

**BYLAWS OF THE
RALEIGH REGIONAL ASSOCIATION OF REALTORS®**

Amended, January 2009

ARTICLE I. Name

Section 1. Name. The name of this organization shall be the Raleigh Regional Association of REALTORS®, hereafter referred to as the "Association."

Section 2. REALTORS®. Inclusion and retention of the registered collective membership mark REALTORS®, in the name of the Association shall be governed by the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS®, as from time to time amended.

ARTICLE II. Objectives

The objectives of the Association are:

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

Section 2. To promote and maintain high standards of conduct in the real estate profession as expressed in the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®.

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

Section 4. To further the interest of home and other real property ownership.

Section 5. To unite those engaged in the real estate profession in this community with the North Carolina Association of REALTORS®, and the NATIONAL ASSOCIATION OF REALTORS®, thereby furthering their own objectives throughout the state and nation, and obtaining the benefits and privileges of membership therein.

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

ARTICLE III. Jurisdiction

Section 1. The territorial jurisdiction of the Association as a member of the NATIONAL ASSOCIATION OF REALTORS® shall include Wake County as allocated by the Board of Directors of the National Association.

Section 2. Territorial Jurisdiction is defined to mean:

(a) The right and duty to control the use of the terms REALTOR® and REALTORS® subject to the conditions set forth on these Bylaws and those of the NATIONAL ASSOCIATION OF REALTORS®, in return for which the Association agrees to protect and safeguard the property right of the National Association in the terms.

ARTICLE IV. Membership

Section 1. There shall be seven classes of Members, as follows:

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

(1) Individuals who, as sole proprietors, partners, corporate officers, or branch office managers, are engaged actively in the real estate profession, including buying, selling, exchanging, renting or leasing, managing, appraising for others for compensation, counseling, building, developing or subdividing real estate, and who maintain or are associated with an established real estate office within the state of North Carolina or a state contiguous thereto. All persons who are partners in a partnership, or all officers in a corporation, or all trustees of a trust who are actively engaged in real estate business within the state of North Carolina or a state contiguous thereto shall qualify for REALTOR® Membership only, and each is required to hold REALTOR® Membership in an Association of REALTORS® within the state or a state contiguous thereto unless otherwise qualified for Institute Affiliate Membership as described in Section (b) of Article IV. NOTE: REALTOR® Members may obtain membership in a "secondary" Association in another state. In the case of a real estate firm, partnership, or corporation, whose business activity is substantially all commercial, only those principals actively engaged in the real estate business in connection with the same office, or any other offices within the jurisdiction of the board in which one of the firm's principals holds REALTOR® membership, shall be required to hold REALTOR® membership unless otherwise qualified for Institute Affiliate Membership as described in Section 1 (b) of Article IV.

(2) Individuals who are engaged in the real estate profession other than as sole proprietors, partners, corporate officers, or branch office manager and as such associated with a REALTOR® Member and meet the qualifications set out in Article V.

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

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

(c) Affiliate Members. Affiliate Members shall be real estate owners and other individuals or firms who, while not engaged in the real estate profession as defined in paragraph (a) or (b) of

this Section, have interests requiring information concerning real estate, and are in sympathy with the objects of the Association.

(d) Designated Associate Member. Owners, principles or managers of a firm who, while not engaged in real estate sales or appraisals, have interests requiring information concerning real estate and are in sympathy with the objectives of the Association. This class of membership belongs to the corporation and may be transferred to another individual within the same company.

(e) Associate. Individuals working for the same firm as the "Designated Associate". The Designated Associate must approve Associate Memberships by signing the Associate's application. This classification of Membership is not transferable to other individuals.

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

(g) Life Members. Life Members shall include Active Members of the Raleigh Regional Association, in good standing for the immediate past 25 years, who have reached the age of 62 years.

(4) Primary and Secondary REALTOR® Members. An individual is a primary member if the Association pays State and National dues based on such Member. An individual is a Secondary Member if State and National dues are remitted through another Association. One of the principals in a real estate firm must be a Designated REALTOR® member of the Association in order for licensees affiliated with the firm to select the Association as their "primary" Association.

(5) Designated REALTOR® Member. Each firm (or office in the case of firms with multiple office locations) shall designate in writing one REALTOR® Member who shall be responsible for all duties and obligations of membership including the obligation to arbitrate pursuant to Article 17 of the Code of Ethics and the payment of Association dues as established in Article X of the Bylaws. The "Designated REALTOR® must be a sole proprietor, partner, corporate officer or branch office manager acting on behalf of the firm's principal(s) and must meet all other qualifications for REALTOR® Membership established in Article V, Section 2, of the Bylaws.

ARTICLE V. Qualification and Election

Section 1. Application.

(a) Application for membership shall be made in such a manner and form as may be prescribed by the Board of Directors and made available to anyone requesting it. The application form shall contain among the statements to be signed by the applicant (1) that applicant agrees as a condition to membership to thoroughly familiarize himself with the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, the Constitutions, Bylaws, and Rules and Regulations of the Association, State and National Associations, and if elected a Member, will abide by the Constitutions and Bylaws and Rules and Regulations of the Association, State and National Associations, and if a REALTOR®, will abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® including the obligation to arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics, and as further specified in the *Code of Ethics and Arbitration Manual* of the NATIONAL ASSOCIATION OF REALTORS®, as from time to time amended, and (2) that the applicant consents that the Association, through its' Membership Committee or otherwise, may

invite and receive information and comment about applicant from any member or other person, and that the applicant agrees that any information and comment furnished to the Association by any person in response to the invitation shall be conclusively deemed to be privileged and not form the basis of any action for slander, libel, or defamation of character. The applicant shall, with the form of application, have access to a copy of the Bylaws, Constitutions, Rules and Regulations, and Code of Ethics referred to above.

Section 2. Qualification.

(a) An applicant for REALTOR® Membership who is a sole proprietor, partner, corporate officer, or branch office manager of a real estate firm shall supply evidence satisfactory to the Membership Committee that he is actively engaged in the real estate business, and maintains a current, valid real estate broker's or salesperson's license or is licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, has a place of business within the state or state contiguous thereto (unless Secondary Membership), has no record of recent or pending bankruptcy, has no record of official sanctions involving unprofessional conduct, agrees to complete a course of instruction covering the Bylaws and Rules and Regulations of the Association, the Bylaws of the State Association and the Constitution and Bylaws and the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, and shall pass such reasonable and nondiscriminatory written examinations thereon as may be required by the Committee, and shall agree that if elected to membership, he will abide by such Constitution, Bylaws, Rules and Regulations and Code of Ethics. Note 2: Article IV, Section 2, of the NAR Bylaws prohibits Member Boards from knowingly granting REALTOR® OR REALTOR-ASSOCIATE® membership to any applicant who has an unfulfilled sanction pending which was imposed by another Board or Association of REALTORS® for violation of the Code of Ethics.

(b) Individuals who are actively engaged in the real estate profession other than as a sole proprietors, partners, corporate officer, or branch office managers in order to qualify for REALTOR® Membership, shall at the time of application be associated either as an employee or as an independent contractor with a Designated REALTOR® Member of the Association or a Designated REALTOR® Member of another Association (if a Secondary Member), and must maintain a current, valid real estate broker's or salesperson's license or be licensed, certified, or trainees as designated by an appropriate state regulatory agency to engage in the appraisal of real property, shall complete a course of instruction covering the Bylaws and Rules and Regulations of the Association, the Bylaws of the State Association, and the Constitution and Bylaws and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS, and shall pass such reasonable and nondiscriminatory written examinations thereon as may be required by the Board of Directors and shall agree in writing that if elected to membership he will abide by such Constitution, Bylaws, Rules and Regulations, and the Code of Ethics.

(c) The Board/Association will also consider the following in determining an applicant's qualifications for REALTOR® membership:

1. All final findings of Code of Ethics violations and violations of other membership duties in any other association within the past three (3) years
2. Pending ethics complaints (or hearings)
3. Unsatisfied discipline pending
4. Pending arbitration requests (or hearings)
5. Unpaid arbitration awards or unpaid financial obligations to any other association or association MLS
6. Any misuse of the term REALTOR® or REALTORS® in the name of the

applicant's firm.

Associations may reconsider the membership status of such individuals when all pending ethics and arbitration matters (and related discipline) have been resolved or if such matters are not resolved within six months from the date that provisional membership is approved. Provisional members shall be considered REALTORS® and shall be subject to all of the same privileges and obligations of REALTOR® membership. If an member resigns from another association with an ethics complaint or arbitration request pending, the association may condition membership on the applicant's certification that he/she will submit to the pending ethics or arbitration proceeding (in accordance with the established procedures of the association to which the applicant has made application) and will abide by the decision of the hearing panel.

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

(a) The Board of Directors, administered by the staff, shall determine whether the class of membership for which the applicant is applying is one for which he would be eligible if otherwise possessing the qualifications of membership. If it so determines, it shall give written notice to the REALTOR® Members of such application and invite written comment thereon. If one or more of the Directors object to the approval of the application, basing such objection on lack of qualification as set forth in these Bylaws, the Directors shall invite any objecting member to appear and substantiate his objections. Objections which are not substantiated shall be totally disregarded. The Directors may not find objections substantiated without (1) informing the applicant in advance, in writing, of the objections and identifying the objecting member, and (2) giving the applicant a full opportunity to appear before the Directors and establish his qualifications. The Directors shall thereafter make a written report of its findings and shall conduct all proceedings with strict attention to the principles of due process and compliance with the Bylaws of the Association.

If the Board of Directors determines that an applicant should be rejected, it shall record its reasons with the Secretary. If the Board of Directors believes that applicant may resort to legal action because of rejection of his application, it may specify that rejection shall become effective upon entry in a suit by the Association for a declaratory judgement by a court of competent jurisdiction of a final judgement declaring that the rejection violates no rights of applicant.

Section 4. New Member Code of Ethics Orientation. Applicants for REALTOR® membership shall complete an orientation program on the Code of Ethics of not less than two hours and thirty minutes of instructional time. This requirement does not apply to applicants for REALTOR® membership who have completed comparable orientation in another association, provided that REALTOR® membership has been continuous, or that any break in membership is for one year or less. Failure to satisfy this requirement within 21 days of the date of application will result in denial of the membership application

Section 5. Continuing Member Code of Ethics Training. Effective January 1, 2001, through December 31, 2004, and for successive four year periods thereafter, each REALTOR® member of the association shall be required to complete quadrennial ethics training of not less than two hours and thirty minutes of instructional time. This requirement will be satisfied upon presentation of documentation that the member has completed a course of instruction conducted by this or another association, the State Association or REALTORS®, the NATIONAL ASSOCIATION OF REALTORS®, or any other recognized educational institution or provider which meets the learning objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTORS® from time to time. REALTOR® members who have completed training as a requirement of membership in another association of REALTOR® members who have completed the New Member Code of Ethics Orientation during any four-year

cycle shall not be required to complete additional ethics training until a new four-year cycle commences.

Failure to satisfy this requirement shall be considered a violation of a membership duty for which REALTOR® membership shall be suspended until such time as the training is completed.

Members suspended for failing to meet the requirement for the first four (4) -year cycles (2001 through 2004) will have until December 31, 2005 to meet the requirement. Failure to meet the requirement by that time will result in automatic termination of membership. Failure to meet the requirement for the second (2005 through 2008) cycle and subsequent four (4)-year cycles will result in suspension of membership for the first two months (January and February) of the year following the end of any four (4)-year cycle or until the requirement is met, whichever occurs sooner. On March 1 of that year, the membership of a member who is still suspended as of that date will be automatically terminated.

Section 6. Status Changes. (a) A REALTOR® who changes the conditions under which he holds membership shall be required to provide written notification to the Board within 30 days. A REALTOR® (non-principal) who becomes a principal in the firm with which he has been licensed or, alternatively, becomes a principal in a new firm which will be comprised of REALTOR® principals may be required to satisfy any previously unsatisfied membership requirements applicable to REALTOR® (principal) Members but shall, during the period of transition from one status of membership to another, be subject to all of the privileges and obligations of a REALTOR® (principal). If the REALTOR® (non-principal) does not satisfy the requirements established in these Bylaws for the category of membership to which they have transferred within 30 days of the date they advised the Board of their change in status, their new membership application will terminate automatically unless otherwise so directed by the Board of Directors.

A REALTOR® who is transferring their license from one firm comprised of REALTOR® principals to another firm comprised of REALTOR® principals shall be subject to all of the privileges and obligations of membership during the period of transition. If the transfer is not completed within 30 days of the date the board is advised of the disaffiliation with the current firm, membership will terminate automatically unless otherwise so directed by the Board of Directors.

(The Board of Directors, at its discretion, may waive any qualification, which the applicant has already fulfilled in accordance with the Board'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 of Directors and shall be based on the new membership status for the remainder of the year.

ARTICLE VI. Privileges and Obligations

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

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

Section 3. Participation: Any REALTOR® of this or any other Board who is a principal, partner, corporate officer, or branch office manager acting on behalf of a principal, without further qualification, except otherwise stipulated in these bylaws, shall be eligible to participate in Multiple Listing upon agreeing in writing to conform to the rules and regulations thereof and to pay the costs incidental thereto.* However, under no circumstances is any individual or firm, regardless of membership status, entitled to Multiple Listing Service “membership” or “participation” unless they hold a current, valid real estate broker’s license and offer or accept compensation to and from other Participants or are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property.** Use of information developed by or published by a Board Multiple Listing Service is strictly limited to the activities authorized under a Participant’s licensure(s) or certification and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey “participation” or “membership” or any right of access to information developed by or published by a Board Multiple Listing Service where access to such information is prohibited by law.

Note: Mere possession of a broker’s license is not sufficient to qualify for MLS participation. Rather, the requirement that an individual or firm ‘offers or accepts cooperation and compensation’ means that the Participant actively endeavors during the operation of its real estate business to list real property of the type listed on the MLS and/or to accept offers of cooperation and compensation made by listing brokers or agents in the MLS. “Actively” means on a continual and on-going basis during the operation of the Participant’s real estate business. The “actively” requirement is not intended to preclude MLS participation by 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.

Section 4. Any REALTOR® of the Association may be disciplined by the Board of Directors for violations of the Code of Ethics or other duties of membership, after a hearing as described in the *Code of Ethics and Arbitration Manual* of the Association, provided that the discipline imposed is consistent with the discipline authorized by the Professional Standards Committee of the NATIONAL ASSOCIATION OF REALTORS® as set forth in the *Code of Ethics and Arbitration Manual* of the National Association.

Section 5. Resignation of members shall become effective when received in writing by the Board of Directors, provided, however, that if any Member submitting the resignation is indebted to the Association for dues, fees, fines, or other assessments of the Association or any of its services, departments, divisions, or subsidiaries, the Association may condition the right of the resigning Member to reapply for membership upon payment in full of all such monies owed.

Section 6. If a Member resigns from the Association or otherwise causes membership to terminate with an ethics complaint pending, that Board of Directors may condition the right of the resigning Member to reapply for membership upon the applicant’s certification that he/she will submit to the pending ethics proceeding and will abide by the decision of the Directors.

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

Section 7. REALTOR® Members - REALTOR Members, whether primary or secondary, in good standing whose financial obligations to the Association are paid in full shall be entitled to vote and to hold elective office in the Association; may use the terms REALTOR and REALTORS, which use shall be subject to the provisions of Article VIII; and have the primary responsibility to safeguard and promote the standards, interests, and welfare of the Association and the real estate profession.

(a) If a REALTOR® Member is a sole proprietor in a firm, a partner in a partnership or an officer in a corporation and is suspended or expelled, the firm, partnership or corporation shall not use the terms REALTOR® or REALTORS® in connection with its business during the period of suspension, or until readmission to REALTOR® Membership, or unless connection with the firm, partnership or corporation is severed, or management control is relinquished, whichever may apply. The Membership of all other principals, partners or corporate officers shall suspend or terminate during the period of suspension of the disciplined Member, or until readmission of the disciplined Member or unless connection of the disciplined Member with the firm, partnership, or corporation is severed, or unless the REALTOR® who is suspended or expelled removes himself 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 forms or degree

of management control of the firm, the membership of other partners, corporate officers, or other individuals affiliated with the firm shall not be affected, and the firm, partnership or corporation may continue to use the terms REALTOR® or REALTORS® in connection with its business during the period of suspension or until the former Member is admitted to membership in the Association. The foregoing is not intended to preclude a suspended or expelled Member from functioning as an employee or independent contractor, providing no management control is exercised. Further, the membership of REALTORS® other than principals who are employed or affiliated as independent contractors with the disciplined Member shall suspend or terminate during the period of suspension of the disciplined member or until readmission of the disciplined Member, or unless connection of the disciplined Member with the firm, partnership, or corporation is severed, or management control is relinquished, or unless the REALTOR® Member (non-principal) elects to sever his connection with the REALTOR® and affiliate with another REALTOR® Member in good standing in the Association, whichever may apply. If a REALTOR® Member other than a sole proprietor in a firm, partner in a partnership, or an officer of a corporation is suspended or expelled, the use of the terms REALTOR® or REALTORS® by the firm, partnership or corporation shall not be affected.

(b) In any action taken against a REALTOR® Member for suspension or expulsion under section 6(a) hereof, notice of such action shall be given to all REALTORS® employed by or affiliated as independent contractors with such REALTOR® Member and they shall be advised that the provisions in Article VI, Section 6(a) shall apply.

Section 7. Institute Affiliate Members. Institute Affiliate Members shall have rights and privileges and be subject to obligations prescribed by the Board of Directors consistent with the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS®.

Section 8. Affiliate Members. Affiliate Members shall have such privileges and rights and be subject to such obligations as may be prescribed by the Board of Directors, except the right to vote and hold elective office. No Institute Affiliate may use the term REALTOR® or the REALTOR® logo; may serve as President; or to be a Participant in the MLS.

Section 9. Designated Associate/Associate Members. Associate Members shall have all of the rights and privileges and be subject to such obligations as may be prescribed by the Board of Directors, except the right to vote and hold elective office.

Section 10. Honorary Members. Honorary Membership shall confer no rights except the right to attend meetings and participate in discussions, and shall impose no obligations.

Section 11. Life Members. Life Members shall be entitled to all the rights and privileges of REALTOR® Membership, and shall be subject to all the obligations of REALTOR® Membership, except that the Board of Directors may confer certain concessions in the matter of dues.

Section 12. Certification. Designated REALTOR® Members of the Association shall certify to the Association annually on a form provided by the Association, a complete listing of all individuals licensed or certified in the REALTOR®'S office(s) and shall designate a primary Association for each individual who holds membership. Designated REALTORS® shall also identify any non-member licensees in the REALTORS® office(s) and if Designated REALTOR® dues have been paid to another Association based on said non-member licensees, the Designated REALTOR® shall identify the Association to which dues have been remitted. These declarations shall be used for purposes of calculating dues under Article X, Section 2(a) of these Bylaws. Designated REALTOR® Members shall also notify the Association of any

additional individual(s) licensed or certified with the firm as to the date of affiliation or severance of the individual.

Section 13. Any member of the Association may be reprimanded, placed on probation, suspended or expelled for sexual harassment of an Association or MLS employee after a hearing in accordance with the established procedures of the Association. The decision of the appropriate disciplinary action to be taken shall be made by the investigatory team comprised of the President and President-elect and one member of the Board of Directors selected by the highest ranking officer not named in the complaint, upon consultation with counsel for the Association. If the complaint names the President or President-Elect they may not participate in the proceedings and shall be replaced by the Immediate Past President or, alternatively, by another member of the Board of Directors selected by the highest ranking officer not named in the complaint.

Section 14. Harassment. Any member of the association may be reprimanded, placed on probation, suspended or expelled for harassment of an association or MLS employee or Association Officer or Director after a hearing in accordance with the established procedures of the association. Disciplinary action may also consist of any sanction authorized in the association's Code of Ethics and Arbitration Manual. As used in this Section, harassment means any verbal or physical conduct including threatening or obscene language, unwelcome sexual advances, stalking, actions including strikes, shoves, kicks or other similar physical contact, or threats to do the same, or any other conduct with the purpose or effect of unreasonably interfering with an individual's work performance by creating a hostile, intimidating or offensive work environment. The decision of the appropriate disciplinary action to be taken shall be made by the investigatory team comprised of the President and/or 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. If the complaint names the President or President-elect, they may not participate in the proceedings and shall be replaced by the Immediate Past President or, alternatively, by another member of the Board of Directors selected by the highest ranking officer not named in the complaint.

ARTICLE VII. Professional Standards and Arbitration

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

Section 2. It shall be the duty and responsibility of every REALTOR® of this Association to abide by the Constitution and Bylaws and the Rules and Regulations of the Association, the Constitution and Bylaws of the State Association, the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS®, and to abide by the Code of Ethics of the

NATIONAL ASSOCIATION OF REALTORS®, including the duty to arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics, and as further defined and in accordance with the procedures set forth in the *Code of Ethics and Arbitration Manual* of this Association as from time to time amended.

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

ARTICLE VIII. Use of Terms REALTOR® AND REALTORS®

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

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

Section 3. A REALTOR® Member who is a principal of a real estate firm, partnership, or corporation may use the terms REALTOR® and REALTORS® only if all the principals of such firm, partnership, or corporation who are actively engaged in the real estate profession within the state or a state contiguous thereto are REALTOR® Members of the Association or Institute Affiliate Members as described in Section 1(b) of Article IV.

(a) In the case of a REALTOR® member who is a principal of a real estate firm, partnership, or corporation whose business activity is substantially all commercial, the right to use the term REALTOR® or REALTORS® shall be limited to office locations in which a principal, partner, corporate officer, or branch office manager of the firm, partnership, or corporation holds REALTOR® membership. If a firm, partnership, or corporation operates additional places of business in which no principal, partner, corporate office, or branch office manager holds REALTOR® membership; the term REALTOR® or REALTORS® may not be used in any reference to those additional places of business.

Section 4. Institute Affiliate Members shall not use the term REALTOR or REALTORS, or the imprint of the emblem seal of the NATIONAL ASSOCIATION OF REALTORS.

ARTICLE IX. State and National Memberships

Section 1. The Association shall be a member of the NATIONAL ASSOCIATION OF REALTORS® and of the North Carolina Association of REALTORS®. By reason of the Association's membership, each REALTOR® Member of the Member Association shall be entitled, to membership in the NATIONAL ASSOCIATION OF REALTORS® and the North Carolina Association of REALTORS® without further payment of dues. The Association shall

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

Section 2. The Association recognizes the exclusive property rights of the NATIONAL ASSOCIATION OF REALTORS® in the terms REALTOR® and REALTORS®. It shall forthwith discontinue use of the terms in any form in its name upon ceasing to be a member of the National Association, or upon a determination by the Board of Directors of the National Association that it has violated the conditions imposed upon the terms.

Section 3. The Association adopts the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and agrees to enforce the Code among its REALTOR®. The Association and all of its Members agree to abide by the Constitution, Bylaws, Rules and Regulations and policies of the NATIONAL ASSOCIATION and the NORTH CAROLINA ASSOCIATION OF REALTORS®.

ARTICLE X. Dues and Assessments

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

Section 2. Dues

(a) The dues of each Designated REALTOR® Member shall be in such amount as established annually by the Board of Directors. Also, an additional amount shall be established annually by the Board of Directors times the number of real estate sales persons and licensed or certified appraisers who are (1) employed by or affiliated as independent contractors, or who are otherwise directly or indirectly licensed with the REALTOR® who are (2) not REALTOR® Members of any Association in the state or a state contiguous thereto Institute Affiliate Members of the Association. In calculating the dues payable to the Association by the Designated REALTOR®, non-member licensees as defined in Section 2 (1) and (2) of this Article shall not be included in the computation of dues if the DR has paid dues based on said non-member licensees in another Association in the state or a state contiguous thereto, provided the Designated REALTOR® notifies the Association in writing of the identity of the Association to which dues have been remitted. In the case of a Designated REALTOR® Member in a firm, partnership, or corporation whose business activity is substantially all commercial, any assessments for non-member licensees shall be limited to licensees affiliated with the Designated REALTOR® (as defined in (1) and (2) of this paragraph) in the office where the Designated REALTOR® holds membership, and any other offices of the firm located within the jurisdiction of this association.

(1) For the purpose of this Section, a REALTOR® Member of a Member Association shall be held to be any Member who has a place or places of business within the state or a state contiguous thereto and who, as a principal, partner, corporate officer, or branch office manager of a real estate firm, partnership, or corporation, is actively engaged in the real estate business as defined in Article III, Section 1, of the Constitution, NATIONAL ASSOCIATION OF REALTORS®.

An individual shall be deemed to be licensed with a REALTOR® if the license of the

individual is held by the REALTOR®, or by any broker who is licensed with the REALTOR®, or by an entity in which the REALTOR® has a direct or indirect ownership interest, which is engaged in other aspects of the real estate business (except as provided for in Section 2 (a) (1) hereof) provided that such licensee is not otherwise included in the computation of dues payable by the principal, partner, or corporate officer of the entity.

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

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

(b) The annual dues, if any, of each Designated Associate Member, Associate Member, Honorary Member, and Life Member shall be determined by the Board of Directors.

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

Section 3. Dues Payable. Dues for all continuing members shall be payable annually in advance on the first day of January. Dues for a new member shall be computed from the first day of the month in which a person is notified of election and shall be prorated for the remainder of the year. Such prorated dues shall be payable at the time their application is submitted to the Association.

(a) In the event a sales licensee, or licensed or certified appraiser, who holds REALTOR® or Licensed Assistant/Referral membership is dropped for nonpayment of Association dues, and the licensee remains with the designated REALTOR'S® firm, the dues obligation of the "designated" REALTOR® (as set forth in Article X, Section 2a) 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 30 days of the notice of termination.

Section 4. Nonpayment of Financial Obligations. If dues, fees, fines, and other assessments including amounts owed to the Association or the Association's Multiple Listing Service are not paid within one month after the due date, the nonpaying Member may be dropped from Membership by the Board of Directors at its discretion. However, no action shall be taken to suspend or expel a Member for nonpayment of disputed amounts until the accuracy of the amount owed has been confirmed by the Board of Directors. A former Member who has had his Membership terminated for nonpayment of dues, fees, fines, or other assessments duly levied in accordance with the provisions of these Bylaws or the provisions of other rules and regulations of the Association or any of its services, departments or divisions may apply for reinstatement in a manner prescribed for new applicants for Membership, after making payment in full of all accounts due as of the date of termination.

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

the Board of Directors.

ARTICLE XI. Officers and Directors

Section 1. Officers. The elective Officers of the Association shall be: a President, a President-elect, and a Secretary/Treasurer. The President-Elect shall automatically succeed to the position of President, in the year after his or her term, without the necessity of standing for election. In order to serve as an Officer, a member shall have served at least one year as a Director. All Officers and Directors must be active REALTOR members of the Association. There shall also be a non-elected Executive Vice-President who shall be employed by the Association to manage and operate the Association as directed by the Board of Directors; and a non-elected Vice President who shall be the President of the REALTOR® Foundation of the Triangle, Inc.

Section 2. Duties of Officers. The duties of the Officers shall be such as their titles, by general usage, would indicate and such as may be assigned to them by the Board of Directors. It shall be the particular duty of the Executive Vice President to keep the records and carry on all necessary correspondence with the North Carolina Association of REALTORS®, Inc. and the NATIONAL ASSOCIATION OF REALTORS®.

Section 3. Board of Directors. The governing body of the Association shall be a Board of Directors consisting of the elective Officers, the immediate Past President, the President of the REALTOR® Foundations of the Triangle, Inc. and 20 other Directors. The Board of Directors may invite other members serving in official capacities of state and National REALTOR® organizations to serve in a non-voting, advisory capacity on the Board of Directors. To serve on the Board of Directors a member must have been a REALTOR® for at least two years. The Executive Vice-President shall be a non-voting member of the Board of Directors. The term of office for Directors shall be two years with approximately one-half elected each year. The Directors will be limited to serving six consecutive years, including appointed and/or elected terms, with service as an Officer not included in that limitation.

The President will have the option to appoint one additional member to the Board of Directors. This appointee will serve a two-year term as a local Director and must meet the same requirements as elected Directors.

Section 4. Election of Officers and Directors.

(a) Election Committee and Nomination Procedures. At least sixty days before the date established for the election, an Election Committee shall be convened. The Committee shall consist of the four immediate Past Presidents and two members who have been selected from the general membership. The Past President, who is four years out of office, shall be Chairman. In the absence of that person, the Past President three years out will be the Chairman, and likewise in succession. No member of the Elections committee may be running for an officer's position. The Election Committee shall select one or more candidates for each office, except that of President if there is a sitting President-Elect. A person who is nominated by the committee for an Officer's position may be nominated for a Director's position during the same election. If an individual should win both an Officers' and Directors' race, then they must decline one of those two offices. The next highest vote receiver will assume the declined office. The report of the Election Committee shall be mailed to each member at least thirty days preceding the election. The Election Committee shall administer the Election and all other membership votes in accordance with these bylaws. The unassigned members of the Committee shall consist of a broad cross-section of active members.

(b) Additional Candidates. Members shall have the option to nominate additional candidates by write-in ballot. Members may choose to write in the name of a person who has been nominated as an Officer and indicate that they are voting for that person as a Director. If a person is elected as an Officer and as a Director, he or she shall serve as an Officer.

(c) Election Procedure. Voting for Officers and Directors shall take place each year on a day(s) designated by the Board of Directors. Ballots will be tabulated after the polls close and results of the election will be announced as-soon-as possible.

Section 5. Vacancies. Any vacancy among the Board of Directors shall be filled by the first runner-up who meets all other election criteria.

Section 6. Removal of Officers and Directors. In the event that an Officer or Director is deemed to be incapable of fulfilling the duties for which elected, but will not resign from office voluntarily, the person may be removed from office under the procedure described in this section. For the purposes of this section, "incapable" may mean either that a person suffers from incapacity for health reasons or that a person is found to have engaged in conduct flagrantly in violation of the objectives of the Association, as defined in Article II.

(a) A petition requiring the removal of an Officer or Director and signed by no less than one-third of the voting membership or a majority of all Directors shall be filed with the President, or if the President is the subject of the petition, with the next-ranking officer, and shall specifically set forth the reasons the individual is deemed to be disqualified from further service.

(b) Upon receipt of the petition, and not less than twenty (20) days or more than forty-five (45) days thereafter, a special meeting of the voting members of the Association of REALTORS® shall be held, and the sole business of the meeting shall be to consider the charge against the Officer or Director, and to render a decision on such petition.

(c) The special meeting shall be noticed to all REALTOR® Members at least ten (10) days prior to the meeting, and shall be conducted by the President of the Association unless the President's continued service in office is being considered at the meeting. In such case, the next-ranking officer will conduct the meeting. Provided a quorum is present, a three-fourths vote of the members present and voting shall be required for removal from office.

Section 7. Liability. The Officers and Members of the Board of Directors of the corporation, designated or elected as provided in these bylaws, shall not be liable for any mistake of judgement, negligence, or other act or omission, except for individual willful misconduct or bad faith. The Officers and Members of the Board of Directors are indemnified and held harmless to the fullest extent allowed by law against all liabilities to others arising out of contracts made by the Officers and Board of Directors on behalf of the corporation, unless any such contract shall have been made in bad faith or contrary to the provisions of these bylaws and against all liability arising out of any other actions taken by the Officers and Members of the Board of Directors in good faith within the course of their duties and the scope of their authorities. It is intended that the Officers, Members of the Board of Directors and any agent or employee on behalf of the corporation shall have no personal liability with respect to any contract made by them on behalf of the corporation. Every agreement made by the Officers, Members of the Board of Directors or by any agent or employee on behalf of the corporation, which agreement the office, director, agent or employee is authorized to make shall provide that the Officers, Board of Directors, agents or employees, as the case may be, are acting only as agents for the corporation and shall have no personal liability thereunder. The corporation shall obtain, to the extent available, Directors' and Officers' liability insurance and errors and omissions liability insurance, the cost

for said insurance to be provided at the expense of the corporation.

ARTICLE XII. MEETINGS

Section 1. Meetings of Directors. The Board of Directors shall meet at the call of the President. Absence from three consecutive regular meetings or four total meetings in one year without an excuse deemed valid by the Board of Directors shall be construed as resignation therefrom. A majority of the Board of Directors shall constitute a quorum for the transaction of Business at a meeting.

Section 2. Annual Meeting. The Annual Meeting of the Association shall be held on the date of the regular December meeting, the place and hour to be designated by the Board of Directors.

Section 3. Other Meetings. Meetings of the Members may be held at such other times as the President or Board of Directors may determine, or upon the written request of twenty percent of the Members eligible to vote.

Section 4. Notice of Meetings of the Association. Due notice by either personal delivery, or by electronic or other form of wire or wireless communication, or by facsimile transmission or by mail or private carrier shall be given to every Member at least two days preceding all meetings accompanied by a statement of the purpose of the meeting, except for established regular meetings.

Section 5. Quorum. The Members in good standing present at any regular meeting of the Association shall constitute a quorum.

ARTICLE XIII. Committees

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

Education, Election, Political Affairs, Professional Standards, Grievance, Equal Opportunity, and Strategic Planning.

Appointments to the Professional Standards and Grievance Committee shall be consistent with the cooperative professional standards enforcement agreement of the Association.

Section 2. Executive Committee. The Executive Committee shall be composed of all Officers elected by the general Membership or their successors, and the Immediate Past President of the Association and the President of the REALTOR® Foundation of the Triangle, Inc. who will serve as Vice President as well as the Executive Vice President who shall be a non-voting member. The Executive Committee shall meet at the call of the President. The Executive Committee may only make recommendations to the Board of Directors for its consideration and action and may not act on behalf or exercise the authority of the Board of Directors.

Section 3. Special Committees. The President shall appoint, subject to confirmation by the Board of Directors, such special committees or task forces, as he or she may deem necessary.

Section 4. Organization. All committees shall be of such size and shall have such duties,

functions and powers as may be assigned to them by the President or the Board of Directors, except as otherwise provided in the bylaws.

Section 5. President. The President shall be an ex officio member of all committees and shall be notified of their meetings.

Section 5. President-Elect. The President may appoint the President-Elect as chairman or member of any committee. On all committees of which the President-Elect does not receive such assignment, he or she shall be an ex officio non-voting member and shall be notified of their meetings.

ARTICLE XIV. Fiscal and Elective Year

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

ARTICLE XV. Rules of Order

Section 1. Robert's Rules of Order, latest edition, shall be recognized as the authority governing the meetings of the Association, its' Board of Directors and committees, in all instances wherein its' provisions do not conflict with these Bylaws.

ARTICLE XVI. Amendments

Section 1. These Bylaws may be amended by majority vote of the Directors present and qualified to vote at any meeting at which a quorum is present, provided the substance of such proposed amendment or amendments shall be plainly stated in the call for the meeting. Article XVII may be amended only by majority vote of all REALTOR® Members.

Section 2. Notice of all meetings at which such amendments are to be considered shall be given to every Director either by personal delivery, or by electronic or other form of wire or wireless communication, or by facsimile transmission or by mail or private carrier, at least one week prior to the time of the meeting.

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

ARTICLE XVII. Dissolution.

Section 1. Upon the dissolution or winding up of the affairs of this Association, the Board of Directors, after providing for the payment of all obligations, shall distribute any remaining assets to the North Carolina Association of REALTORS® or, within its discretion, to any other non-profit tax exempt organization.

ARTICLE XVIII. Property Management Division

Section 1. Authority. The Association may maintain for the exclusive use of its Members a Property Management Division, which shall be subject to the Constitution and Bylaws of the Association and such Rules and Regulation as may hereinafter be adopted.

ARTICLE XIX – Multiple Listing

Section 1. Authority. The Association of REALTORS® may maintain for the use of its Members a Multiple Listing Service which shall be a lawful corporation of the state of North Carolina, all the stock of which shall be owned by the Association of REALTORS®.

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

Section 3. Governing Documents. The Board of Directors shall cause any Multiple Listing Service established by it pursuant to this Article to conform its Corporate Charter, Constitution, bylaws, Rules, Regulations, and Policies, Practices, and Procedures at all times to the Constitution, Bylaws, Rules, Regulations, and Policies of the NATIONAL ASSOCIATION OF REALTORS®.

Section 4. Participation. Any REALTOR® of this or any other Association or Board who is a principal, partner, or corporate officer, or branch manager acting on behalf of the principal, without further qualification, shall be eligible to participate in Multiple Listing upon agreeing in writing to conform to the Rules and Regulations thereof and to pay the costs incidental thereto. However, under no circumstances is any individual or firm, regardless of membership status, entitled to Multiple Listing Service "Membership" or "Participation" unless they hold a current, valid real estate broker's license and are capable of offering and accepting compensation to and from other Participants or are licensed or certified by an appropriate state regulatory agency to engage in the appraisal or real property. Use of information developed by or published by a Association Multiple Listing Service is strictly limited to the activities authorized under a Participant's licensure(s) or certification and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey "Participation", or "Membership" or any right of access to information developed or published by a Association Multiple Listing Service where access to such information is prohibited by law.

Section 5. Access to Comparable and Statistical Information. REALTOR® members who are actively engaged in real estate brokerage, management, appraising, land development or building, but who do not participate in the MLS, are nonetheless entitled to receive, by purchase or lease, information other than current listing information that is generated wholly or in part by the MLS including "comparable" information, "sold" information, and statistical reports. This information is provided for the exclusive use of Association Members and individuals affiliated with Association Members who are also engaged in the real estate business and may not be transmitted, retransmitted, or provided in any manner to any unauthorized individual, office or firm except as otherwise specified in the MLS Rules and Regulations. Association Members who receive such information, either as a Association service or through the Association's MLS, are subject to the applicable provisions of the MLS Rules and Regulations whether they participate in the MLS or not.

Section 6. Subscribers. Subscribers (or users) of the MLS include non-principle brokers, sales

associates, and licensed and certified appraisers affiliated with Participants.

Rules and Regulations

The following Rules and Regulations of Membership in the Raleigh Regional Association of REALTORS®, in addition to those expressed in the Bylaws, shall be required.

1. Prior to election to Membership, applicants for all classifications of Membership shall be required to successfully complete Indoctrination Course. This course shall be conducted within a time period, which permits an application to be processed for Membership within a six-month period.

2. Transfer Memberships. The Association shall charge the customary fees for the category of Membership being applied for. The educational requirements for REALTOR® Membership shall be the same as required on the local level. These requirements may be waived at the discretion of the Board of Directors.

3. Heads of Firms. It shall be an added primary responsibility of Designated REALTORS® to certify to the Association annually, at a time determined by the Board of Directors, a complete listing on a form provided by the Association of all individuals licensed with their firms.