston Association of REALTORS®, Central Carolina Association of REALTORS®, Union County Association of REALTORS®, Lincoln County Board of REALTORS®. In addition, for the year in which they will be president, the president-elect shall appoint one (1) representative from the association and one (1) representative from the Northern region, defined as Iredell County and the towns of Cornelius, Davidson and Huntersville in Mecklenburg County and as defined further from time to time by the Board of Directors.
2. In the event that, in the future, associations in addition to those specified above, choose to have CarolinaMLS as their primary MLS, such association(s) shall not be entitled to elect or appoint a voting REALTOR® Association Representative until two (2) years following the date upon which any such association shall have designated CarolinaMLS as its primary MLS. Realtor® Association Representatives shall serve a term of two (2) years. At the end of such two (2) year period, the REALTOR® Association Representative shall serve rotating two (2) year terms, with the association having the fewest number of REALTOR® members being the first association to rotate off. The next REALTOR® Association Representative to rotate off shall be the REALTOR® Association Representative from the association with the second fewest REALTOR® members and a REALTOR® Association Representative from the association that previously rolled off shall then rotate back on as a voting REALTOR® Association Representative. This rotation process shall continue every two years and shall include all associations where CarolinaMLS has been designated the primary MLS, including the association and Northern region. The order of rotation of REALTOR® Association Representatives will be based on the number of REALTOR® members of each association as of May 31 of the prior year to the first rotation. No REALTOR® Association Representative shall rotate off again until all other REALTOR® Association Representatives have rotated off. No REALTOR® association shall be unrepresented by a voting REALTOR® Association

Representative for more than two (2) years. In the event that a REALTOR® Association goes unrepresented due to rotating terms, it may appoint a nonvoting representative to attend and participate in meetings.

- C. There shall be three (3) appointed Large Firm Representatives. The three largest firms by number of all active for-sale listings (including conditional listings) as of May 31 of the year prior shall qualify for a Large Firm seat.
 - 1. Each Large Firm Representative shall be appointed by each Large Firm.
 - 2. Each Large Firm Representative shall serve for a term of one (1) year.
 - 3. In the event that a Large Firm has more than three (3) Board members from any source, the Large Firm seat allotted to that company will roll down to the next firm in line that would otherwise qualify for a Large Firm seat.
- D. There shall be one (1) appointed Small Firm Representative. A "Small Firm" is a firm not larger than the average size firm of CarolinaMLS as of May 31 of the year prior to appointment.
 - 1. Each year, the association president-elect shall appoint one Small Firm Representative for the year in which they will serve as president.
 - 2. The Small Firm Representative shall serve for a term of one (1) year.

Section 4. Election of Officers and Directors.

A. Nomination.

- 1. The Nominating, Election and Bylaws Committee of the association shall also serve as the Nominating, Election and Bylaws Committee of CarolinaMLS, and shall be appointed by the president with approval of the Executive Committee. The Nominating, Election and Bylaws Committee shall be comprised as described in the association Bylaws. If possible, every effort will be made by the president to appoint one (1) CarolinaMLS Member Participant and/or Subscriber who is either not a primary member of the association or is from an office located outside of Mecklenburg County with approval of the Executive Committee to serve on the Nominating, Election and Bylaws Committee in order to identify candidates to fill the open At-Large seat on the CarolinaMLS Board.

The Nominating, Election and Bylaws Committee shall select at least one candidate for the At-Large seat to be filled on the Board.
- 2. At least one hundred twenty (120) days before the annual election, the Nominating, Election and Bylaws Committee shall notify all Member Participants and Subscribers of the requirements for the At-Large Director office and the time period in which to submit applications for candidacy. After the last date for submission of applications, the Nominating, Election and Bylaws Committee shall review all candidates' applications, and nominate at least one (1) candidate for each available position.
- 3. Additional candidates for the At-Large Director position to be filled may be placed in nomination by the Membership in the following manner: a petition signed by a minimum of five-percent (5%) of all active CarolinaMLS Member Participants and/or Subscribers at the time of petition, each of whom shall supply name, in both written and printed form, REALTOR® member identification number and firm name. The petition shall include the signature of the nominee, indicating the nominee's willingness to serve and shall include a completed application and personal photo. No more than twenty percent (20%) of the petitioned signatures may come from any one firm. The petition shall be filed with the

Secretary or the Secretary's designee at least thirty-five (35) days prior to the fourth Wednesday in September of the applicable election year. All nominations received in this manner will be posted on the association Web site at least ten (10) days prior to the election.

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

B. Election.

The CarolinaMLS election shall be concurrent with the association election. Only those candidates nominated by the Nominating, Election and Bylaws Committee or nominated by petition shall be placed on the official on-line ballot. At least twenty-one (21) days prior to the fourth Wednesday in September the Executive Committee shall adopt and post the election rules and the official on-line ballot on the association Web site, and thereafter all Member Participants and Subscribers with voting rights may vote online.

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

C. Election Judge.

The immediate Past President of the association, or other designee, shall act as the Election Judge and shall oversee the tabulation of votes. In the event the Past-President is not available, the secretary or any other member of the Executive Committee will oversee the election results/process. The validity of all votes shall be at the sole determination of the Election Judge. Results of the election will be published to the membership when available. Vote tabulations will be available to any member upon request.

D. Vacancies.

1. Vacancies of any Officer will be handled in accordance with the association bylaws.
2. If any CarolinaMLS Director is suspended or terminated from membership for any cause, including the nonpayment of financial obligations to any REALTOR® association or any of its subsidiaries, then the office or seat occupied by such person shall be deemed to be immediately vacated. Any such vacancy shall be filled by a simple majority vote of the CarolinaMLS Board of Directors and the term of the Director so appointed shall expire on the date the term of the suspended or terminated Director would otherwise have expired.
3. In the event the seat on the Board of Directors occupied by a Large Firm Representative becomes vacant, a replacement for that seat shall be appointed by the Large Firm whose seat has been vacated.

4. In the event the seat on the Board of Directors occupied by a Small Firm Representative becomes vacant, a replacement for that seat shall be appointed by the current President. The term of the Small Firm Representative so appointed shall expire on the date such term was set to expire.
5. In the event the seat on the Board of Directors occupied by a REALTOR® Association Representative becomes vacant, that seat shall be filled by the REALTOR® association whose seat has been vacated.
6. If a vacancy is created as a result of the nomination of a Director to another office, said vacancy shall be filled in accordance with Section 4.D.2. above.
7. In the event of death, resignation, or incapacity of any Director, the office or seat on the Board shall be deemed to be immediately vacated. Such vacancies may be filled by simple majority vote of the association Board of Directors; the term of a Director so appointed shall expire on the date that the term of the deceased, resigned or incapacitated Director would otherwise have expired.

Section 5. Removal of Directors and Officers.

A. Directors.

In the event a Director is deemed to be incapable of fulfilling the duties for which elected, but will not resign from office voluntarily, the Director may be removed from office under the following procedure:

1. A petition seeking the removal of a Director and signed by not less than one-third (1/3) of the Member Participants and Subscribers or a majority of Directors of CarolinaMLS shall be sent to the association and delivered to the President of CarolinaMLS.
2. 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 Member Participants and Subscribers shall be held, and the sole business of the meeting shall be to consider the charge against the Director and to render a decision on such petition.
3. Notice of the special meeting shall be given at least ten (10) days prior to the meeting. The meeting shall be conducted by the President of CarolinaMLS. Provided a quorum is present, a three-fourths (3/4) vote of Member Participants and Subscribers present and voting shall be required for the removal from office.

B. Officers.

An Officer only may be removed from office according the procedure established in the association Bylaws.

Section 6. Duties of Officers and Directors. The duties of the Officers and Directors shall be as follows:

- A. President. The President shall be the chief elected officer of CarolinaMLS and shall preside at all meetings of the Member Participants and Subscribers and at all meetings of the Board of Directors. The President shall have and exercise general charge and supervision of the affairs of CarolinaMLS and shall perform such other duties as may be assigned to the President by the Board of Directors.

- B. President-Elect. It shall be the duty of the President-Elect to assist the President, attend all Executive Committee meetings and all meetings of the Board of Directors, and in the absence of the President preside at the meetings of CarolinaMLS, meetings of the Executive Committee and meetings of the Board of Directors. The President-Elect shall succeed to the office of President.
- C. In the event of death, resignation, or incapacity of both the President and the President-Elect, the immediate Past President shall perform those duties delegated to the President-Elect as set forth in Article VI, Section 6.B. above until the next annual election.
- D. Secretary:
1. The Secretary or their designee shall have charge of such books, documents and papers as the Board of Directors may determine.
 2. The Secretary or their designee shall attend and oversee the preparation of minutes of all the meetings of the CarolinaMLS Board of Directors and CarolinaMLS membership. The Secretary or its designee shall keep a record of all CarolinaMLS member offices, and firms, showing their places of business, and such books shall be opened for inspection as prescribed by law.
 3. The Secretary or their designee may sign with the President, President-Elect, and/ or an Executive Staff Officer(s), in the name and on behalf of CarolinaMLS, any contract or agreements authorized by the Board of Directors, and when so authorized or ordered by the Board of Directors
 4. The Secretary or their designee shall perform, in general, all duties incident to the office of Secretary, subject to the control of the Board of Directors, and shall perform such other duties as may be assigned to the him or her by the Board of Directors.
- E. Treasurer:
1. The Treasurer or their designee shall have oversight responsibility for the custody of all funds, property and securities of CarolinaMLS, subject to such regulations as may be imposed by the Board of Directors. When necessary or proper, the Treasurer or its designee may endorse, on behalf of CarolinaMLS, such checks, notes and other obligations as the Board of Directors may designate, and shall deposit same to the credit of CarolinaMLS at such bank or banks or depository as the Board may designate.
 2. The Treasurer or their designee shall sign all checks, receipts and vouchers of CarolinaMLS and all bills of exchange and promissory notes issued by CarolinaMLS except in cases where the signing and execution thereof shall be expressly designated by the Board of Directors or these Bylaws to some other officer or agent of CarolinaMLS.
 3. The Treasurer or their designee shall perform, in general, all duties incident to the office of Treasur, subject to the control of the Board of Directors and shall assist the Directors as necessary for them to carry out their duties under these Bylaws.
 4. The Treasurer or their designee shall furnish to the membership in the first quarter of each calendar year, a report of the income and expenses of CarolinaMLS with comparison to budget for the prior year. This report may be written or may be given orally at a meeting of the members.

F. Board of Directors:

1. The Board of Directors shall be the governing body of CarolinaMLS and shall have control of all affairs of CarolinaMLS and shall authorize all expenditures of funds. The Board of Directors shall, prior to the end of each fiscal year, prepare or cause to be prepared, a budget reflecting projected income from all sources and projected costs and expenses of CarolinaMLS for the next fiscal year. The budget shall be submitted to the Directors for approval on a date not less than thirty (30) days prior to the first day of the next fiscal year. The budget must then be submitted to the association Board of Directors for final approval. The CarolinaMLS Board of Directors after consideration at a minimum of two consecutive Board of Director meetings shall not incur an obligation in excess of cash on hand without the authorization of the association Board of Directors and, if deemed necessary by the CarolinaMLS Board of Directors, by vote of a two-thirds (2/3) majority of REALTOR® Member Participants and Subscribers of CarolinaMLS present and voting.
2. **Chief Executive Officer.** The association Board may employ a Chief Executive Officer (CEO) and may delegate to the CEO all or part of the duties of the Secretary and Treasurer and any other functions they may prescribe.
 - a. In the event of absence or illness of the Secretary and/or the Treasurer, the CEO may assume the duties of that officer without further authority.
 - b. The CEO shall serve as an Ex-Officio member of the Board, without voting privileges.
3. The CEO shall be the chief administrative officer of CarolinaMLS. The CEO shall have the authority to hire, supervise, evaluate and terminate other staff and/or professional services and resources as necessary, if any, and shall perform such other duties as prescribed by the Board of Directors.
4. **Death, Resignation or Incapacity of the CEO.** In the event of a vacancy in the position of CEO, the Executive Committee shall have the responsibility of insuring that the duties of the CEO are carried out by the staff, following the procedures outlined in the Adverse Issues Plan policy document, until the position of CEO is filled.
5. The Board of Directors shall have the right to make an audit of all books and accounts at any time without notice. The Board of Directors shall have the power from time to time to adopt such rules and regulations that it may deem appropriate.

Section 7. The Officers and Directors, except Executive Staff Officer(s) shall serve without compensation, unless approved by the membership of CarolinaMLS at a duly called meeting in accordance with Article VIII of these Bylaws.

ARTICLE VII - COMMITTEES

Section 1. Special Advisory Groups or Task Forces. The President shall, with the approval of the Board of Directors or Executive Committee, appoint such committees and task forces, hereinafter referred to as committees as the President deems necessary. Such committees may include Member Participants or Subscribers, employed by or affiliated as independent

contractors with a Member Participant, who may serve either as a chairperson or member of a committee.

Section 2. The President and President-Elect shall be ex-officio members of all committees with voting privilege and shall be notified of all meetings. The CEO, or their designee, shall be ex-officio member(s) of all committees and subcommittees with no voting privilege and shall be notified of all meetings.

ARTICLE VIII - MEETINGS

Section 1. Annual Meeting. The annual meeting of Member Participants and Subscribers shall be held during the fourth quarter of each year at the time and place specified by the Board.

Section 2. Special Meetings of CarolinaMLS. Special meetings of Member Participants and Subscribers may be called from time to time by the President, the Board of Directors, or by twenty-percent (20%) of all Member Participants and Subscribers. Written or electronic notice stating the day, place and hour of the meeting, the purpose(s) for which the meeting is called, shall be given to all Member Participants and Subscribers not less than ten (10) days prior to said meeting. If a special meeting is called, it shall be accompanied by a statement of the purpose of the meeting.

Section 3. Quorum and Voting at Meetings of CarolinaMLS. A quorum for the transaction of business at a meeting of the Member Participants and Subscribers shall consist of those Member Participants and Subscribers present and eligible to vote. A majority vote by such Member Participants and Subscribers present and voting at a meeting attended by a quorum shall be required for passage of motions.

Section 4. Proxy Voting. Proxy voting shall not be permitted at any meetings of CarolinaMLS, its Board of Directors, its committees or any other of its departments on any issue to be decided.

Section 5. Electronic Transaction of Business. To the fullest extent permitted by law, the Board of Directors or the membership may conduct business by electronic means.

Section 6. Meetings of the Board. The Board of Directors shall designate a regular time and place for its meetings. Meetings may be held at other times as the President or the Board of Directors may determine or upon the written request of at least one-third of the members eligible to vote.

Section 7. Absences. Attendance at Board meetings is mandatory. Absence from three (3) regular meetings in a calendar year shall be construed as a resignation. Exceptions may be granted by the Executive Committee for extreme situations.

Section 8. Presiding Officer. At all meetings of the Member Participants and Subscribers, or of the Board of Directors, the President, or, in the absence of the President the President-Elect, shall serve as presiding officer. In the absence of the President and President-Elect, the President shall name a temporary Chairperson, or upon the President's failure to do so, the Board shall appoint a temporary Chairperson.

Section 9. Action without Meeting. Unless specifically prohibited by the Articles of Incorporation of CarolinaMLS, any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if a consent in writing, electronically or otherwise, setting forth the action so taken, shall be agreed upon by all of the Directors. The consent shall be evidenced by one or more written approvals, each of which sets forth the action taken and bears the signature of one or more Directors. All the approvals evidencing the

consent shall be delivered to the Chief Executive Officer to be filed with the corporate records. The action taken shall be effective when all the Directors have approved the consent unless the consent specifies a different effective date.

ARTICLE IX - FISCAL YEAR

The fiscal year of CarolinaMLS shall commence on January 1 and shall end on December 31.

ARTICLE X - RULES OF ORDER

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

ARTICLE XI - AMENDMENTS

Section 1. Amendments to 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 Member Participants and Subscribers present and voting at any Annual Meeting or special meeting of the Member Participants and Subscribers or by a majority vote of those Member Participants and Subscribers casting votes on-line, provided that the substance of such proposed amendment or amendments are posted on the association Web site at least ten (10) days prior to the meeting or ten (10) days prior to the on-line vote deadline. The Board will determine whether or not a meeting is required for the vote. All proposed amendments approved by the Member Participants and Subscribers shall become effective only upon approval by the Board of Directors.

- A. If votes are cast on-line, any Member Participant or Subscriber who does not have access to the Internet may come to an association office during regular business hours, beginning ten (10) days prior to the voting deadline and vote on-line. If the voting Member Participant or Subscriber does not have access to the Internet and is ill and cannot come to an association office to vote on-line, upon receipt of a signed and witnessed letter/request from that Member Participant or Subscriber, a manual ballot will be provided. These manual ballots would be counted and added in to the computer tally. Votes must be cast on-line, or if a manual ballot is provided, delivered to CarolinaMLS no later than the deadline posted for the Bylaws amendment(s) vote.
- B. Amendments mandated by the National Association of REALTORS® for verbatim adoption by member MLSs shall be incorporated into the bylaws and shall become effective upon review by the Board of Directors and notification to the Member Participants and Subscribers.

Section 2. Amendments to Rules and Regulations. Amendments to the Rules and Regulations of CarolinaMLS shall be by consideration and approval of the Board of Directors in accordance with the provisions of Article VIII, Section 4, concerning Meetings of the Board of Directors.

ARTICLE XII - DISSOLUTION

In the event CarolinaMLS shall at any time terminate its activities, the Board of Directors shall consider and adopt a plan of liquidation and dissolution with the approval of the Member Participants and Subscribers and of the Board of Directors of the association (shareholder).

Said plan shall provide for the collection of all assets, the payment of all liabilities and the remaining portions thereof be assigned to the association.

ARTICLE XIII - INDEMNIFICATION OF DIRECTORS AND OFFICERS

The association and the CarolinaMLS shall indemnify any Director or Officer or former Director or Officer of CarolinaMLS or any person who has served at its request as a Director or Officer of another corporation, partnership, joint venture trust or other enterprise, his or her heirs, executors and administrators, against liabilities and reasonable litigation expenses, including attorneys fees, incurred by him/her in connection with actions, suits or proceedings in which he/she is made or is threatened to be made a party by reason of being or having been such Director or Officer, except in relation to matters as to which he/she shall be adjudged in such action, suit or proceeding to have acted in bad faith or to have been liable or guilty by reason of willful misconduct in the performance of duty. The association and CarolinaMLS may also reimburse any Director or Officer in settling said action, suit or proceeding should the association decide that it is to the best interests of the association that such settlement be made. The foregoing right to indemnification shall not be deemed exclusive of any other rights to which such Director or Officer may be entitled under any Bylaws, agreement, vote of the Board, or otherwise.

ARTICLE XIV - MEMBER HARASSMENT POLICY

The Members of the Association, CarolinaMLS and other affiliated entities are to abide by a high standard of ethics. No type of harassment shall be tolerated between Members and staff. Harassment shall include sexual harassment, violent harassment (actual or implied threat of disruptive physical behavior or verbal intimidation), obscene language and harassment on any other basis. As used in this Section, harassment means any verbal or physical conduct including threatening or obscene language, unwelcome sexual advances, stalking, actions including strikes, shoves, kicks, or other similar physical contact, or threats to do the same, or any other conduct with the purpose or effect of unreasonably interfering with an individual's work performance by creating a hostile, intimidating or offensive work environment. Harassment also includes actions, words, jokes or comments based on the individual's sex, race, color, national origin, age, religion, disability, citizenship, sexual orientation or any other characteristic will not be tolerated. Therefore any Member of the Association or CarolinaMLS may be reprimanded, placed on probation, suspended or expelled for harassment of an employee. The appropriate disciplinary action to be taken shall be made by a committee comprised of the President, the President-Elect and one Member of the Board of Directors selected by the highest-ranking officer not named in the complaint, upon consultation with legal counsel for the Association. Disciplinary action may include any sanction authorized in the Association's Code of Ethics and Arbitration Manual. If the complaint names the President or President-Elect, they shall not participate in the proceedings and shall be replaced by the Immediate Past President or, alternatively, by another Member of the Board of Directors selected by the highest-ranking officer not named in the complaint. The decision of the committee shall be final.