



Bylaws

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

ARTICLE I - NAME

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

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

ARTICLE II - OBJECTIVES

The objectives of the Association are:

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

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

Section 3. Unified Medium. To provide a unified medium for real estate owners and those engaged in the real estate profession whereby their interests may be safeguarded and advanced.

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

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

Section 6. REALTOR® Designation. To designate, for the benefit of the public, those individuals authorized to use the term REALTOR® and REALTORS® as licensed, prescribed and controlled by NAR.

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

ARTICLE III - JURISDICTION

Section 1. City and Counties. As approved by NAR, the territorial jurisdiction of the Association as a member of NAR, is the City of Charlotte, Mecklenburg County, Iredell County, Haywood County and all of Alexander County, except Wittenburg Township, North Carolina, as designated by the Board of Directors of NAR.

Section 2. Jurisdiction Defined. Territorial jurisdiction is defined to mean the right and duty to control the use of the terms REALTOR® and REALTORS®, subject to the conditions set forth in these Bylaws and those of NAR, in return for which the Association agrees to protect and safeguard the property rights of NAR in such terms.

ARTICLE IV - MEMBERSHIP

Section 1. Primary and Secondary REALTOR® Members. An individual is a Primary Member if the Association remits NCR and NAR dues on behalf of such Member. An individual is a Secondary Member if NCR and/or NAR dues are remitted through another REALTOR® association. One of the principals in a real estate firm must be a Designated REALTOR® Member of the Association in order for licensees affiliated with the firm to select the Association as their "Primary" association. That principal must hold a current, valid real estate license or must be licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property. To qualify for Primary Membership in the Association, an applicant must be licensed in the state of North Carolina or a state contiguous thereto and meet all other requirements of Section 2(a)(1) below. Primary and Secondary REALTOR® Members may vote and hold appointive and elective office.

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

(a) **REALTOR® Members.** There shall be three (3) categories of REALTOR® Members, Primary or Secondary, as follows:

(1) **REALTORS®.** Individuals who, as sole proprietors, partners, branch office managers or corporate officers, are actively engaged in the real estate profession, including buying, selling, exchanging, renting or leasing, managing, appraising for others for compensation, counseling, building, developing or subdividing real estate and who maintain or are associated with an established real estate office or business in the state of North Carolina or a state contiguous thereto. All persons who are partners in a partnership, all directors and officers in a corporation, or members or managers of a limited liability company who are actively engaged in the real estate profession in the state of North Carolina or a state contiguous thereto, shall qualify for REALTOR® Membership only and each is required to hold REALTOR® Membership (except as provided in the following paragraph) in an association of REALTORS® within the state of North Carolina or a state contiguous thereto, unless otherwise qualified for Institute Affiliate Membership as described below.

In the case of a real estate firm, partnership, corporation or limited liability company whose business activity is substantially all commercial, only those principals actively engaged in the real estate business in connection with the same office or any other offices within the jurisdiction of the

Association in which one of the firm's principals holds REALTOR® membership, shall be required to hold REALTOR® membership unless otherwise qualified for Institute Affiliate Membership as described below.

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

(2) **Designated REALTORS®.** Each firm or office in the case of firms with multiple office locations shall designate in writing one REALTOR® Member who shall be responsible for all duties and obligations of membership, including the obligation to arbitrate (or mediate if required by the Association) pursuant to Article 17 of the Code of Ethics and the payment of all dues and assessments as established in Article X. The Designated REALTOR® must be an individual acting on behalf of the firm's principal(s) and must meet all other qualifications for REALTOR® Membership established in herein.

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

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

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

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

(e) **Life Members.** Life Members shall be individuals who have been a REALTOR® for at least twenty-five (25) years and who shall continue to be in agreement with the Association's objectives. A Life Member may be so designated only at the discretion of the Board of Directors of the Association (the "Board of Directors", the "Board" or the "Directors").

(f) **NCR Life Members.** NCR Life Members shall be individuals who, for at least thirty (30) continuous years or more, have been actively engaged in the real estate profession and have distinguished themselves by giving exemplary and meritorious service for the real estate profession, including active service on NCR committees for at least ten years.

(g) **REALTOR® Emeritus Members.** REALTOR® Emeritus Members shall be individuals who, for at least forty (40) continuous years or more, have held REALTOR® Membership with NAR and have had at least one (1) year of service* with NAR. "Service" is defined as serving as an NAR officer, director, committee member, Federal Political Coordinator, Global Ambassador, or Global Coordinator to a country with which NAR holds a reciprocal agreement

ARTICLE V - QUALIFICATION AND ELECTION

Section 1. Application. An application for membership shall be made in such manner and form as may be prescribed by the Board and made available to anyone requesting it. The application form shall contain, among the statements to be signed by the applicant, a statement that (i) the applicant agrees as a condition of membership, to become thoroughly familiar with the Code of Ethics, the Bylaws and Rules and Regulations and all policies of the Association, NCR and NAR, and, if elected, a Member will abide by the Bylaws and Rules and Regulations and all policies of the Association, NCR and NAR, and, if a REALTOR® Member, will abide by the Code of Ethics (including the duty to arbitrate business disputes as specified by the Code of Ethics and as further specified in The Code of Ethics and Arbitration Manual) as from time to time amended; and (ii) the applicant consents that and authorizes the Association to invite and receive information and comment about applicant from any Member or other persons, and that applicant agrees that any information and comment furnished to the Association by any Member or other person in response to any such invitation shall be conclusively deemed to be privileged and not form the basis of any action for slander, libel or defamation of character. The applicant shall, at application, have access to a copy of the Code of Ethics, the Bylaws, the Rules and Regulations and all policies referred to above.

Section 2. Qualification.

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

*No "record of recent or pending bankruptcies" is intended to mean that the applicant or any real estate firm in which the applicant is a sole proprietor, general partner, branch office

manager, limited liability company or corporate officer is not involved in any pending bankruptcies or insolvency proceedings or has not been adjudged bankrupt in the past three (3) years. If a bankruptcy proceeding, as described above, exists, membership may not be rejected unless the Association establishes that its interest and those of its Members and the public could not be adequately protected by requiring that the bankrupt applicant pay cash in advance for Association and Carolina Multiple Listing Services, Inc. d/b/a Canopy MLS ("Canopy MLS") dues and fees for up to one (1) year from the date that membership is approved or from the date that the applicant is discharged from bankruptcy, whichever is later.

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

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

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

(b) Individuals who are actively engaged in the real estate profession other than as sole proprietors, partners, corporate or limited liability company officers or branch office managers, in order to qualify for REALTOR® Membership, at the time of application, shall hold a current valid Real Estate Broker's or Provisional Broker's license in North Carolina or a Broker's, Salesperson's, or Property Management License in the state of South Carolina, or is licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property within the state of North Carolina or South Carolina, and shall be associated either as an employee or as an independent contractor with a Designated REALTOR® Member of the Association or a Designated REALTOR® Member of another REALTOR® association (if a Secondary member), has no record of recent or pending bankruptcies;* has no record of official sanctions involving unprofessional conduct,** and agrees to complete a course of instruction, covering the Bylaws, Rules and Regulations and all policies of the Association, NCR and NAR, the Code of Ethics, including the duty to arbitrate and may be required to satisfactorily complete a reasonable and nondiscriminatory examination thereon as may be required by the Board. If elected to membership, the applicant shall agree, to abide by the aforementioned Code of Ethics, Bylaws, Rules and Regulations, all policies and the duty to arbitrate, all as from time to time amended.

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

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

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

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

Section 3. Election/Provisional Membership

The procedure for election to membership shall be as follows:

(a) Applicants for REALTOR® membership shall be granted provisional membership immediately upon submission of a completed application form and remittance of applicable Association dues and any application fee. Provisional members shall be considered REALTORS® and shall be subject to all of the same privileges and obligations of membership. Provisional membership is granted subject to subsequent review of the application by the appropriate Member Services Department staff. If it is determined that the individual does not meet all of the qualifications or satisfy all the requirements for primary membership as established in the Association's Bylaws and Policies and Procedures document (the "Policies"), (for example, completion of new member Code of Ethics training, completion of an orientation program or payment of fees) within the time frame established in the Policies, provisional membership will be terminated and the applicant will be required to reapply or the applicant's Designated REALTOR® will be charged a non-member licensee assessment fee.

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

(c) The Board may not terminate any provisional membership for any reason other than failure to comply with the requirements of membership without providing the provisional member with advance notice, an opportunity to appear before the Board, to call witnesses on his/her behalf, to be represented by legal counsel, and to make such statements as deemed relevant. The Board may also have counsel present. The Board shall require that written minutes be made of any hearing before it or may electronically or mechanically record the proceedings.

(d) If the Board determines that provisional membership should be terminated, it shall record its reasons with the Chief Executive Officer (the "CEO") of the Association. If the Board believes that termination of provisional membership may become the basis of litigation and a claim of damage by a provisional member, it may specify that termination shall become effective upon entry in a suit by the Board for a declaratory judgment by a court of competent jurisdiction of a final judgment declaring that the termination does not violate any rights of the individual.

Section 4. New Member Code of Ethics Orientation. Applicants for primary REALTOR® Membership shall complete an orientation program on the Code of Ethics of not less than two hours and thirty minutes of instructional time. This requirement does not apply to applicants for REALTOR® Membership or provisional members who have completed comparable orientation in another association, provided that REALTOR® Membership has been continuous, or that any break in membership is for one (1) year or less. Failure to satisfy this requirement within the timeframe established in the Policies will result in denial of the membership application.

Section 5. Continuing Member Code of Ethics Training. Effective January 1, 2019 through December 31, 2021 and for successive three-year periods thereafter, each REALTOR® Member of the Association (with the exception of REALTOR® Members granted REALTOR® Emeritus status by the NAR) shall be required to complete 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 the Association, another REALTOR® association, NCR or NAR, which meets the learning objectives and minimum criteria from time to time established by NAR. REALTOR® Members who have completed training as a requirement of membership in another REALTOR® association and REALTOR® Members who have completed the New Member Code of Ethics Orientation during any three-year cycle shall not be required to complete additional ethics training until a new three-year cycle commences.

Failure to satisfy the required periodic ethics training shall be considered a violation of a membership duty. Failure to meet the requirement in any three (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.

Suspension of REALTOR® Membership includes suspension of all Membership privileges and benefits. In addition to the loss of the aforementioned privileges and benefits, if a Member Participant (as such term is defined in the Canopy MLS Bylaws) of Canopy MLS fails to complete the mandatory Code of Ethics training, access to Canopy MLS will be terminated, which will terminate access for the Member Participant's entire firm, until such time as the training is completed by the Member Participant.

Section 6. Status Change

(a) A REALTOR® who changes the conditions under which they hold membership shall be required to provide written notification to the Association within thirty (30) days of such change. A REALTOR® who is not a principal but who becomes a principal in the firm with which he or she has been licensed or, alternatively, becomes a principal in a new firm which will be comprised of REALTOR® principals, may be required to satisfy any previously unsatisfied membership requirements applicable to REALTOR® principal Members but shall, during the period of

transition from one status of membership to another, be subject to all of the privileges and obligations of a REALTOR® principal. If the REALTOR® does not satisfy the requirements established in these Bylaws for the category of membership to which they have transferred within thirty (30) days of the date membership applications have been submitted to the Association regarding the status change, membership will terminate automatically unless otherwise so directed by the Board.

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

(b) Any application fee related to a change in membership status shall be reduced by an amount equal to any application fee previously paid by the applicant.

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

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

ARTICLE VI - PRIVILEGES AND OBLIGATIONS

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

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

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

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

(a) If the Member submitting the resignation is indebted to the Association for dues, fees, fines or other assessments of the Association or any of its services, departments, divisions or subsidiaries, the Association may condition the right of the resigning Member to reapply for membership upon payment in full of all such monies owed.

(b) Members who resign in good standing and reapply for membership within a period of two (2) years from date of receipt of resignation by the Association shall complete all requirements for membership, including the payment of any applicable dues and reinstatement fees as established by the Board but shall not be required to attend orientation. Members who resign in good standing and reapply for membership after two (2) years from the date of receipt of resignation by the Association shall complete all requirements for membership, including the payment of any applicable dues and reinstatement fees as established by the Board and shall be required to attend orientation.

Section 5. Conditional Readmission. If a Member resigns from the Association or otherwise causes their membership to terminate while an ethics complaint is pending against such Member, the complaint shall be processed until the decision of the Association with respect to disposition of the complaint is final by the Association (if the respondent does not hold membership in any other REALTOR® association) or by any other REALTOR® association in which the respondent continues to hold membership. If an ethics respondent resigns or otherwise causes membership in all associations 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 shall be held in abeyance until such time as the respondent rejoins an association of REALTORS®. If a Member resigns or otherwise causes membership to terminate, the duty to submit to arbitration continues in effect even after membership lapses or is terminated, provided that the dispute arose while the former Member was a REALTOR®.

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

Section 7. Rights and Obligations of REALTOR® Members. REALTOR® Members, whether Primary or Secondary, in good standing are entitled to vote and hold elective and appointive office in the Association and may use the term REALTOR®, which use shall be subject to the provisions of Article VIII of these Bylaws. For purposes of this section, the term "good standing" means the Member satisfies the "Obligations of REALTOR® Members", is current with all financial and disciplinary obligations to the Association and MLS, has completed any new Member requirements, and complies with NAR's trademark rules.

(a) If a REALTOR® Member is a sole proprietor in a firm, a partner in a partnership, a manager or a member of a limited liability company or an officer in a corporation and is suspended or expelled from Membership, the firm, partnership, limited liability company or

corporation shall not use the terms REALTOR® or REALTORS® in connection with its business during the period of suspension or until readmission to REALTOR® Membership or unless connection with the firm, partnership, limited liability company or corporation is severed or management control is relinquished, whichever may apply. The membership of all other principals, partners, limited liability company or corporate officers shall suspend or terminate during the period of suspension of the disciplined Member, or until readmission of the disciplined Member or unless connection of the disciplined Member with the firm, partnership, limited liability company or corporation is severed or unless the REALTOR® who is suspended or expelled removes himself from any form or degree of management control of the firm for the term of the suspension or until readmission to membership, whichever may apply. Removal of an individual from any form or degree of management control must be certified to the Association by the Member who is being suspended or expelled and by the individual who is assuming management control and the signatures of such certification must be notarized. In the event the suspended or expelled Member is so certified to have relinquished all form or degree of management control of the firm, the membership of other partners, officers or other individuals affiliated with the firm shall not be affected, and the firm, partnership, limited liability company or corporation may continue to use the terms REALTOR® and REALTORS® in connection with its business during the period of suspension or until the former Member is readmitted to membership in the Association. The foregoing is not intended to preclude a suspended or expelled Member from functioning as an employee or independent contractor, providing no management control is exercised. Further, the membership of REALTORS®, other than principals, who are employed or affiliated as independent contractors with the disciplined Member shall suspend or terminate during the period of suspension of the disciplined Member or until readmission of the disciplined Member or unless connection of the disciplined Member with the firm, partnership, limited liability company or corporation is severed, or management control is relinquished, whichever may apply.

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

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

Section 8. Rights and Obligations of Institute Affiliate Members. Institute Affiliate Members shall have rights and privileges and be subject to obligations prescribed by the Board consistent with the Bylaws of NAR. No Institute Affiliate Member may be granted the right to use the term REALTOR® or the REALTOR® logo; to serve as President of the Association; or to be a Member Participant in Canopy MLS.

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

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

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

Section 12. Member Harassment. The Members of the Association and the Association's affiliated entities are to abide by the highest ethical standards. 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, sexual identity, race, color, national origin, age, religion, disability, citizenship, sexual orientation or any other characteristic will not be tolerated. Therefore, any Member of the Association may be reprimanded, placed on probation, suspended or expelled for harassment of an employee. The appropriate disciplinary action to be taken shall be made by a committee comprised of the President, the President-Elect and one Member of the Board 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 Code of Ethics and Arbitration Manual. If the complaint names the President or President-Elect, such person shall not participate in the proceedings and shall be replaced by the immediate Past President or, alternatively, by another Member of the Board selected by the highest-ranking Officer not named in the complaint. The decision of the committee shall be final.

ARTICLE VII - PROFESSIONAL STANDARDS AND ARBITRATION

Section 1. The Code of Ethics and Arbitration Manual. The responsibility of the Association and of Association Members relating to the enforcement of the Code of Ethics, the disciplining of Members and the arbitration of disputes and the organization and procedures incident thereto shall be governed by The Code of Ethics and Arbitration Manual provided, however, any provision therein deemed inconsistent with state law shall be deleted or amended to comply with applicable state law.

Section 2. Bylaws, Rules and Regulations. It shall be the duty and responsibility of every REALTOR® Member of the Association to safeguard and promote the standards, interests, and welfare of the Association and the real estate profession, and to protect against conduct that may cause a lack of public confidence in the real estate profession or in REALTORS®. REALTOR® Members also must abide by the governing documents and policies of the Association, NCR and NAR, as well as the Code of Ethics, including the duty to arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics and in accordance with the procedures set forth in The Code of Ethics and Arbitration Manual.

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

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

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

Section 1. NAR Bylaws. Use of the terms REALTOR® and REALTORS® by Members shall, at all times, be subject to the provisions of the Constitution and Bylaws of NAR and to the Rules and Regulations prescribed by its Board of Directors. The Association shall have the authority to control, jointly and in full cooperation with NAR, use of such terms within its jurisdiction. Any misuse of such terms by the Members is a violation of a membership duty and may subject Members to disciplinary action by the Board after a hearing as provided for in The Code of Ethics and Arbitration Manual.

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

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

Section 4. Commercial Real Estate. In the case of a REALTOR® Member who is a principal of a real estate firm, partnership, limited liability company or corporation whose business activity is substantially all commercial, the right to use the term REALTOR® or REALTORS® shall be limited to office locations in which a principal, partner, officer or branch office manager of the firm, holds REALTOR® Membership. If a firm, partnership, limited liability company or corporation operates additional places of business in which no principal, partner, corporate officer, or branch

office manager holds REALTOR® Membership, the term REALTOR® or REALTORS® may not be used in any reference to those additional places of business.

Section 5. Institute Affiliate Members. Institute Affiliate Members shall not be entitled to use the terms REALTOR® or REALTORS®, nor the imprint of the emblem seal of NAR.

ARTICLE IX - STATE AND NATIONAL MEMBERSHIPS

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

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

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

ARTICLE X - FEES AND DUES

Section 1. Application Fee.

(a) The Board may adopt an application fee for REALTOR® Membership in a reasonable amount, which shall be required to accompany each application for REALTOR® Membership.

(b) The Board may adopt an application fee for Affiliate Members in a reasonable amount.

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

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

which dues have been remitted. In the case of a Designated REALTOR® Member in a firm, partnership, limited liability company or corporation whose business activity is substantially all commercial, any assessments for non-member licensees shall be limited to licensees affiliated with the Designated REALTOR® (as defined above in this paragraph) in the office where the Designated REALTOR® holds membership, and any other offices of the firm located within the jurisdiction of the Association.

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

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

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

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

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

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

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

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

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

(f) **Life Members.** Local dues for any REALTOR® so designated who intends to remain actively engaged in the practice of real estate, shall receive a 25% discount off of local dues. Unless approved for Life Membership status with NCR or REALTOR® Emeritus Membership status with NAR, these Life Members must continue to pay NCR and NAR dues on an annual basis. Any Life Member so designated by the Board who is not actively engaged in the practice of real estate and whose license is inactive shall not be required to pay Association dues and will not be considered a REALTOR® member

(g) **NCR Life Members.** Local and State dues shall be waived for individuals approved by the NCR Board of Directors as NCR Life Members.

(h) **NAR REALTOR® Emeritus Members and Distinguished Service Award Recipients.** Local, State and National dues shall be waived for individuals who have been designated by NAR as REALTOR® Emeritus Members and/or NAR Distinguished Service Award recipients.

Section 3. Increase. Any increase over the previous year's dues/assessments (excluding increases of dues and/or assessments levied by NCR and/or NAR) must be approved at a meeting of the Board. Increases in NCR and/or NAR's dues and/or assessments shall become effective upon notice from NCR or NAR.

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

In the event a sales licensee or licensed or certified appraiser who holds REALTOR® Membership is dropped from membership for nonpayment of dues, and the individual remains with the Designated REALTOR®'s firm, the dues obligation of the Designated REALTOR® will be increased to reflect the addition of a non-member licensee. Dues shall be calculated from the first day of the current fiscal year and are payable within thirty (30) days of the notice of termination. Any appeal shall be made to the Executive Committee of the Board.

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

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

Section 7. Discretionary Dues. The dues of past presidents and past treasurers of NAR shall be as determined by the Board.

ARTICLE XI - OFFICERS AND DIRECTORS

Section 1. Officers.

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

(b) **Term.** The President and the President-Elect shall each serve for one-year terms. The Secretary and Treasurer shall each be elected and serve for two-year alternating terms. Notwithstanding the foregoing, upon approval by a majority of the Board, the term of service of any Officer may be extended under any such circumstances and for any such additional period of time as may be determined appropriate or necessary by the Board taking into account the best interests of the Association. Officers shall assume their respective offices effective January 1 of each year, unless otherwise determined by the Board, even though the ceremonial installation may not occur until a later time.

(c) **Executive Staff Officer.** The Board shall employ the CEO as the chief executive Officer of the Association (and its subsidiary corporations) and may delegate to the CEO all or part of the duties of the Secretary and Treasurer and may otherwise prescribe the CEO's functions. In the event of absence or illness of the Secretary and/or Treasurer, the CEO shall assume the duties of those Officers without further authority. The CEO shall serve as the chief administrative Officer of the Association, Canopy MLS and the Foundation and shall have authority to execute contracts and deeds, hire, supervise, evaluate and terminate other staff members and shall perform all duties prescribed by the Board.

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

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

Section 2. Duties of Officers.

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

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

(c) Secretary.

(1) The Secretary or the Secretary's designee shall have oversight of such books, documents and papers of the Association as the Board may determine.

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

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

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

(5) The Secretary or the Secretary's designee shall also have such duties as described in the Canopy MLS and Foundation Bylaws.

(d) Treasurer.

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

(2) The Treasurer or the Treasurer's designee shall sign all checks of the Association and all bills of exchange and promissory notes issued by the Association, except in

cases where the signing and execution thereof shall be designated by the Board or these Bylaws to some other Officer or agent of the Association.

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

(4) The Treasurer or the Treasurer's designee shall also have such duties as described in the Canopy MLS and Foundation Bylaws.

(e) **State Law.** The Officers shall abide by all applicable federal and state laws and the duties enumerated for general standards of conduct for an officer or director of a non-profit corporation.

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

(g) **Death, Resignation or Incapacity of the President and President-Elect.** In the event of the 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 these Bylaws.

(h) **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 Association staff, following the procedures outlined in the Association's *Crisis Management Plan* policy document, until the position of CEO is filled.

Section 3. Board of Directors.

(a) **Governing Body.** The governing body of the Association shall be its Board of Directors consisting of up to thirteen (13) members, all of whom shall have voting privileges, except for the CEO, i.e.,

- The President
- The President-Elect
- The Secretary
- The Treasurer
- The immediate Past President
- The CEO (Ex-Officio. Non-Voting)
- Up to seven (7) other REALTOR® Members as follows:
 - Four (4) Directors **elected** at-large to serve 2-year staggered terms, with two (2) of such Directors being elected each year.
 - Up to three (3) Directors **appointed** at-large:
 - One (1) Director, appointed by the President, to serve a one (1)-year term, from an office located in the Northern Region (defined as Iredell County and the towns of Cornelius, Davidson and Huntersville in Mecklenburg County or as otherwise defined from time to time by the Board).
 - One (1) Director, appointed by the President, to serve a 1-year term, from an office located in the Western Region (defined as all of Haywood County and from Balsam to the Woodfin Creek Area of

Eastern Jackson County, North Carolina, or as otherwise amended from time to time by the Board).

- One (1) additional Director may be appointed at-large by and at the discretion of the President to serve a 1-year term.

In the event of a merger by the Association with another Realtor® association with fewer than 2,000 members, there will not automatically be another Director seat added to the Board.

In the event of a merger by the Association with another Realtor® association with 2,000 members or more, for the full calendar year following the merger, there will be an appointed seat on the Board to be filled by someone from an office within the jurisdiction of the merged entity.

Following that first full calendar year following any merger, the Board will determine, based on discussions with the merged entity whether there will be any or no change to the current Board structure.

If it is determined that there will be an additional elected at-large seat as a result of a merger, then the elected at-large seats revert to 3-year staggered terms and the third at-large appointed seat is eliminated.

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

(c) **Duties.** The Board shall have ultimate and final control of all of the affairs of the Association and their duties shall include, but not be limited to, those specified herein. The Board's primary fiduciary duty is owed to the Association and its Members. The Board shall have the right to make an audit of all books and accounts at any time without notice.

(1) **Deposits.** 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 the Board or the President or the President's designee.

(2) **Expenditures.** The Board shall oversee the finances of the Association and shall not incur any obligation in excess of the available cash on hand of its combined consolidated balance sheet.

(3) **Budget.** The Board shall, prior to the end of each fiscal year, prepare or cause to be prepared, a budget reflecting projected income from all sources and projected costs and expenses of the Association and its subsidiary entities 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.

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

(5) **Rules and Regulations and Policies.** The Board shall have the power to adopt Rules, Regulations and Policies and amendments thereto, for the administration of the

business of the Association and such Rules, Regulations and Policies shall be in conformity with these Bylaws as from time to time amended.

(6) **Law.** The Board shall abide by all applicable federal and state laws and the duties enumerated for general standards for conduct of a director of a non-profit corporation.

Section 4. Election of Officers and Directors.

(a) **Eligibility.** Any Primary or Secondary REALTOR® Member in good standing with the Association shall be eligible for office provided that the following criteria are met. The President-Elect must have previously been a Member of an association of REALTORS® for a minimum of two (2) years and have Association involvement including service on a committee, task force, or similar activity, including attendance at Association sponsored functions and served a minimum of 1 year as a Director or Officer of an association of REALTORS®, an MLS or a foundation or similar civic organization. The Secretary, Treasurer and the Directors must have been Members of an association of REALTORS® for a minimum of two (2) years and have Association involvement including service on a committee, task force, or similar activity, including attendance at Association sponsored functions. Credit will be given for service on any local REALTOR® board of directors or association or multiple listing service in meeting the requirement for active committee service. No Officer shall hold an officer position in any other REALTOR® association while serving as an Officer of the Association however, a Director of the Association may serve in a director capacity in another REALTOR® association. Any Member nominated to serve as a Director or Officer of the Association must be a Primary or Secondary Member of the Association at the time such person is a candidate and remain so if elected. If a Director is nominated to another office, that Director may remain a Director until inducted to the other office. Any vacancies thus created shall be filled in accordance with the provisions set forth in Section 5 of this Article except for an Ex-Officio Member. Ex-Officio Member office vacancies, other than the CEO, shall not be filled unless the Board decides otherwise.

(b) Nominating and Election Committee Process.

(1) A Nominating and Election Committee (the "Nominating Committee") of at least seven (7) REALTOR® Members, composed of at least two (2) Members of either the Association or the Canopy MLS Board, two (2) Non-Principals, and three (3) others, shall be appointed by the President with approval of the Executive Committee. Appointees must have been a Member of the Association for a minimum of two (2) years. In addition, at least one (1) Canopy MLS Member Participant and/or Subscriber who is not a Primary Member of the Association shall be appointed by the President (with approval of the Executive Committee) to serve on the Nominating Committee in order to identify candidates to fill the open At-Large seat on the Canopy MLS Board. The Canopy MLS Member Participant and/or Subscriber who is not a Primary Member of the Association appointed by the President (with the approval of the Executive Committee), to serve on the Nominating Committee in order to identify candidates to fill the open At-Large seat on the Canopy MLS Board shall enjoy all privileges of being on the Nominating Committee, including the right to vote on the final slate of candidates for the Association and Canopy MLS Boards. The Nominating Committee shall select at least one candidate for each office and at least one candidate for each seat to be filled on the Board. Each year, the slate of candidates will be for the President-Elect, either the Secretary or the Treasurer and two (2) elected at-large Director seats (which could change at such time that there is a merger with another association).

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

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

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

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

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

Any Member who does not have access to the Internet may come to the Association office during regular business hours beginning twenty-one (21) days prior to the fourth Wednesday in September and vote online. All votes must be cast online no later than the close of business on the fourth Wednesday in September of the applicable election year. All votes shall be considered confidential. Candidates receiving the largest number of votes cast are elected. In case of a tie vote, the election shall be determined by runoff.

(d) **Election Judge.** The immediate Past President, or other designee of the Board, shall act as the Election Judge and shall oversee the tabulation of votes. In the event the immediate 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. Election results will be published when available. Final "per-candidate" vote totals will be available to any Member upon written request.

Section 5. Vacancies.

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

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

(c) In the event of death, resignation or incapacity of any Officer or Director, the office or seat on the Board shall be deemed to be immediately vacated. Any such vacancy shall be filled by the President with approval by a majority of the Board; the term of an Officer or Director so appointed shall expire on the date that the term of the deceased, resigned or incapacitated Officer or Director would otherwise have expired had such Officer or Director not died, resigned or become incapacitated.

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

Section 6. Removal of Officers and Directors. In the event an Officer or Director is deemed to be incapable of fulfilling the duties for which elected, but will not resign from office voluntarily, such Officer or Director may be removed from office under the procedure set forth below. Any Officer or Director removed from office shall not be eligible for nomination for office for a period of three (3) years after the removal.

(a) A petition seeking the removal of an Officer or Director and signed by a majority of all of the other Directors shall be filed with the President, or if the President is the subject of the petition, with the President-Elect and shall specifically set forth the reasons the individual should be disqualified from further service.

(b) Upon receipt of the petition and not less than twenty (20) days or more than forty-five (45) days thereafter, a Special Meeting of the Board shall be held and the sole business of the meeting shall be to consider the petition filed against the Officer or Director and to render a decision on such petition.

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

ARTICLE XII - MEETINGS

Section 1. Annual Meetings. The annual meeting of the Association shall be held each year and the date, place and hour of such annual meeting shall be designated by the Board or, if allowed by law, may be conducted by electronic/virtual means, e.g., “Zoom” or similar meeting format.

Section 2. Meetings of Directors. The Board shall designate a regular time and place for its regular meetings. Absence by a Director 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. From time to time, the Board shall adopt a policy or policies (such as the Association’s Board Responsibilities Document) regarding the extent to which electronic/virtual attendance at Board meetings is/is not allowed, the number of absences from Board meetings a Director will be allowed in a given year, etc. Any such policy or policies may be modified, at any time, by the Board.

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

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

Section 5. Quorum.

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

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

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

Section 7. Electronic Transaction of Business. To the fullest extent permitted by law, the Board, the Membership and all committees may conduct business by electronic and virtual means, e.g., “Zoom” or similar meeting format.

Section 8. Action without Meeting. Any action required or permitted to be taken at a meeting of the Board may be taken without a meeting if a consent in writing, electronically or otherwise, setting forth the action so taken, shall be agreed upon by all of the Directors. The action taken shall be effective when all the Directors have approved the action unless the action taken specifies a different effective date.

ARTICLE XIII - COMMITTEES

Section 1. Standing Committees. The President shall appoint from among the Membership of the Association and, subject to confirmation by the Executive Committee, committees, advisory groups and task forces. Currently, the following are standing committees:

- Executive
- Grievance
- Nominating and Election
- Professional Standards
- Audit, Budget and Finance

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

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

Section 3. Ex-officio Members. The President and the President-Elect shall be Ex-Officio Members of all committees and advisory groups (except the Nominating Committee and the Grievance and Professional Standards Committees) and shall be notified of their meetings. Notwithstanding the foregoing, the President may choose to appoint the President-Elect to serve on any ad-hoc task force.

Section 4. Absences. Subject to other rules or policies that may be adopted by the Board from time to time, absence from three (3) committee meetings in a calendar year shall be construed as a resignation. Exceptions may be granted by the Executive Committee for extreme situations.

Section 5. Actions. All actions of committees shall be subject to the approval of the Board. The actions of the Nominating Committee pertaining to the nominating process, the election and Bylaw changes, are subject to the approval of the Board. The final slate of candidates will not be subject to the approval of the Board.

ARTICLE XIV - FISCAL AND ELECTIVE YEAR

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

ARTICLE XV - RULES OF ORDER

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

ARTICLE XVI - AMENDMENTS

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

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

When Bylaws amendments are mandated by NAR policy, these Bylaws shall be automatically amended to reflect the mandate as of the effective date of the mandatory policy authorized by NAR. The Board shall provide notice of that change in a regular or special membership communication.

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

ARTICLE XVII - DISSOLUTION

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

ARTICLE XVIII - SUBSIDIARY CORPORATIONS

The Association may establish and maintain for the use of its Members, wholly-owned subsidiary corporations, including, but not limited to Carolina Multiple Listing Services, Inc., d/b/a Canopy MLS and the Charlotte Regional REALTOR® Association Housing Opportunity Foundation, Inc., d/b/a Canopy Housing Foundation. All stock shares of such corporations, if any, shall be owned by the Association.

ARTICLE XIX - INDEMNIFICATION OF DIRECTORS AND OFFICERS

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