



CONSTITUTION AND BYLAWS

OF THE

CHARLOTTE REGION COMMERCIAL BOARD OF REALTORS® , INC.

Amended 7/31/98; 9/18/02; 1/21/04; 10/21/09

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CONSTITUTION

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OF THE
CHARLOTTE REGION COMMERCIAL BOARD OF REALTORS® , INC.
Amended 7/31/98; 9/18/02; 1/21/04; 10/21/09

CONSTITUTION

ARTICLE I - NAME

- Section 1.** Name. The name of this organization shall be the Charlotte Region Commercial Board of REALTORS®, Inc., hereinafter referred to as “CRCBR”.
- Section 2.** REALTORS®. Inclusion and retention of the Registered Collective Membership Mark REALTORS® in the name of CRCBR shall be governed by the *Constitution and Bylaws of the National Association of REALTORS®*, Inc. (hereinafter “National Association” or “National Association of REALTORS®”) as from time to time amended.

ARTICLE II - OBJECTIVES

The objectives of CRCBR are:

- Section 1.** To unite those engaged in the recognized branches of the commercial real estate profession for the purpose of exerting a beneficial influence upon the profession and related interests.
- Section 2.** To promote and maintain high standards of conduct in the commercial real estate profession as expressed in the Code of Ethics of the National Association of REALTORS®.
- Section 3.** To promote and maintain high standards of professionalism in the commercial real estate profession.
- Section 4.** 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 5.** To further the interests of commercial, industrial and other investment real property.
- Section 6.** To unite those engaged in the commercial real estate profession in this community with their respective North or South Carolina Associations of REALTORS® (hereinafter “State Associations” or “State Associations 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 7. To designate, for the benefit of the public, those individuals authorized to use the terms REALTOR® and REALTORS® as licensed, prescribed, and controlled by the National Association of REALTORS®.

ARTICLE III – JURISDICTION

Section 1. Territorial jurisdiction is defined to mean:

- a. The right and duty to control the use of the terms REALTOR® and REALTORS®, subject to the conditions set forth in these Bylaws and those of the National Association, in return for which CRCBR agrees to protect and safeguard the property rights of the National Association in the terms.

Section 2. The territorial jurisdiction of CRCBR as a member of the National Association of REALTORS® shall be exercised in that geographical area of North and South Carolina comprised of the following 18 counties: North Carolina - Alexander, Anson, Burke, Cabarrus, Caldwell, Catawba, Cleveland, Gaston, Iredell, Lincoln, Mecklenburg, Richmond, Rowan, Stanly, and Union; South Carolina- Chester, Lancaster and York.

BYLAWS

ARTICLE I - MEMBERSHIP

Section 1. Membership Classes. There shall be six (6) classes of members as follows:

- a. REALTOR® Members. REALTOR® members, whether primary or secondary shall be:
 - i. *Principal REALTOR®:* Individuals who are engaged actively, whether as sole proprietors, partners, corporate officers or principals in any other form of business entity, (hereinafter “firm” or “firms”) in the real estate profession in the field of real estate, which activity may include: buying, selling, exchanging, renting or leasing, managing, appraising for others for compensation, counseling, building, developing or subdividing real estate, and who maintain or are associated with an established real estate office in the states of North or South Carolina or a state contiguous to either of said states. 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 I.
 - ii. *Managing REALTOR®:* Individuals who, while not a sole proprietor, partner, corporate officer or principal in any other form of business entity, are delegated the authority to

exercise management control over a real estate office/department in the states of North or South Carolina or a state contiguous to either of said states on behalf of the sole proprietorship, partnership, corporation or other business entity form which employs the individual.

(1) **Primary and Secondary REALTOR® Members.** An individual is a primary member if CRCBR 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.

(2) **Designated REALTOR®.** Each firm shall name one of its Principal or Managing REALTOR® members as its Designated REALTOR®. He/she shall be responsible for providing to CRCBR a certified list of all individuals licensed with the Designated REALTOR®'s place of business during the month of September of each year and for updating the list within thirty (30) days of any changes therein. The Designated REALTOR® shall also be charged with payment of the assessments attributable to such list pursuant to Article VII, Section 2.a. The Designated REALTOR® member shall be responsible for all duties and obligations of membership including the obligation to arbitrate pursuant to Article 17 of the Code of Ethics. 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.

iii. **Non-Principal REALTOR®:** Individuals who are engaged in the real estate profession in a capacity other than as sole proprietors, partners, corporate officers, principals or individuals in positions of branch management control, and who are associated with a Principal or Managing REALTOR® member and meet the qualifications set out in Article II, herein.

iv. **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 National Association 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 Board 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 Board, 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. Associate Members. Associate members shall be real estate owners or sole proprietors who, while not engaged in the real estate profession as defined in paragraphs a. or b. of this Section 1, have interests requiring information concerning real estate and are in sympathy with the objectives of CRCBR.
- d. Corporate Associate Members. Corporate Associate members shall be partnerships, corporations or other business entities which, while not engaged in the real estate profession as defined in paragraphs a. or b. of this Section 1, have interests requiring information concerning real estate and are in sympathy with the objectives of CRCBR.
 - i. Each Corporate Associate member firm must appoint one individual as the main designee for the firm. The firm may change this main designee at will, and may also add additional other firm designees.
- e. Public Service Members. Public Service members shall be individuals who are interested in the real estate profession as employees of or affiliated with educational, public utility, governmental or other similar organizations, but are not engaged in the real estate profession on their own account or in association with an established real estate business.
- 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 Board, or for the public.

Section 2. Property Rights. No member shall have any right to any interest in the property of CRCBR.

Section 3. Fees and Dues. Application fees and dues as may hereinafter be established shall be deemed to have been paid, subject to the provisions of the Bylaws, for purposes of membership privileges only.

Section 4. Suspension and Expulsion. Members shall be terminated for nonpayment of dues as provided in Article VII, Section 4 of these Bylaws. Members may be suspended or terminated by a majority action of the Board of Directors for any conduct which discredits this organization or the real estate profession; provided that, before action is taken, the member shall be given reasonable opportunity to defend himself as provided for in these Bylaws.

ARTICLE II - QUALIFICATION AND ELECTION

Section 1. Application.

- a. Application Form: An application for all membership categories shall be made in such manner and form as may be prescribed by the Board of Directors and shall be made available to anyone requesting it.
- b. Signed Application Form As Written Affirmation: The application form, regardless of the membership category, shall be signed by every applicant and, when signed, shall constitute written affirmation by each applicant as to the following statements:
 - i. *Agreement to Abide by the Rules.* That he/she will carefully review, and if elected a member, will abide by the Constitutions, Bylaws and Rules and Regulations of CRCBR, the National Association and his/her respective State Association; and, if a REALTOR® member, will also 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 it is from time to time amended; and,
 - ii. *Comments Concerning Applicant.* That the applicant agrees that CRCBR, through its Membership Committee or otherwise, may invite and receive information and comment about the applicant from any member or other person, and that applicant further agrees that any information and comment furnished to CRCBR by any person in response to the invitation shall be conclusively deemed to be privileged and shall not form the basis of any action for slander, libel, or defamation of character. The applicant shall, in addition to the application form, have access to copies of these Bylaws, and the Constitutions, Rules and Regulations, and the Code of Ethics referred to above.

Section 2. Qualification.

- a. REALTOR® Members. All applicants for REALTOR® membership, as defined more fully in Article I, Section I.a.i.-iii., must meet the qualification requirements of one of the following REALTOR® categories and complete the required instruction course within the maximum time allotted:
 - i. *Principal REALTORS®.* Principal REALTOR® applicants, as defined in Article I, Section 1.a.i. must be a sole proprietor, partner, corporate officer or principal of a real estate firm and shall supply evidence satisfactory to the Membership Committee of matters which shall include, but not be limited to the following:
 - (1) that he or she is actively engaged in the real estate profession;

(2) that he or she maintains a valid and current 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;

(3) that he or she has no record of recent (within the past 3 years) or pending bankruptcy;¹

(4) that he or she has no record of official sanctions involving unprofessional conduct nor any record of felony criminal convictions (within the past 3 years).²

ii. *Managing and Non-Principal REALTOR®*. Managing REALTOR® - applicants, as defined in Article I, Section 1.a.ii. at the time of application, must be actively engaged in a position which exercises management control of a real estate office/department, if seeking membership in that category; or if seeking membership as a Non-Principal REALTOR® as defined in Article I, Section 1.a.iii at the time of application, must be actively engaged in the real estate profession other than as a sole proprietor, partner, corporate officer, principal or manager, and shall be employed by or associated with, as an independent contractor, a real estate firm that:

(1) has named a Principal or Managing REALTOR® member as the Designated REALTOR® for the firm pursuant to Article I, Section 1.a.i.;

(2) maintains an established real estate business;

(3) that he or she maintains a valid and current 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;

¹ No recent or pending bankruptcy is intended to mean that the applicant or any real estate firm in which the applicant is a sole proprietor, general partner, corporate officer, or branch office manager, is not involved in any pending bankruptcy 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 interests 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 Commercial Property Exchange 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). In the event that an existing member initiates bankruptcy proceedings, the member may be placed on a "cash basis" from the date that bankruptcy is initiated until one (1) year from the date that the member has been discharged from bankruptcy.

² No record of official sanctions involving unprofessional conduct is intended to mean that the association may only consider:

- a. judgments against the applicant within the past three (3) years of violations of (1) civil rights laws, (2) real estate license laws, and (3) or other laws prohibiting unprofessional conduct against the applicant rendered by the courts or other lawful authorities
- b. 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 (10) 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.

- (4) that he or she has no record of official sanctions involving unprofessional conduct nor any record of felony criminal convictions (within the past 3 years).²

iii. *Course of Instruction.*

Applicants for REALTOR® membership and provisional REALTOR® members 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 year or less.

Failure to satisfy this requirement within 360 days of the date of application will result in denial of the membership application.

- iv. *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 North or South Carolina Association of REALTORS®, the National Association of REALTORS®, or any other recognized educational institution or provider which meets the learning objectives and minimum criteria established by the National Association of REALTORS® from time to time. REALTOR® members who have completed training as a requirement of membership in another association and REALTOR® members who have completed the New Member Code of Ethics Orientation during any 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 cycle (2001-2004) 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 (2005-2008) 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 member who is still suspended as of that date will be automatically terminated.

- iv. *Application Time Limitation and Forfeiture of Fee.* All applicants for REALTOR® membership whose completed application is received in the CRCBR office shall complete said course of instruction within one hundred and eighty (180) days after the application is received (hereinafter called the Application Period). The effective date of REALTOR® membership will be the date that ALL requirements pre-requisite to membership are completed and in the hands of the Membership Committee of CRCBR. In the event that the applicant fails to complete all requirements during the Application Period, the application will be of no further force and effect, and the application fees will be forfeited to CRCBR. Applicants will have no membership rights or privileges in CRCBR during the Application Period.

- b. Associate or Corporate Associate Members. Membership applicants, as the categories are defined in Article I, Sections 1.c. and d., shall meet such requirements as the Board of Directors may prescribe, consistent with these Bylaws.

- c. Public Service and Honorary Members. Membership applicants, as the category is defined in Article I, Section 1.e. and f., shall meet such requirements as the Board of Directors may prescribe, consistent with these Bylaws.

- e. Provisional Membership. Article IV, Section 2, of the National Association Bylaws prohibits Member Boards from knowingly granting REALTOR® 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. Provisional Membership may be granted in instances where ethics complaints or arbitration requests (or hearings) are pending in other associations or where the applicant for membership has unsatisfied discipline pending in another association (except for violations of the Code of Ethics; See Article I Section 2.f.) provided all other qualifications for membership have been satisfied. 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 a member resigns from another association with an ethics complaint or arbitration request pending, the association may condition membership on the applicant's certification that he/she will submit to the pending ethics or arbitration proceeding (in accordance with the established procedures of the association to which the applicant has made application) and will abide by the decision of the hearing panel.

Section 3. Election to Membership.

- a. Analysis of Applicant. The CRCBR Staff shall determine whether the applicant is applying for the appropriate class of membership.

- b. Written Report. The Membership Committee shall receive a written report on all membership applications at its next regular meeting. If the recommendation is adverse to the approval of any of the applications, the reasons therefore shall be specifically stated. If one or more of the REALTOR® members objects to the approval of the

application, basing such objection on lack of qualification as set forth in these Bylaws, the Committee shall invite objecting members to appear and substantiate their objections. Objections which are not substantiated shall be disregarded. The Committee may not find the objections to be substantiated without: (1) giving the applicant advance notice in writing of the objections and identifying the objecting Member, and (2) giving the applicant a full opportunity to appear before the Committee and establish his qualifications. The Membership Committee shall conduct all proceedings in compliance with the Bylaws and Rules and Regulations of CRCBR and with strict attention to the principals of due process.

- c. Vote. The Board of Directors may designate the Membership Committee to review the qualifications of each applicant and then vote on the applicant's eligibility for membership. If an applicant receives a majority vote, the applicant shall be declared elected to membership and shall be so advised by written notice. If the application should be rejected, reasons shall be recorded with the Secretary.
- d. Due Process Requirements. An application may not be finally rejected without providing the applicant with written notice of the findings and recommendations of the Membership Committee, which written notice shall be approved by CRCBR counsel. Within the time period specified in the written notice of rejection, the rejected applicant shall have an opportunity to appear before the Board of Directors, to call witnesses on his behalf, to be represented by counsel, and to make such statements as he deems relevant. The Board of Directors may also have its counsel present. The Board of Directors shall either require that written minutes be made of any hearing before it, or it may electronically or mechanically record the proceedings. Thereafter, the Board shall prepare a written statement of its final determination of applicant's status, which statement shall be reviewed by CRCBR counsel before being sent to the applicant.

Section 4. Status. A REALTOR® member who changes the conditions under which he holds membership shall be required to provide written notification to CRCBR within thirty (30) days of any such change. A Non-Principal REALTOR® member 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 Principal REALTOR® 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 Principal REALTOR® member. If the Non-Principal REALTOR® member does not satisfy the requirements established in these Bylaws for the category of membership to which he or she has transferred within thirty (30) days of the date the Board was advised of the change in status, the new membership application will terminate automatically unless otherwise so directed by the Board of Directors.

ARTICLE III - PRIVILEGES AND OBLIGATIONS

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

Section 2. Privileges and Consequences of Membership.

a. REALTOR® Members.

- i. *Voting and Office Holding.* REALTOR® members, whether primary or secondary, in good standing whose financial obligations to CRCBR are paid in full shall be entitled to vote and to hold elective office in CRCBR.
- ii. *Use of Term.* REALTOR® members may use the terms REALTOR® and REALTORS®, which use shall be subject to the provision of Article V, infra.
- iii. *Responsibility to Protect Standards.* REALTOR® members have the responsibility to safeguard and promote the standards, interests and welfare of CRCBR and the real estate profession.
- iv. *Suspension of REALTOR® Members.* If a Principal or Managing REALTOR® is suspended or terminated, the proprietorship, partnership, corporation or firm of which he/she is a principal or the branch office which he/she is managing shall not use the terms REALTOR® or REALTORS® in connection with its business during the disciplined REALTOR® member's period of suspension or until the member is reinstated, unless the REALTOR® member's connection with the proprietorship, partnership, corporation, firm or branch office is severed. The REALTOR® memberships of all other partners, corporate officers or principals therein shall also be suspended during the disciplined member's period suspension or shall be terminated entirely if the member was terminated, unless the connection of the disciplined member with the partnership, corporation, firm or branch office is severed. Further, the Non-Principal REALTOR® members who are also employed by or affiliated as independent contractors with the disciplined REALTOR® member or his proprietorship, partnership, corporation, firm or branch office shall also be suspended during the period of suspension, or terminated if appropriate, of the disciplined REALTOR® member unless the Non-Principal REALTOR® member elects to sever his connection with the suspended or terminated REALTOR® member and affiliates with another REALTOR® member who is in good standing with CRCBR or unless the connection of the disciplined REALTOR® member with the proprietorship, partnership, corporation, firm or branch office is severed, whichever may apply. Once the disciplined REALTOR® member is reinstated to CRCBR membership, then the proprietorship, partnership, corporation, firm or branch office and its partners, corporate officers, or principals therein are also reinstated to REALTOR® membership, as are the Non-Principal REALTOR® members who are still employed by or affiliated with the reinstated REALTOR® member. If a Non-Principal REALTOR® member who is an employee of or an independent contractor with a sole proprietorship, partnership, corporation, firm or branch office is suspended or terminated, the use of the terms

REALTOR® or REALTOR® by that proprietorship, partnership, corporation, firm or branch office shall not be affected.

- v. Notices. In any action taken against a REALTOR® member for suspension or termination under Article III, Section 2. a. iv., 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 III. Section 2.a.iv. shall apply.
- b. Institute Affiliate Members. Institute Affiliate members shall have such rights and privileges and be subject to such obligations as prescribed by the Board of Directors consistent with the Constitution, Bylaws and Rules and Regulations of CRCBR and the respective State and National Association of REALTORS®.

NOTE: CRCBR establishes the rights and privileges to be conferred on Institute Affiliate Members except that no Institute Affiliate Member may be granted the right to use the term REALTOR® or the REALTOR® logo; or to serve as President of CRCBR.

- c. Associate Members. Associate members shall be entitled to all the rights and privileges of CRCBR except the right to use the term REALTOR®.
- d. Corporate Associate Members. Corporate Associate members shall be entitled to all the rights and privileges of CRCBR except the right to use the term REALTOR®.
- e. Public Service and Honorary Members. Public Service and Honorary members shall have such rights and privileges and be subject to such obligations as prescribed by the Board of Directors consistent with the Constitution, Bylaws and Rules and Regulations of CRCBR and the respective State and National Association of REALTORS®.

Section 3. Certification by Designated REALTORS®. Each year, Designated REALTOR® members of CRCBR shall certify to CRCBR, on a form provided by CRCBR, a complete list of all individuals licensed with that Designated REALTOR® member's firm(s) and shall indicate which are primarily engaged in commercial real estate and which are primarily engaged in non-commercial specialties of the real estate business. These declarations shall be used for purposes of calculating dues under Article VII, Section 2.a. of these Bylaws. Designated REALTOR® members shall also notify CRCBR of changes in their certified list of those individual(s) so licensed with their firm(s) within thirty (30) days of the date of any change in affiliation or severance of an individual.

Section 4. Membership Duties. It shall be the obligation of each member to strictly observe the Constitution, Bylaws, Rules and Regulations of CRCBR, and to do so in a manner which always reflects credit upon CRCBR and the real estate profession. Members shall be permitted to report, in writing: (1) any breach of the foregoing, and (2) any other conduct tending to bring discredit to CRCBR or the real estate profession. Such written report shall be sent to the Secretary or Executive Vice President of CRCBR, who shall refer the report to the Ethics Committee for investigation until such time as a Final decision is made by the Board of Directors. In the event the confidentiality of a decision rendered is breached by any member of the Board of Directors, said member shall be automatically and

immediately referred to the Ethics Committee for a hearing as provided for in these Bylaws.

Section 5. Basis for Membership Discipline. Any member of CRCBR may be reprimanded, fined, placed on probation, suspended, or expelled by the Board of Directors for a violation of these Bylaws or the CRCBR Rules and Regulations, after a hearing as provided in the Code of Ethics and Arbitration Manual. Although CRCBR members other than REALTOR®, members are not subject to the Code of Ethics or its enforcement by CRCBR, such non-REALTOR® members are encouraged to abide by the principles established in the Code of Ethics of the National Association of REALTORS® and to conduct their business and professional practices accordingly. Further, upon recommendation of the Membership Committee or a hearing panel of the Professional Standards Committee, members other than REALTOR® members may, nevertheless, be subject to the discipline as described in this Article III for any conduct which, in the opinion of the Board of Directors, as applied on a nondiscriminatory basis, reflects adversely on the terms REALTOR® or REALTORS® or the real estate industry, or for conduct that is inconsistent with or adverse to the objectives and purposes of CRCBR or the State and National Association of REALTORS®.

Section 6. REALTOR® Member Discipline. Any REALTOR® member of CRCBR 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, 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 its Manual.

Section 7. Suspension of Membership Does Not Suspend Payment of Dues. “Suspension of Membership” means suspension of membership rights and privileges and denial of Board services, for a period not less than thirty (30) days, on terms and conditions expressly stated for an established period of time, including, but not limited to, use of the terms REALTOR® and REALTOR®-Association with reinstatement of all withdrawn membership rights and privileges and all withdrawn Board services automatically provided at the end of the specified period not to exceed one (1) year. Although membership rights, privileges, and services are withdrawn as specified in the notice of suspension, membership, per se, continues, and the suspended member remains obligated for payment of membership dues and to abide by the Code of Ethics during the period of suspension. The suspended member shall not be obligated for payment of any fees or charges except for continued optional services of the Board. Any failure to abide by the terms and conditions of the suspension, or the finding of a violation of the Code of Ethics after a hearing as provided by the professional standards procedures of the Board Bylaws, shall be grounds for consideration as to possible extension of the suspension or expulsion from membership in the Board.

Section 8. Resignation With Outstanding Dues and Fees. Resignations of members shall become effective when received in writing by the Board of Directors, provided, however, that if any member submitting his or her resignation is indebted to CRCBR for dues, fees, fines, or other assessments of CRCBR or any of its services, departments, divisions, or subsidiaries, the Board of Directors may condition the right of the resigning member to reapply for membership upon payment in full of all such monies owed.

Section 9. Resignation With Outstanding Ethics Complaint. If a member resigns from CRCBR with an ethics complaint or arbitration request pending, the Board of Directors may condition the right of the resigning member to reapply for membership upon the applicant's certification that he will submit to the pending ethics or arbitration proceeding and will abide by the decision of the hearing panel; or if the member resigns without having complied with an award in arbitration, the Board of Directors may condition the former member's right to reapply upon his promise to comply with or pay the award, plus any costs that have been previously established as due and owing by the former member, provided that the award has not been satisfied otherwise.

If a Member resigns from the Board 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 hearing panel.

- 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®.

ARTICLE IV - PROFESSIONAL STANDARDS AND ARBITRATION

Section 1. Governance by the Code of Ethics and Arbitration Manual. The responsibility of CRCBR and of individual CRCBR 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 governed by the Code of Ethics and Arbitration Manual of the National Association of REALTORS®, as from time to time amended, which by this reference is incorporated into these Bylaws; provided, however, that any provision deemed inconsistent with state law shall be deleted or amended to comply with state law.

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

Section 2. CRCBR Members Must Submit Dispute to Arbitration. It shall be the duty and responsibility of every REALTOR® member of CRCBR to abide by the Constitution, Bylaws, Rules, Regulations and the Code of Ethics of CRCBR, the state Associations and the National Association of REALTORS®, which responsibility also includes 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. Therefore, those CRCBR members who have a dispute with a member of another REALTOR® Board have a duty to submit said dispute to arbitration, in accordance with the procedures

provided for in Part Ten of the Code of Ethics and Arbitration Manual of the National Association of REALTORS® as from time to time amended.

Section 3. Arbitration of Disputes. The Board of Directors is empowered to enter into agreements with other REALTOR® Associations/Boards for the arbitration of disputes arising out of the business relations between members of this Board and members of such other REALTOR® Associations.

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

Section 1. National Association Regulations Control Use of Terms. 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 to the rules and regulations prescribed by its Board of Directors. CRCBR shall have the authority to control, jointly and in full cooperation with the National Association of REALTORS® the use of these 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. CRCBR Membership Permits Use of Term. REALTOR® members of CRCBR shall have the privilege of using the terms REALTOR® and REALTOR® in connection with their places of business within the states of North or South Carolina or a state contiguous to either of said states so long as they remain REALTOR® members in good standing. No other class of membership shall have this privilege.

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

Section 3. Limitation on Use of Terms. A Principal REALTOR® member in a real estate sole proprietorship, partnership, corporation or other entity may use the terms REALTOR® or REALTORS® only if all of the partners, corporate officers, or principals of such partnership, corporation or firm who are actively engaged in the real estate profession within the states of North or South Carolina or a state contiguous to either of said states are REALTOR® members of CRCBR or Institute Affiliate Members as described in Section 2.b. of Article I.

Section 4 Use of Terms by Institute Affiliates. Institute Affiliate members shall not use the terms REALTOR® or REALTORS® nor the imprint of the emblem seal of the National Association of REALTORS®.

ARTICLE VI - STATE AND NATIONAL MEMBERSHIPS

- Section 1.** Membership through CRCBR Membership. CRCBR shall be a member of the National Association of REALTORS® and the respective State Associations of REALTORS®. By reason of CRCBR's membership, each REALTOR®, member of CRCBR shall also be entitled to membership in the National Association and their respective State Associations of REALTORS® without further payment of any dues thereto. CRCBR shall continue as a member of the National Association of REALTORS® and the State Associations of REALTORS® unless a decision is made to withdraw by a majority vote of all of its REALTOR® members. In that event, the National Association of REALTORS® and the State Associations of REALTORS® shall be notified at least one month in advance of the date designated for the termination of such membership.
- Section 2.** Terms Are Exclusive Property Right. CRCBR recognizes the exclusive property rights of the National Association in the terms REALTOR® and REALTORS® as they have been assigned to CRCBR. Upon ceasing to be a member of the National Association or upon a determination by the Board of Directors of the National Association that CRCBR has violated the conditions imposed upon the use of these terms, CRCBR shall discontinue its use of these terms in its name in any form.
- Section 3.** Members and CRCBR Agree to Abide by National Association Code of Ethics. CRCBR adopts the Code of Ethics of the National Association of REALTORS® and agrees to enforce the Code among its REALTOR® members. CRCBR and all of its members agree to abide by the Constitution, Bylaws, Rules and Regulations, and policies of the National Association of REALTORS® and the respective State Associations of REALTORS®.

ARTICLE VII - FEES, DUES AND ASSESSMENTS

- Section 1.** Application Fee. The Board of Directors may adopt an application fee schedule for all classes of membership. The application fee for the REALTOR® members shall be a reasonable amount, not exceeding three (3) times the amount of the annual dues for REALTOR® membership, which fee shall accompany each application for REALTOR® membership and shall become the property of CRCBR upon final approval of the application or as provided for in Article III, Section 2.a.iv. Application fees shall be set by the Board of Directors having due regard for the value of the membership to the real estate profession in the CRCBR jurisdiction and for the value of the physical and other facilities and services of CRCBR available to its membership.
- Section 2.** Dues. Annual dues for the following classes of membership shall be set by a majority vote of the Board of Directors:
- a. REALTOR® Members. The dues of each REALTOR® member shall be in such amount as established annually by the Board of Directors, plus an additional amount, which will also be established annually by the Board of Directors, times the number of the number of real estate salespersons and licensed or certified appraisers who:

- i. are employed by or affiliated as independent contractors with, or otherwise directly or indirectly licensed with the REALTOR® member, and
- ii. are not REALTOR® members of any other Board in the states of North or South Carolina or in a state contiguous thereto, or are Institute Affiliate members with CRCBR. Provided, however, that if two or more REALTOR® members are principals of the same partnership, corporation or firm, then only that REALTOR® member designated from time to time, in writing, as the Designated REALTOR® member, by the partnership, corporation or firm shall be required to pay that portion of the dues which is computed on the basis of:

(1) the real estate licensee salespeople, and

(2) those licensed or certified appraisers employed by or affiliated as independent contractors with the partnership, corporation or firm. The dues of the remaining REALTOR® members who are partners, officers or principals in the same partnership, corporation or firm shall be only such base amount as determined by the Board of Directors. For the purpose of this Section, a REALTOR® member of CRCBR shall be defined as a Principal or Managing REALTOR® member, as set forth in Article I of these Bylaws and who, as a Principal or Managing REALTOR® member, is engaged primarily in the real estate profession as defined in Article III, Section 1.c of the Constitution of the National Association of REALTORS®. An individual shall be deemed- to be licensed with a REALTOR® member if the license of that individual is held by the REALTOR® member, or by any broker who is licensed with the REALTOR® member, or by any entity in which the REALTOR® member has a direct or indirect ownership interest and which is engaged in soliciting and/or referring clients or customers to the REALTOR® member or his firm on a substantially exclusive basis (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 partner, corporate officer or principal of the entity. In calculating the dues payable to the Board of a Designated REALTOR®, member, non-member licensees as defined in this article shall not be included in the computation of dues if the Designated REALTOR® has paid dues based on said non-member licensees in another Board in the state or a state contiguous thereto, provided the Designated REALTOR® notifies the Board in writing of the identity of the Board to which dues have been remitted.

(3) 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 board.

(4) A REALTOR® with 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®.

- b. Institute Affiliate Members. The Institutes, Societies and Councils of the National Association shall be responsible for collecting and remitting dues to the National Association for Institute Affiliate Members (\$75.00). The National Association shall credit \$25.00 to the account of a local association for each Institute Affiliate Member whose office address is within the assigned territorial jurisdiction of that association, provided, however, if the office location is also within the territorial jurisdiction of a Commercial Overlay Board (COB), the \$25.00 amount will be credited to the COB, unless the Institute Affiliate Member directs that the dues be distributed to the other board. The National Association shall also credit \$25.00 to the account of state associations for each Institute Affiliate Member whose office address is located within the territorial jurisdiction of the state association. Local and state associations may not establish any additional entrance, initiation fees or dues for Institute Affiliate Members, but may provide service packages to which Institute Affiliate Members may voluntarily subscribe.
- c. Associate and Corporate Associate Members. The annual dues of each Associate member shall be an amount as set by the Board of Directors. The annual dues for each individual Corporate Associate member shall be the same as for individual Associate members.
- d. Public Service and Honorary Members. The annual dues of each Public Service and Honorary member shall be an amount as set by the Board of Directors.

Section 3. Dues Payable. Dues for all members shall be payable annually in advance on the first (1st) day of January of the current year. Dues shall be computed for the first day of the month in which a member is elected to membership; they shall be prorated for the remainder of the year and shall be payable not later than ten (10) days after notification of election to membership.

Section 4. Non-Payment of Dues. If dues are not paid prior to January 25 of the current year, membership of the non-paying member(s) is automatically terminated.

Reinstatement Must Occur Within the Calendar Year of Termination. A former member whose membership has been terminated for non-payment of dues duly levied in accordance with the provisions of these Bylaws or the provisions of other rules and regulations of CRCBR or any of its services, departments, divisions, or subsidiaries may request reinstatement within the calendar year of termination, after making payment in full on all dues owing as of the date of the termination plus such reinstatement fee as may be set by the Board of Directors. Reinstatement shall be retroactive to January 1 of that calendar year with all relevant membership rights and privileges being reinstated.

Reinstatement of a former member beyond the calendar year of termination shall be handled in the same manner as prescribed for new membership applications.

Section 5. Non-Payment of Financial Obligation. If fees, assessments, fines, or other financial obligations which are owed to CRCBR are not paid within one (1) month of when they are assessed, membership of the non-paying member(s) is automatically suspended. If they are not paid within two (2) months of when they are assessed, membership of the nonpaying member(s) is automatically terminated at the discretion of the Board of Directors. A former member who has had his membership terminated for non-payment of fees, assessments, fines, or other financial obligations duly levied in accordance with the provisions of these Bylaws or the provisions of other Rules and Regulations of CRCBR or any of its services, departments, divisions or subsidiaries may apply for reinstatement in the manner prescribed for all new applicants for membership, after making payment in full of all accounts due as of the date of termination.

Section 6. Deposits and Expenditures. Deposits and expenditures of funds shall be in accordance with policies established by the Board of Directors.

Section 7. Notices of Dues, Fees, Fines, Assessments and Other Financial Obligations. All dues, fines, assessments, or other financial obligations to CRCBR shall be noticed in writing to the delinquent CRCBR members and shall set forth the amount owed and the due date thereof.

Section 8. The dues of REALTOR® members who are REALTOR® Emeritus (as reconized by the National Association) shall be as determined by the Board of Directors.

ARTICLE VIII - DIRECTORS AND OFFICERS

Section 1. General Description. The governing body of CRCBR shall be a Board of Directors. Elected Officers must be Directors. No more than two (2) Officers or Directors shall be from the same firm.

Section 2. Rules and Regulations. The Board of Directors shall have the power to adopt Rules and Regulations, and amendments thereto, for the administration of the corporation. These Rules and Regulations shall be in conformity with the Bylaws, as from time to time amended.

Section 3. Board of Directors. The composition of the Board of the Directors shall consist of the following:

- a. At-Large Directors. Fifteen (15) at-large Director seats, one of which shall be filled by a Corporate Associate member.
- b. Regional Directors. The Regional Director seats shall represent the following regions, as designated by numbered reference:

One Anson, Richmond, Stanly and Union;

- Two Chester, Lancaster and York;
- Three Cleveland, Gaston and Lincoln;
- Four Cabarrus, Iredel and Rowan; and
- Five Alexander, Burke, Caldwell and Catawba (includes Hickory).

Each region is entitled to fill one (1) director seat not later than two weeks prior to the deadline for the initial submission of the Nominating Committee's slate of candidates

- c. Advisors/Counselors. Each regional/location commercial institute, society or council of NAR shall be invited to serve a one-year term on the Board of Directors, provided that he/she currently holds REALTOR® membership in CRCBR, for the purpose of facilitating information exchange.
- d. Director Terms.
 - i. *At-Large Directors.* All At-Large Directors shall serve for a three (3) year term, based on the calendar year, except for the Corporate Associate member who shall serve for a one (1) year term and unless elected to the President-Elect position, whereby the term limit is excluded. One third (1/3) of the number of At-Large Director seats shall be filled by election each year. No At-Large Director shall serve more than two (2) consecutive terms as an At-Large Director, and after serving the permissible number of consecutive terms, must wait a minimum period of one (1) year before serving another term.
 - ii. *Regional Directors.* Regional Directors shall be from the region which they are to represent and shall be voted upon solely by the CRCBR voting membership from the same region. All Regional Directors shall serve for a three (3) year term, based on the calendar year.

Section 4. Elected Officers. Officers shall be: President, President-Elect, Vice-President, Secretary, and Treasurer. Their duties shall include but not be limited to the following:

- a. President. The President will fill the office of corporate President and shall call to order and preside at all meetings of CRCBR; shall call Special Meetings when in his/her judgment such meetings may be necessary or when requested, in writing, by a majority of the members of the Board of Directors then in office, and shall represent CRCBR at all public meetings and functions and be the spokesperson for CRCBR.
- b. President-Elect. The President-Elect shall preside at all meetings in the absence of the President and perform such other duties as may be assigned or delegated by the Board of Directors.
- c. Vice-President. The Vice-President shall have such duties and responsibilities as assigned to them by the Board of Directors or the President.
- d. Secretary. The Secretary shall record or have recorded and preserved the minutes of the meetings of the Board of Directors, and shall affix CRCBR's seal and attest such documents as may be required for the transaction of CRCBR's business. The Secretary

may sign with the President or Executive Vice President in the name and on behalf of CRCBR any contracts or agreements authorized by the Board of Directors.

- e. Treasurer. The Treasurer shall oversee the reporting of the financial status of CRCBR to the Executive Committee and to the Board of Directors. He or she shall also be the chair of the Finance Committee. The Treasurer shall secure surety bonds on such persons and in such amounts as the Board of Directors shall deem necessary. The cost of such bonds shall be paid by CRCBR.
- f. Officer Terms. Officers shall serve for a one-year term. No Officer shall be nominated or elected for the same office for more than two (2) consecutive one-year terms.

Section 5. Executive Vice-President. The office of Executive Vice-President shall be filled by the Board of Directors, and he/she shall be an Officer of the corporation and shall serve also as a member ex-officio of the Board of Directors, with no voting privileges.

Section 6. Delegation to Executive Vice-President. The Board of Directors may delegate to the Executive Vice-President such other rights, duties and obligations as shall from time to time be deemed appropriate.

Section 7. Executive Committee. The Executive Committee shall be composed of the President who shall serve as its chairperson, President-Elect, Vice-President, Treasurer, and Secretary. The Immediate Past President and Executive Vice President shall also serve as a member, ex-officio, without voting privileges. The Executive Committee shall be empowered to act on behalf of the Board of Directors between its meetings, except that they may not amend the Constitution or Bylaws of CRCBR.

Section 8. Compensation. The Officers and Directors, except executive staff officer(s), shall serve without compensation.

Section 9. Election of Directors and Officers. The annual elections of Officers and Directors shall be held at the Annual Meeting of the membership. Election shall be by the vote of those present at such meeting, by hand vote or such other method of voting as shall be permitted in accordance with Article XIII hereof, with Regional Directors to be elected solely by the voting membership present at such meeting from that Region and the Regional Vice-President to be nominated from and elected by the Regional Directors. Any provision made for voting by proxy shall be contained within the notice of the Annual Meeting.

- a. Nominating Committee. The Nominating Committee shall nominate slates of candidates for both Officers and Directors of CRCBR:
 - i. Composition. A Nominating Committee of seven (7) REALTOR® members composed of: two (2) members of the Board of Directors, two (2) non-principal members, and three (3) others, one of whom shall be the immediate past President, shall be appointed by the President with approval of the Board of Directors. The Nominating Committee shall select at least one candidate for each seat to be filled on the Board of Directors,

with a candidate for any open Regional Director seat to be a member of that region and nominated based upon recommendations made by each region.

- ii. *Time Frame for Committee Activity.* The Nominating Committee shall meet for the purpose of organizing itself, establishing its procedures, and initiating its deliberations. It shall also hold hearings at which it will receive recommendations concerning potential nominees for office. The Nominating Committee may hold, on its own motion or at the request of the Board of Directors, as many meetings as deemed necessary to complete its slate of nominations at least six (6) weeks before the Annual Meeting.
 - iii. *Notice to REALTOR® Members.* All classes of REALTOR® members eligible to vote shall be given written notice of the slate of nominees produced by the nominating committee on or before four (4) weeks prior to the Annual Meeting date, except that this time frame may be modified by process set forth below in Section 9.b.
- b. Nomination by Petition. In addition to those nominated by the Nominating Committee, CRCBR members shall also have the opportunity by petition to place other names into nomination for Officer or Director positions, under the following conditions:
- i. *Deadline.* Petitions must be received at the headquarters of CRCBR on or before fifteen (15) days prior to the Annual Meeting date.
 - ii. *Minimum Signatures.* Petitions on behalf of candidates for any office shall be signed by not less than 10% of the total number of members eligible to vote, of which not more than 20% of the signatures shall be from any one firm.
 - iii. *Notice to Voting Members.* All classes of REALTOR® members shall be advised by written notice mailed on or before ten (10) days prior to the Annual Meeting date of all nominating petitions properly filed for each type of office and seat.
- c. Election Committee. If necessary, the President shall appoint a special Election Committee of five (5) REALTOR® members to count votes for the election of Officers and Directors. In each instance, the person receiving the largest number of votes for each office and seat shall be declared elected or carried. In case of a tie vote, the results shall be determined by lot.

Section 10. Vacancies. Vacancies among the Officers and the Board of Directors may be filled from the appropriate membership groups by the Board of Directors so as to complete the unexpired term.

Section 11. Removal of Officers and Directors. In the event that the membership in CRCBR of an Officer or Director has been automatically suspended or terminated pursuant to the provisions elsewhere in these Bylaws or if an Officer or Director has had his/her real estate license suspended or revoked or has been convicted of a felony, then such Officer or Director shall be deemed to have resigned from office. However, in the event that an Officer or Director is deemed to be incapable of fulfilling the duties for which elected, but

will not resign from office voluntarily, the Officer or Director may be removed from office under the following procedure:

- a. Petition for Removal. A petition requiring the removal of a Director or Officer and signed by no less than one-third of the voting membership of CRCBR or, of the region, if appropriate, or a majority of all Directors shall be filed with the President, or if the President is the subject of the petition, with the President-Elect or Secretary, and shall specifically set forth the reasons the individual is deemed disqualified from further service.
- b. Called Special Meeting. Upon receipt of the petition, a special meeting of the voting membership of CRCBR shall be called by the President, or if the President is the subject of the petition, by the President-Elect or the Secretary, which meeting date shall be set no less than twenty (20) days nor more than forty-five (45) days from the date of receipt of the petition. The special meeting shall be noticed to all voting members of CRCBR at least ten (10) days prior to the meeting.
- c. Procedure for Special Meeting. The special meeting shall be conducted by the President of CRCBR unless the President's continued service in office is being considered at the meeting. In such case, the President-Elect or Secretary will conduct the meeting of the hearing by the members. 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. Provided a quorum of the CRCBR voting membership is present, a three fourths vote of members present and voting shall be required for removal from office.

ARTICLE IX - MEETINGS

Section 1. Annual Meeting. The annual meeting of CRCBR shall be held during the fourth quarter of each year, with the exact date, place, and hour to be designated by the Board of Directors at least ninety days prior to the scheduled date. When the date has been selected, the Board shall announce the same in writing to all CRCBR members as soon as practicable, since the nomination procedures must be commenced as soon as possible thereafter.

Section 2. Meetings of Directors. The Board of Directors shall establish regular meetings and shall designate a regular time and place of meeting. Absence from four (4) regular meetings by a Director during the calendar year, without an excuse deemed valid by the remaining Board of Directors, shall be construed as resignation, except that the Board of Directors may by majority vote, after due review at its next regular meeting, reinstate such Director. In the absence of reinstatement by the Board of Directors, the vacancy shall be filled in accordance with the provisions set forth in Article VIII, Section 9 of these Bylaws.

Section 3. Action Without Meeting. Action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if the action is taken by a majority of the members of the Board. The action must be evidenced by one or more written consents signed by each Director and such consents may be before or after such action, and shall describe the action taken, and be included in the minutes or filed with the corporate

records, which written consents may be initially supplied by facsimile, so long as original signatures are also placed on file with the corporate records as soon as possible thereafter.

Section 4. Other Meetings. Meetings of the membership may be held at such other times as the President or the Board of Directors may determine, or upon the written request of at least 5% of the REALTOR® members.

Section 5. Notice of Meetings. Written notice shall be given to every member entitled to participate in the meeting at least ten (10) days preceding all meeting dates, and shall include a statement of the purpose of the meeting.

Section 6. Quorums.

a. General Membership Quorum. A quorum of the general membership for the transaction of business shall consist of those members present and eligible to vote.

b. Board of Directors Quorum. A quorum of the Board of Directors shall consist of a majority of the duly-elected Directors who have voting privileges.

ARTICLE X - COMMITTEES

Section 1. Appointment. The President shall, with the approval of the Board of Directors, appoint such standing and special committees among the REALTOR® members as may be necessary, which standing committees shall include, but are not limited to: Executive, Education, Membership, Finance, Professional Standards, Grievance, and Nominating. The President and the President-Elect shall be ex-officio members of all committees, except for Nominating, Grievance and Professional Standards. They shall be notified of all committee meetings and shall have the right to attend their sessions and take part in discussions.

Section 2.: To the fullest extent permitted by law, the Board of Directors or membership may conduct business by electronic means.

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

ARTICLE XI - FISCAL AND ELECTIVE YEAR

The fiscal and elective year of CRCBR shall be January 1 to December 31 inclusive.

ARTICLE XII - OPERATIONS

Section 1. Office Location. The offices of Charlotte Region Commercial Board of REALTOR®, Inc. may be located as determined by the Board of Directors.

- Section 2.** Authorization to Contract for Services. The Board of Directors is authorized to enter into contracts for housing, executive staff services and administrative services, which may include, but are not limited to: activities, accounting, legal counsel, and the billing, processing and record-keeping of membership dues.
- Section 3.** Deposit. All monies received by CRCBR for any purpose shall be deposited to the credit of CRCBR in a financial institution or institutions selected by resolution of the Board of Directors.
- Section 4.** Expenditures. The Board of Directors shall administer the day-to-day finances of CRCBR.
- Section 5.** Budget. The Board of Directors shall, prior to the end of each fiscal year, prepare or cause to be prepared a budget reflecting projected income from all sources and projected costs and expenses of CRCBR for the next fiscal year. The budget shall be submitted to the Directors for their approval on a date not less than thirty (30) days prior to the first day of the next fiscal year.

ARTICLE XIII - RULES OF ORDER

Robert's Rules of Order, latest edition, shall be recognized as the authority governing the meetings of CRCBR, its Board of Directors and committees in all instances wherein its provisions do not conflict with the Bylaws and the Rules and Regulations of CRCBR, as the same may be amended from time to time.

ARTICLE XIV - AMENDMENTS

- Section 1.** Notice Required. Notice of all meetings at which amendments are to be considered shall be mailed to every member of the Board of Directors of CRCBR at least ten (10) days prior to the meeting.
- Section 2.** Two-Thirds (2/3) Vote Required. This Constitution, Bylaws and the optional provisions of the Code of Ethics and Arbitration Manual of National Association may be amended by two-thirds (2/3) vote of the Board of Directors of CRCBR at any meeting at which a quorum of the Board is present, provided the substance of such proposed amendment or amendments shall be plainly stated in the call for the meeting.
- Section 3.** Certain Amendments Require National Association Approval. Amendments to the Constitution and Bylaws affecting the admission or qualification of REALTOR® members, Institute Affiliate members, the use of the terms REALTOR® and REALTORS®, and Article III of these Bylaws shall become effective only upon their approval as authorized by the Board of Directors of the National Association of REALTORS®.

ARTICLE XV - INDEMNIFICATION

Section 1. Definitions. As used in this Article XV, the term:

- a. "Board" includes any domestic or foreign predecessor entity united with the Charlotte Region Commercial Board of REALTOR®, Inc. in a merger, asset acquisition, or other transaction in business upon consummation of the transaction.
- b. "Director" means an individual who is or was a Director of CRCBR or an individual who, while a Director of CRCBR, is or was serving at the Board's request as a Director, Officer, partner, trustee, employee, or agent of another foreign or domestic business or nonprofit corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise. A Director is considered to be serving an employee benefit plan at the Board's request if the Director's duties to the Board also impose duties on, or otherwise involve services by, the Director to the plan or to participants in or beneficiaries of the plan. Director includes, unless the context requires otherwise, the estate or personal representative of a Director.
- c. "Expenses" does include attorneys' fees.
- d. "Liability" means the obligation to pay a judgment, settlement, penalty, fine (including an excise tax assessed with respect to an employee benefit plan), or reasonable expenses incurred with respect to a proceeding.
- e. "Party" includes an individual who was, is, or is threatened to be made a named defendant or respondent in a proceeding.
- f. "Proceeding" means any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, or whether formal or informal.

Section 2. Mandatory Indemnification Against Expenses. To the extent that a Director has been successful, on the merits or otherwise, in the defense of any proceeding to which the Director was a party, or in defense of any claim, issue, or matter therein, brought because the Director is or was a Director of CRCBR, that Director shall be indemnified by CRCBR against reasonable expenses incurred by the Director in connection therewith.

Section 3. Authority for Permissive Indemnification.

- a. Director Indemnification. Except as provided in subsections d. and e. of this Section 3, or as otherwise provided in the Articles of Incorporation, CRCBR may indemnify or obligate itself to indemnify an individual made a party to a proceeding against liability incurred in that proceeding, because such individual is or was a Director and if, as Director, he/she acted in a manner which he/she believed in good faith to be in, or not opposed to, the best interests of CRCBR. In addition, in the case of any criminal proceeding, the individual had no reasonable cause to believe that his or her conduct was unlawful.

- b. Director Conduct Toward Employee Benefit Plan. A Director's conduct with respect to an employee benefit plan for a purpose believed, in good faith, by the Director to be in the interests of the participants and beneficiaries of the plan is conduct that satisfies the requirement of subsection a. of this Section 3.
- c. Termination of Proceeding. The termination of a proceeding by judgment, order, settlement, or conviction, or upon a plea of nolo contendere or its equivalent is not determinative, of itself, that the Director did not meet the standard of conduct set forth in this Section 3.
- d. Indemnification Not Provided. CRCBR may not indemnify a Director under this Section 3:
 - i. in connection with a proceeding brought by, or in the right of, CRCBR in which the Director was adjudged liable to CRCBR; or
 - ii. in connection with any other proceeding in which the Director was adjudged liable on the basis that personal benefit was improperly received by the Director.
- e. Indemnity Standard Set At Reasonable Expenses. Indemnification permitted under this Section 3 in connection with a proceeding brought by or in the right of CRCBR is limited to reasonable expenses incurred in connection with the proceeding.

Section 4. Determination of Permitted Indemnification.

- a. Authorization Required. CRCBR may not indemnify a Director under Section 3 above until an actual determination has been made in the specific case that indemnification of that Director is permissible in the circumstances because that Director has met the standard of conduct set forth in Section 3, above, and unless so authorized as set out thereunder.
- b. Board of Directors Determine. The determination required by subsection a. hereof shall be made:
 - i. by the Board of Directors in a majority vote of a quorum consisting of those Directors who were not at the time parties to the proceeding; or
 - ii. if a quorum cannot be obtained under paragraph (i). of this subsection b., then by majority vote of a committee duly designated by the Board of Directors (in which designation, Directors who are not themselves parties may so participate) and consisting solely of two or more Directors who are not at the time parties to the proceeding; or
 - iii. by a special legal counsel:
 - (1) selected by the Board of Directors or its committee in the manner prescribed in paragraph i. or ii. of this subsection b.; or

(2) if a quorum of the Board of Directors cannot be obtained under paragraph i. of this subsection b., then as selected by majority vote of those Directors present who are not parties to the proceeding; or

iv. by the members of CRCBR, but Directors who are at the time parties to the proceeding may not vote as members on this determination.

c. Procedure for Authorization and Determination of Reasonable Expenses. Authorization of indemnification or an obligation to indemnify and evaluation as to reasonableness of expenses shall be made in the same manner as the determination that indemnification is permissible, as set forth in subsection (b) hereof, except that if such determination is made by special legal counsel, authorization of indemnification and evaluation as to reasonableness of expenses shall be made by those entitled under paragraph iii. of subsection b. of this Section 4 to select such counsel.

Section 5. Advances for Expenses. A Director of CRCBR who is a party to a proceeding may apply for indemnification or advances of expenses to the court conducting the proceeding or to another court of competent jurisdiction. On receipt of an application, the court, after giving any notice the court considers necessary, may order indemnification or advances for expenses in the amount it considers proper if it determines:

a. Can Include Expenses of Obtaining Court Order. The Director is entitled to mandatory indemnification under Section 2 of this Article, in which case the court also shall order CRCBR to pay the director's reasonable expenses incurred to obtain court ordered indemnification;

b. Limit May Be Reasonable Expenses. The Director is fairly and reasonably entitled to indemnification in view of all the relevant circumstances, whether or not the Director met the standard of conduct set forth in subsections a-c., Section 3. of this Article or was adjudged liable as described in subsection d. of Section 3. of this Article, but if the Director was adjudged so liable, indemnification is limited to reasonable expenses incurred. In the case of advances for expenses, the Director shall remain entitled, pursuant to the Articles of Incorporation, Bylaws or any applicable resolution or agreement, to payment or reimbursement of the Director's reasonable expenses incurred as a party to a proceeding in advance of final disposition of the proceeding.

Section 6. Indemnification of Officers, Employees, and Agents. An Officer, employee or agent of CRCBR, not a Director, is entitled to mandatory indemnification under Section 2 of this Article XV and is entitled further, consistent with public policy, to permissive indemnification under Section 3. and advancement of expenses under the standards and procedures set forth in Sections 3. , 4., and 5. of this Article XV to the same extent as a Director.

Section 7. Insurance. CRCBR may purchase and maintain insurance on behalf of an individual who is or was a Director, Officer, employee, or agent of CRCBR or who, while a Director, Officer, employee, or agent of CRCBR, is or was serving at the request of CRCBR as a Director, Officer, partner, trustee, employee, or agent of another foreign or domestic business or nonprofit corporation, partnership, joint venture, trust, employee benefit plan, or other

enterprise against liability asserted against or incurred by the individual in that capacity or arising from his status as a Director, Officer, employee, or agent of CRCBR, whether or not CRCBR would have power to indemnify the individual against the same liability under this Article XV of applicable law.

Section 8. Expenses for Appearance as Witness. Nothing contained in this Article XIV shall be deemed to limit CRCBR's power to pay or reimburse expenses incurred by a Director or Officer in connection with his or her appearance as a witness in a proceeding at a time when he or she has not been made a named defendant or respondent to the proceeding.

ARTICLE XVI – DISSOLUTION

Upon the dissolution of this association, the board of directors, after providing for the payment of all obligations, shall distribute any remaining assets to the North and South Carolina Association of REALTORS® or, within its discretion, to any other non-profit tax exempt organization.

ARTICLE XVII – WHOLLY-OWNED SUBSIDIARY CORPORATION OF THE BOARD

Section 1. Authority. CRCBR shall maintain for the use of its members a Commercial Property Exchange which shall be a lawful corporation of the State of North Carolina, all the stock of which shall be owned by CRCBR.

Section 2. Purpose. The Charlotte Region Commercial Property Exchange (CRCPE) serves as an information exchange. Any compensation agreements related to property included in the Exchange compilation must be made on an individual basis outside the Exchange between the Participants or Submitters involved.

A commercial information exchange is not a Multiple Listing Service. No offers of cooperation and compensation are communicated through filing information on a property with the CRCPE.