

BY-LAWS OF THE DURHAM REGIONAL ASSOCIATION OF REALTORS, INC.

ARTICLE I - Name

Section 1. Name. The name of the organization shall be the Durham Regional Association of REALTORS®, Inc., hereinafter referred to as the "association".

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

ARTICLE II - Objectives

Section 1. The objectives of the association are:

(A) To unite those engaged in the recognized branches of the real estate profession for the purpose of exerting a beneficial influence upon the profession and related interests.

(B) 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®.

(C) 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.

(D) To further the interests of home and other real property ownership.

(E) 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.

(F) To designate, for the benefit of the public, 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. DRAR Territorial Jurisdiction

(A) The territorial jurisdiction of the association as a member of the National Association of REALTORS® is Durham, Person, Vance, Franklin, Granville and Warren Counties in North Carolina.

(B) Territorial jurisdiction is defined as the right and duty to control the use of the terms REALTOR® and REALTORS®, subject to the conditions set forth in these Bylaws and those of the National Association of REALTORS®, in return for which the association agrees to protect and safeguard the property rights of the National Association of REALTORS® in the terms.

ARTICLE IV - Membership

Section 1. There shall be eight (8) classes of Members as follows:

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

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 in the state of North Carolina or a state contiguous thereto. All persons who are partners in a partnership, or all officers in a corporation who are actively engaged in the real estate profession within the state, or a state contiguous thereto, shall qualify for REALTOR® membership only, and each is required to hold REALTOR® Membership (except as provided in the following paragraph) in an association of REALTORS® within the state, or a state contiguous thereto, unless otherwise qualified for **Institute Affiliate Membership as described in Section 1 (E) of Article IV.**

In the case of a real estate firm, partnership, or corporation, whose business activity is substantially all commercial, only those principals actively engaged in the real estate business in

connection with the same office, or any other offices within the jurisdiction of the association in which one of the firm's principals holds REALTOR® membership, shall be required to hold REALTOR® membership unless otherwise qualified for **Institute Affiliate Membership as described in Section 1(E) of Article IV.**

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

(B) 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.

(C) 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.

(D) Designated REALTOR® Members. Each firm (or office in the case of firms with multiple office locations) shall designate in writing one REALTOR® member who shall be responsible for all duties and obligations of Membership including the obligation to arbitrate (or to mediate if required by the association) 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.**

(E) 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® or REALTOR-ASSOCIATE® membership, subject to payment of applicable dues for such membership.

(F) Affiliate Members. Affiliate Members shall be individuals, or the entity paying such individuals' dues and assessments (if applicable), who while not engaged in the real estate profession as defined in paragraph (A) of this Section (REALTOR® Members) have interests requiring information concerning real estate, and individuals who are interested in the real estate business as salaried employees of educational, public utility, governmental or other similar organizations, but are not engaged in the real estate business on their own account or in association with an established real estate office and are in sympathy with the objectives of the association.

(1) Affiliate Members shall pay the same dues as REALTOR® members, less an amount equal to the association's obligation to the National Association of REALTORS®.

(2) Affiliate Members shall not be eligible to vote or hold office in the association.

(G) Honorary REALTOR® Members. Honorary REALTOR® Members shall be individuals so elected by the Board of Directors who are actively engaged as a REALTOR® member of the association and have performed a minimum of 10 years of notable service to the association.

(1) Honorary REALTOR® Members are required to pay association dues in an amount sufficient to enable the association to meet its dues obligation to the National Association of REALTORS® and the North Carolina Association of REALTORS®.

(2) Honorary REALTOR® Members shall not be eligible to vote or to hold office in the association.

(H) REALTOR® Emeritus. The REALTOR® Emeritus status eligibility requirements are:

- Forty (40) years of REALTOR® or REALTOR-ASSOCIATE® (or both) membership.
- Proof of one (1) year of service* at the National Association level.

* "Service" is defined as serving as an NAR officer, director, committee member, Federal Political Coordinator, Global Ambassador, or Global Coordinator to a country with which NAR holds a reciprocal agreement.

Section 2. Non-REALTOR® Member Classes

(A) **Associate Members.** Associate Members shall be individuals, or the entity paying such individuals' dues and assessments (if applicable), who while not engaged in the real estate profession, are in agreement with the purposes of the association and require information concerning real estate.

(B) **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.

ARTICLE V - Qualification and Election

Section 1. Application

(A) An application for membership shall be made in such manner and form as may be prescribed by the Board of Directors and made available to anyone requesting it. The application form shall contain among the statements to be signed by the applicant (1) that applicant agrees as a condition to membership to thoroughly familiarize himself/herself with the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, the Constitutions, Bylaws, and Rules and Regulations of the association, the State and National Associations, and if elected a member, will abide by the Constitutions and Bylaws and Rules and Regulations of the association, State and National Associations, and, if a REALTOR® member, will abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, including the obligation to arbitrate (or to mediate if required by the association) controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics, and as further specified in the Code of Ethics and Arbitration Manual of the NATIONAL ASSOCIATION OF REALTORS®, as from time to time amended, and (2) that applicant consents that the association, through its Membership Committee or otherwise, may invite and receive information and comment about applicant from any member or other person(s), and that applicant agrees that any information and comment furnished to the association by any person in response to the invitation shall be conclusively deemed to be privileged and not form the basis of any action for slander, libel, or defamation of character. The applicant shall, with the form of application, have access to a copy of the Bylaws, Constitution, Rules and Regulations, and Code of Ethics referred to above.

Section 2. Qualification

(A) An applicant for REALTOR® Membership who is a Broker-In-Charge, sole proprietor, partner, corporate officer, or branch office manager of a real estate firm shall supply evidence satisfactory to the association, through its Membership Committee or otherwise, that he/she is actively engaged in the real estate profession, and maintains a current, valid real estate broker's license or is licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property or is an appraiser trainee registered with the N.C. Appraisal Board, has a place of business within the state, or a state contiguous thereto (unless a secondary member), has no record of recent or pending bankruptcy*, has no record of official sanctions involving unprofessional conduct**, agrees to complete a course of instruction covering the Bylaws and Rules and Regulations of the association, the Bylaws of the State Association, and the Constitution and By-Laws and Code of Ethics of the National Association of REALTORS®, and shall pass such reasonable and nondiscriminatory written examination thereon, as may be required by the Committee, and shall agree that if elected to membership, he/she will abide by such Constitution, Bylaws, Rules and Regulations, and Code of Ethics.

*NO RECENT OR PENDING BANKRUPTCY is intended to mean that the applicant or any real estate firm in which the applicant is a Broker-In-Charge, sole proprietor, general partner, or 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 MLS 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.

**NO RECORD OF OFFICIAL SANCTIONS INVOLVING UNPROFESSIONAL CONDUCT is intended to mean that the association may only consider:

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

NOTE: Article IV, Section 2, of the NAR By-Laws prohibits Member Boards from knowingly granting REALTOR® Membership to any applicant who has an unfulfilled sanction pending which was imposed by another Association of REALTORS® for violation of the Code of Ethics.

(B) Individuals who are actively engaged in the real estate profession other than as Brokers-In-Charge, sole proprietors, partners, corporate officers, or branch office managers in order to qualify for REALTOR® membership, shall at the time of application, be associated either as an employee or as an independent contractor with a designated REALTOR® member of the association or a designated REALTOR® member of another association (if a secondary member) and must maintain a current, valid real estate broker's license or be licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, has no record of official sanctions involving unprofessional conduct*, 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/she will abide by such Constitution, Bylaws, and rules and regulations, and the Code of Ethics.

(C) The 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 this or any other REALTOR® association within the past three (3) years
2. Pending Ethics complaints (or hearings)
3. Unsatisfied discipline pending
4. Pending arbitration request (or hearings)
5. Unpaid arbitration awards or unpaid financial obligations to this or any other REALTOR® association or REALTOR® association MLS
6. Any misuse of the term REALTOR® or REALTORS® in the name of the applicant's firm

“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 violations of the Code of Ethics: **see Article V Section 2(A), NOTE**), 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 (6) 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.

(D) Orientation shall be given at least quarterly throughout the year, at dates and times as specified by the Board of Directors, and shall be scheduled for such other dates as timely directed by the Board of Directors. **See Section 3 below.**

Section 3. Election to Membership

(A) Applicants for REALTOR® membership shall be granted provisional membership immediately upon submission of a completed application form and remittance of applicable association dues and any application fee. Provisional members shall be considered REALTORS® and shall be subject to all of the same privileges and obligations of membership. Provisional membership is granted subject to subsequent review of the application by the Board of Directors. If the Board of Directors determines that the individual does not meet all of the qualifications for membership as established in the association's Bylaws, or, if the individual does not satisfy all of the requirements of membership (for example, completion of a mandatory orientation program) within sixty (60) days from the association's receipt of their application, membership may, at the discretion of the Board of Directors, be terminated.

(B) Dues shall be computed from the date of application and shall be non-refundable unless the association's Board of Directors terminates the individual's membership in accordance with subsection (A) above. In such instances, dues shall be returned to the individual less a prorated amount to cover the number of days that the individual received association services and any application fee.

(C) The Board of Directors may not terminate any provisional membership without providing the provisional member with advance notice, an opportunity to appear before the Board of Directors, to call witnesses on his/her behalf, to be represented by counsel, and to make such statements as he/she deems relevant. The Board of Directors may also have counsel present. The Board of Directors shall require that written minutes be made of any hearing before it or may electronically or mechanically record the proceedings.

(D) If the Board of Directors determines that provisional membership should be terminated, it shall record its reasons with the Chief Staff Executive. If the Board of Directors believes that termination of provisional membership may become the basis of litigation and a claim of damage by a provisional member, it may specify that termination shall become effective

upon entry in a suit by the association for a declaratory judgment by a court of competent jurisdiction of a final judgment declaring that the termination violates no rights of the individual.

Section 4. Status Changes

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

A REALTOR® who is transferring their license from one firm 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 thirty (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 association's Bylaws.)

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

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

ARTICLE VI - Privileges and Obligations

Section 1. Privileges of REALTOR® Members.

REALTOR® members, whether primary or secondary, in good standing are entitled to vote and to hold elective office in the association, may use the term REALTOR®. For purposes of this section, the term “good standing” means the member satisfies the “Obligations of REALTOR® Members”, is current with all financial and disciplinary obligations to the association and MLS, has complete any new member requirements, and complies with NAR’s trademark rules.

(A) If a REALTOR® member is a sole proprietor in a firm, a partner in a partnership, 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, 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, whichever may apply. Further, the membership of REALTORS® other than principals who are employed by 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 until connection of the disciplined member with the firm, partnership, or corporation is severed, or unless the REALTOR® member (non-principal) elects to sever his/her connection with the REALTOR® and affiliate with another REALTOR® Member in good standing in the association, whichever may apply.

If a REALTOR® member who is other than a principal in a firm, partnership, or 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 2(1)** 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 2(1)** shall apply.

1. **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 National Association of REALTORS®.

NOTE: Local associations establish the rights and privileges to be conferred on Institute Affiliate Members except that no Institute Affiliate Member may be granted the right to use the

term REALTOR®, REALTOR®-ASSOCIATE, or the REALTOR® logo; to serve as President of the local association; or to be a participant in the local association's Multiple Listing Service.

2. **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 they shall not be eligible to vote or to hold elective office in the association.

3. **Associate Members.** Associate Members shall have such privileges and rights and be subject to such obligations as may be prescribed by the Board of Directors except they shall not be eligible to vote or to hold elective office in the association.

4. **Honorary Members.** Honorary Membership shall confer no rights except to attend meetings and participate in discussions, and shall impose no obligations.

5. **Honorary REALTOR® Members.** Honorary REALTOR® Membership shall confer such privileges and rights and be subject to such obligations as may be prescribed by the Board of Directors, except they shall not be eligible to vote or to hold elected office in the association. [See also dues -- Article X, Section 2 (G)].

6. **REALTOR® Emeritus.** REALTOR® Emeritus Members shall have many of the rights and privileges and be subject to many of the obligations of REALTOR® Members.

Section 2. Obligations of REALTOR® Members.

It shall be the duty and responsibility of every REALTOR® member of this association to safeguard and promote the standards, interests, and welfare of the association and the real estate profession, and to protect against conduct that may cause a lack of public confidence in the real estate profession or in REALTORS®. REALTOR® members also must abide by the governing documents and policies of the association, the State Association and the National Association of REALTORS® as well as the code of Ethics of the National Association of REALTORS®, including the duty to mediate and arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics, and in accordance with the procedures set forth in the Code of Ethics and Arbitration Manual.

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

1. Violation of Membership. Any Member of the Board 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 consistent 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®.

2. Resignations of Membership. Resignations shall become effective when received in writing and accepted 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.

If a member resigns from the association or otherwise causes membership to terminate with an ethics complaint pending, the 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.

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

4. Certification by REALTOR®. “Designated” REALTOR® Members of the Board shall certify to the Board during the month of July 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 REALTOR®’s 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 the Bylaws. “Designated” REALTOR® members shall also notify the

association of any additional individuals(s) licensed or certified with the firm(s) within ten (10) days of the date of affiliation or severance of the individual. Appraiser Designated REALTOR® members licensed or certified with the North Carolina Appraisal Board shall identify all licensed or certified appraisers and registered appraiser trainees in the office(s) including their respective license number and designate a primary association for each individual.

5. Harassment / Abusive Conduct. Any member of the association may be reprimanded, placed on probation, suspended or expelled for harassment or abusive conduct towards an association employee or association officer or director, after an investigation in accordance with the procedures of the association. As used in this section, “harassment and abusive conduct” means any verbal, written or electronic communication of material, or any physical conduct, which is threatening, abusive, disruptive or obscene, or creates a hostile, intimidating or offensive work environment, including but not limited to, unwelcome sexual advances, stalking, unwanted touching 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 or with an association meeting, educational class, presentation or event. If the investigation by the association reveals a violation of this policy the findings shall be submitted to an 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. The investigatory team shall review the findings and take whatever disciplinary action it deems necessary after consultation with legal counsel or other attorney representing the association. Disciplinary action may include any sanction authorized in the association’s Code of Ethics and Arbitration Manual. If the complaint names the President, President-Elect or a member of the Board of Directors, 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 Code of Ethics: Professional Standards and Training

Section 1. New Member Code of Ethics Orientation.

Applicants for REALTOR® membership and provisional REALTOR® members (where applicable) shall complete an orientation program on the Code of Ethics of not less than two (2) hours and thirty (30) minutes of instructional time. This requirement does not apply to applicants for REALTOR® membership or provisional members who have completed comparable orientation in another association, provided that REALTOR® membership has been continuous, or that any break in membership is for one (1) year or less.

Failure to satisfy this requirement within sixty days of the date of application (or, alternatively, the date that provisional membership was granted), will result in denial of the membership application or termination of provisional membership.

Section 2. Continuing REALTOR® Code of Ethics Training.

Effective January 1, 2019, through December 31, 2021 and for successive three year periods thereafter, each REALTOR® member of the association (with the exception of REALTOR® members granted REALTOR® Emeritus status by the National Association) shall be required to complete ethics training of not less than two (2) hours and thirty (30) 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 REALTOR® association, the State Association of REALTORS® or the NATIONAL ASSOCIATION OF REALTORS®, which meets the learning objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTORS® from time to time. REALTOR® members who have completed training as a requirement of membership in another association and REALTOR® members who have completed the New Member Code of Ethics Orientation during any three year cycle shall not be required to complete additional ethics training until a new three year cycle commences.

Failure to satisfy the required periodic ethics training shall be considered a violation of a membership duty. Failure to meet the requirement in any three year cycle will result in suspension of membership for the first two months (January and February) of the year following the end of any three 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 3. Discipline of REALTOR® Members.

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

Section 4. Enforcement of the Code.

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

Article VIII – Use of the Terms REALTOR® and REALTORS®

Section 1. REALTOR® Trademark.

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.

Section 2. 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. 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 3. 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 4. A REALTOR® principal member 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 or Institute Affiliate members.

(A) In the case of a REALTOR® principal member 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 holds REALTOR® membership. If a firm, partnership, or corporation operates additional places of business in which no principal holds REALTOR® membership, the term REALTOR® or REALTORS® may not be used in any reference to those additional places of business.

Section 5. Institute Affiliate members shall not use the terms REALTOR® or REALTORS®, nor the imprint of the emblem seal of the NATIONAL ASSOCIATION OF REALTORS®.

ARTICLE IX – State and National Memberships

Section 1. State and National Membership.

The association shall be a member of the NATIONAL ASSOCIATION OF REALTORS® and the North Carolina Association of REALTORS®. By reason of the association's membership, each REALTOR® member of the Member Board 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 such membership.

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

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

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 (3) 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 The annual dues, including payment structure (if applicable), determined by the Board of Directors at, or after, the time the budget has been adopted, shall be as follows:

(A) Designated REALTOR® Members Dues.

The annual dues of each Designated REALTOR® member shall be in such amount as established annually by the board of directors, plus an additional amount to be established

annually by the board of directors times the number of real estate salespersons and licensed or certified appraisers who (1) are employed by or affiliated as independent contractors, or who are otherwise directly or indirectly licensed with such REALTOR® member, and (2) are not REALTOR® members of any association in the state or a state contiguous thereto or Institute Affiliate members of the association. In calculating the dues payable to the association by a designated REALTOR® member, non-member licensees as defined in (1) and (2) of this paragraph shall not be included in the computation of dues if the designated REALTOR® has paid dues based on said non-member licensees in another 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.

A REALTOR® member of a Member Board 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 is actively engaged in the real estate profession as defined in Article III, Section 1 of the Constitution of the NATIONAL ASSOCIATION OF REALTORS®. An individual shall be deemed to be licensed with a REALTOR® if the license of the individual is held by the REALTOR®, or by any broker who is licensed with the REALTOR®, or by any entity in which the REALTOR® has a direct or indirect ownership interest and which is engaged in other aspects of the real estate business provided that such licensee is not otherwise included in the computation of dues payable by the principal 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, renting, managing, counseling, or appraising real property. The individuals disclosed on such form shall not be deemed to be licensed with the REALTOR® filing the form for purposes of this section and shall not be included in calculating the annual dues of the designated REALTOR®. Designated REALTORS® shall notify the association within three (3) days of any change in status of licensees in a referral firm.

The exemption for any licensee included on the certification form shall automatically be revoked upon the individual being engaged in real estate licensed

activities (listing, selling, leasing, renting, managing, counseling, or appraising real property) other than referrals, and dues for the current fiscal year shall be payable.

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

(B) REALTOR® Members Dues. The annual dues of REALTOR® members other than the designated REALTOR® shall be as established annually by the board of directors.

(C) Institute Affiliate Members Dues. The annual dues of each Institute Affiliate member shall be as established in Article II of the Bylaws of the NATIONAL ASSOCIATION OF REALTORS®.

NOTE: The Institutes, Societies and Councils of the National Association shall be responsible for collecting and remitting dues to the National Association for Institute Affiliate Members (\$105.00). The National Association shall credit \$35.00 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 \$35.00 amount will be credited to the COB, unless the Institute Affiliate Member directs that the dues be distributed to the other association. The National Association shall also credit \$35.00 to the account of state associations for each Institute Affiliate member whose office address is located within the territorial jurisdiction of the state association. Local and state associations may not establish any additional entrance, initiation fees or dues for Institute Affiliate members, but may provide service packages to which Institute Affiliate members may voluntarily subscribe.

(D) Affiliate Members. The annual dues of each Affiliate Member shall be the total of Local and State dues.

(E) Associate Members. The annual dues of each Associate Member shall be the total of Local dues.

(E) Honorary Members. No dues shall be required.

(G) **Honorary REALTOR® Members.** Honorary REALTOR® Members are required to pay Association dues in an amount sufficient to enable the Association to meet its dues obligations to the National Association of REALTORS and the North Carolina Association of REALTORS®.

(H) **REALTOR® Emeritus.** No dues payable except that portion of the annual membership dues which is computed on the basis of the number of brokers affiliated with the REALTOR® Emeritus who are not REALTOR® Members. That portion of local association dues utilized to fulfill the association's dues obligations to the National Association of REALTORS and the North Carolina Association of REALTORS® will be payable as required.

Section 3. Establishing Dues. The Budget and annual dues, including payment structure (if applicable), shall be approved at a meeting of the Board of Directors not later than the regular Directors' meeting in November of each year.

Section 4. Dues Payable. Dues for all members shall be payable annually in advance before January 1st of each year. Dues for new members shall be computed from the date of application and granting of provisional membership.

(A) In the event a licensee or licensed or certified appraiser who holds REALTOR® membership is dropped for nonpayment of association dues, and the individual remains with the designated REALTOR®'s firm, the dues obligation of the designated REALTOR® **(as set forth in Article X, Section 2 (A))** will be increased to reflect the addition of a non-member licensee. Dues shall be calculated from the first day of the current fiscal year and are payable within thirty (30) days of the notice of termination.

Section 5. Non-Payment of Dues. If entire dues, fines or other assessments, including amounts owed to the association or owed (through the Association) to NCAR or NAR, are not paid and received by January 31st, membership shall automatically terminate. Respecting assessments to NCAR or NAR, the Board of Directors of the Association may, in its discretion, designate an early termination date (being at least thirty days after the 'due date') at the time the assessment is being billed. A former member who has had his membership terminated for non-payment of dues may apply for reinstatement by tendering a reinstatement fee of (**) and concurrently making payment in full of all past due accounts. [** - The reinstatement fee for a forthcoming year shall be set by the Board of Directors concurrently with their determining the annual dues for such year.]

Section 6. Deposits. All monies received by the association for any purpose shall be deposited to the credit of the association in a financial institution or institutions selected, by resolution of the Board of Directors, within the State of North Carolina.

Section 7. Expenditures. The Board of Directors shall administer the finances of the association but shall not incur any obligation in excess of the available cash on hand without authorization by vote of a majority at a legally constituted meeting of the association.

ARTICLE XI - Officers and Directors

Section 1. Officers. The elected officers of the association shall be: a President, a President-Elect, a Vice-President, and a Secretary/Treasurer. The Vice-President, and the Secretary/Treasurer shall each be elected for a term of one (1) year. The President-Elect shall be elected for a term of one (1) year; upon the expiration of his/her term, the President-Elect shall automatically assume the office of President of the association, for a term of one (1) year, by virtue of his/her election as President-Elect the previous year. If the President-Elect should be incapacitated or otherwise prevented from assuming the office of President, the one (1) year term of that office shall be filled by election.

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 Secretary/Treasurer to keep the records of the Association and to carry on all necessary correspondence with the National Association of REALTORS and the North Carolina Association of REALTORS®.

Section 3. Board of Directors. The governing body of the Association shall be a Board of Directors consisting of the four elected officers, the immediate past president of the association, fourteen REALTOR® members who shall serve as Directors (seven Directors being elected for two year terms each even-numbered year and seven Directors being elected for two year terms each odd-numbered year), a fifteenth REALTOR® member, who resides in and/or maintains a primary office location within the (former) Kerr Lake (jurisdiction) chapter, who shall serve as Director (being elected for a two year term each odd-numbered year) and each of the REALTOR® members selected by the association to serve as State Directors to the North Carolina Association of REALTORS®, who shall serve as Directors.

- (A) Term Limits. No director shall serve for more than two (2) consecutive two (2)-year terms.

Section 4. Election of Officers and Directors.

(A) At least sixty (60) days prior to the annual election, a nominating committee composed of up to seven (7) members, with three (3) of those members being the last three Presidents of the Association who are REALTOR® Members of the Association and are available to serve on said committee, shall be appointed by the Board of Directors. The nominating committee shall select at least one candidate for each office and at least one candidate for each place to be filled on the Board of Directors of the association. The association shall provide notice of the report of the Nominating Committee to the membership at least five (5) days prior to the regular membership meeting in August. At this meeting, the floor will be open for additional nominations for those offices and places to be filled. Upon completion of nominations, the Association Executive shall provide a list of the nominations, along with a notice of the date(s) for the annual election, to all REALTOR® members of the association. [The 'notices' required by this Section are to be given to REALTOR® members by emailing the information to the most current email address provided by the member to the association's office].

(B) The election of officers and directors shall be conducted solely by online electronic means (e-voting) for a period of five (5) consecutive business days in September, as timely determined and 'noticed' by the Board of Directors each calendar year. Members will provide their name and other secure identifier(s), as determined by the Board of Directors, in order to be able to vote. Records will be secured in a manner approved by the Board of Directors, so as to best ensure only one voting experience per eligible member. E-voting will be available twenty-four (24) hours a day through midnight on the fifth designated business day. Assistance respecting the e-voting process will also be provided on-site, for any member requesting it, during regular office hours, at the Association's office. [Notwithstanding the foregoing, if none of the elective officer and director positions in a particular year is contested, following the close of the regular membership meeting in August, no formal 'election' procedures will be required, with the Association Executive to provide a list of the selected individuals, and their respective position, to all REALTOR® members of the association].

Section 5. Vacancies. Vacancies among the officers and the Board of Directors shall be filled by a simple majority vote of the Board of Directors until the next annual election.

Section 6. Removal. Removal of any Officer or Director of the Association from his/her position shall only be "for cause", upon a vote by three-fourths, or greater, of the quorum of members present at a regular or special-called meeting of the Association's membership. The vacancy created by such removal shall be filled as provided in Section 5 hereinabove.

Section 7. Chief Executive Officer. There shall be a Chief Executive Officer, appointed by the Board of Directors, who shall be the chief administrative officer of the association. The Chief Executive Officer shall have the authority to hire, supervise, evaluate and terminate other staff, if any, and shall perform such other duties as prescribed by the Board of Directors.

ARTICLE XII - Meetings

Section 1. Annual Meeting. The annual business meeting of the association shall be held at the date, place and hour to be designated by the Board of Directors.

Section 2. Installation of Officers and Directors. The installation of officers and directors to serve the Association in the forthcoming calendar year shall take place at the last designated membership meeting of the current year.

Section 3. Meetings of Directors. The Board of Directors shall designate a regular time and place of meeting during a specified week of each month. Absence from three consecutive regular meetings without an excuse deemed valid by the Board of Directors shall be construed as resignation. A quorum for the transaction of business shall be a majority of the governing body of the Association. (See Article XI, Section 3).

Section 4. Other Meetings. Meetings of the members may be held at such other times as the President or the Board of Directors may determine, or upon the written request of at least ten percent of the REALTOR® Members eligible to vote.

Section 5. Notice of Meetings. Notice shall be given to every Member entitled to participate in the meeting at least five days preceding all meetings. If a special meeting is called, it shall be accompanied by a statement of the purpose of the meeting. [The 'notice' as contemplated by this Section is given to members by emailing the information to the most current email address provided by the member to the association's office].

Section 6. Quorum. A quorum for the transaction of business shall consist of the REALTOR® members in good standing and present at such meetings, with a simple majority vote being necessary to determine all issues, except as denoted in Article IX, Section 1, which deals with withdrawal from the National Association of REALTORS® and the North Carolina Association of REALTORS®.

Section 7. Electronic Transaction of Business. To the fullest extent permitted by law, the Board of Directors or membership may conduct business by electronic means.

ARTICLE XIII - Committees

Section 1. Standing Committees. The incoming President shall appoint, subject to confirmation by the incoming Board of Directors, the following standing committees or the chairmen of these committees, who will, in turn, select committee members:

Candidate Selection	Independent Brokerage Council
Community Service	Legislative/Political Affairs
Diversity, Equity & Inclusion	Membership
Durham Public Schools	New Member Orientation
Executive	Professional Standards
Grievance	Property Management
Home Show/Housing Opportunities	Social

Section 2. Special Committees. The President shall appoint, subject to confirmation by the Board of Directors, special committees as deemed necessary.

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

Section 4. President. The President shall be an ex-officio member of all standing committees and shall be notified of their meetings.

Section 5. Attendance by Telephone. Members of a committee may participate in any meeting through the use of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Such participation shall be at the discretion of the President and shall constitute presence at the meeting.

Section 6. It shall be a requirement that every member of the Grievance Committee, the Professional Standards Committee and the Board of Directors attend:

(A) Every year a Code of Ethics training, which can be satisfied in any of the following ways: by completing a classroom Code of Ethics continuing education class OR an on-line Code of Ethics course, by attending a NCAR Code of Ethics workshop or by such other annual designated review as authorized by the Board of Directors. This requirement is to be completed before a member can serve in a decision-making capacity to review and vote on Grievance, serve on a Professional Standards hearing panel or serve on an appeal panel.

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 a majority vote of the members 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, except that the Board of Directors may, at any regular or special meeting of the Board of Directors at which a quorum is present, approve amendments to the Bylaws which are mandated by National Association of REALTORS® policy. Article IX, Section 1 (termination of National Association of REALTORS® and North Carolina Association of REALTORS® membership) may only be amended by a majority vote of all REALTOR® members (not only those present at the meeting).

Section 2. Notice of all meetings at which such amendments are to be considered shall be provided to every member eligible to vote at least five days prior to the date of the meeting. [The 'notice' required by this Section is to be given to members by emailing the information to the most current email address provided by the member to the association's office].

Section 3. Amendments to these Bylaws affecting the admission or qualifications of REALTOR® and Institute Affiliate 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 as authorized by the Board of Directors of the National Association of REALTORS®.

ARTICLE XVII - Dissolution

Section 1. 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 Carolina Association of REALTORS® or, within its discretion, to any other non-profit tax exempt organization.

ARTICLE XVIII - Effective Date of By-Laws

These Bylaws shall become effective, and repeal and supersede all other association Bylaws which are to the contrary, immediately upon their adoption by the REALTOR® members of the Durham Regional Association of REALTORS®, Inc. qualified to vote. This, however, shall not invalidate any action taken under previous rules prior to this adoption, effective 8/22/2022.