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CONSTITUTION

&

BYLAWS

Approved 2.28.19

The mission of the Catawba Valley Association of REALTORS® is to serve our members by strengthening their ability to conduct their business ethically, professionally and successfully.

CATAWBA VALLEY ASSOCIATION OF REALTORS®

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CONSTITUTION AND BYLAWS

ARTICLE I - NAME

Section 1. Name. The name of this organization shall be the Catawba Valley Association of REALTORS®, Incorporated, 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

The objectives of the Association are:

Section 1. 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.

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

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

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

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

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

ARTICLE III - JURISDICTION

Section 1. The territorial jurisdiction of the Association as a Member of the NATIONAL ASSOCIATION OF REALTORS® is: Catawba County, Caldwell County, and Wittenburg Township in Alexander County.

Section 2. Territorial jurisdiction is defined to mean: The right and duty to control the use of the terms REALTOR® and REALTORS®, subject to the conditions set forth in these Bylaws and those of the NATIONAL ASSOCIATION OF REALTORS®, in return for which the Association agrees to protect and safeguard the property rights of the National Association in the terms.

ARTICLE IV - MEMBERSHIP

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

(1) Individuals who, as sole proprietors, partners, corporate officers, or branch office managers, are engaged actively in the real estate profession, including buying, selling, exchanging, renting or leasing, managing, appraising for others for compensation, counseling, building, developing or subdividing real estate, and who maintain or are associated with an established real estate office in the State of North Carolina or a state contiguous thereto. All persons who are partners in a partnership, or all offices in a corporation who are actively engaged in the real estate profession within the state of a state contiguous thereto shall qualify for REALTOR® Membership only, and

each is required to hold REALTOR® Membership in an association of REALTORS® within the state or a state contiguous thereto unless otherwise qualified for Institute Affiliate Membership.

(2) 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.

(3) * NOTE: REALTOR® Members may obtain membership in a "secondary" association in another state.

(4) 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.

(5) 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) franchises 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 rights, privileges, and obligations of REALTOR® membership (including compliance with the Code of Ethics) except: obligations related to association-mandated education, meeting attendance, or indoctrination classes or other similar requirements; the right to use the term REALTOR® in connection with their franchise organization's name; and the right to hold elective office in the local association, state association and National Association.

(6) 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.

(7) 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 pursuant to Article 17 of the Code of Ethics and the payment of Association dues. 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 of REALTOR® Membership.

(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® or REALTOR® Associate membership, subject to payment of applicable dues for such membership. (Amended 1/02)

(c) Affiliate Members. Affiliate Members shall be real estate owners and other individuals or firms who, while not engaged in the real estate profession as defined in paragraphs (a) or (b) of this Section, have interests requiring information concerning real estate, and are in sympathy with the objectives of the Association.

(d) 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.

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

(f) Student Members. Student Members shall be individuals who are seeking an undergraduate or graduate degree with a specialization or major in real estate at institutions of higher learning, and who have completed at least two years of college and at least one college level course in real estate, but are not

engaged in the real estate profession on their own account or not associated with an established real estate office.

(g) Provisional REALTOR® Membership Status (Article V., Section 3.c.) (amended 3-21-2012)

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 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 ASSOCIATION OF REALTOR®, 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® or Secondary Member, will abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® including the obligation to arbitrate

(b) controversies arising out of real estate transaction 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 persons, 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 principal, partner, or corporate officer, or branch office manager of a real estate firm shall supply evidence satisfactory to the Board through it's Membership Committee or otherwise that he is actively engaged in the real estate profession and maintains a current, valid real estate broker's or provisional broker's license or is licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, has a place of business within the state or 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 Bylaws and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, and shall agree that if elected to membership, he will abide by such Constitution, Bylaws, Rules and Regulations, and Code of Ethics. (*)

* 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; (3) or other laws prohibiting unprofessional conduct against the applicant rendered by the courts or other lawful authorities, and (4) findings of violations of the REALTORS® Code of Ethics resulting in suspension or expulsion from any Member Board/Association in which applicant is or was a Member.

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 conviction or the release of the applicant from the confinement imposed for that conviction whichever is the later date (Amended 5/07)

Note 1: Additional requirement for membership may be adopted by the Board of Directors, provided that said qualifications are not in conflict with the established policy of and prior approval of the NATIONAL ASSOCIATION OF REALTORS®.

Note 2: Article IV, Section 2 of the NAR 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. (Adopted 1/01)

(b) Individuals who are actively engaged in the real estate profession other than as principals, partners, corporate officers, or branch office members in order to qualify for REALTOR® Membership, shall at the time of application, be associated either as an employee or as an independent contractor with a Designated REALTOR® Member of the Association or a Designated REALTOR® Member of another Association (if a Secondary Member) and must maintain a current, valid real estate broker's or provisional broker's license or be licensed or certified by an appropriate state regulatory agency in the appraisal of real property, and 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 agree in writing that if elected to membership he will abide by such Constitution, Bylaws, Rules and Regulations, and the Code of Ethics. (Amended 5/07)

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

1. All final findings of Code of Ethics violations and violations of other membership duties in any other association within the past three (3) years.

2. Pending ethics complaints (or hearings)

3. Unsatisfied discipline pending

4. Pending arbitration requests (or hearings)

5. Unpaid arbitration awards or unpaid financial obligations to any other association or association MLS.

6. Any misuse of the term REALTOR® or REALTORS® in the name of applicant's firm.

Section 3. Election

The procedure for election to membership shall be as follows:

(a) The Chief Staff Executive (or duly authorized designee) shall determine whether the applicant is applying for the appropriate class of membership.

(b) The Board of Directors may review the qualifications of the applicant at the recommendation of the Chief Staff Executive (or duly authorized designee) and then vote on the applicant's eligibility for membership. If the applicant receives a majority vote of the Board of Directors, he shall be declared elected to membership and shall be advised by written notice.

(c) Applicants for REALTOR® membership and provisional REALTOR® members (where applicable) 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. If the individual does not satisfy all of the requirements of membership (for example, completion of a mandatory orientation program) within 180 days from the Association's receipt of the application, membership shall be terminated. (amended 3-25-2012)

(d) The Board of Directors may not reject an application without providing the applicant with advance notice of the findings, 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 counsel present. The Board of Directors shall require that written minutes be made of any hearing before it and may electronically or mechanically record the proceedings.

(e) If the Board of Directors determines that the application should be rejected, it shall record its reasons with the Chief Staff Executive (or duly authorized designee). If the Board of Directors believes that denial of membership to the applicant may become the basis of litigation and a claim of damage by the applicant, it may specify that denial shall become effective upon entry in a suit by the Board for a declaratory judgment by a court of competent jurisdiction of a final judgment declaring that the rejection violates no rights of the applicant.

Section 4. New Member Code of Ethics Orientation

Applicants for REALTOR® membership shall complete an orientation program on the Code of Ethics of not less than two hours and thirty minutes of instructional time. This requirement does not apply to applicants for REALTOR® membership and provisional REALTOR® members (where applicable) 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 180 days of application will result in denial of the membership application. (Amended 1/17/18)

Note: Orientation programs must meet the learning objectives and minimum criteria established from time to time by the NATIONAL ASSOCIATION OF REALTORS®. (Adopted 1/01)

Section 5. REALTOR® Code of Ethics Training

Effective January 1, 2017, through December 31, 2018, and for successive two 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 biennial 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 association, the State 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 two (2) year cycle shall not be required to complete additional ethics training until a new two (2) 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 two (2) year cycle will result in suspension of membership for the first two months (January and February) of the year following the end of any two (2) 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. (Adopted 1/01, Amended 11/08, Amended 11/2016)

Section 6. Status Changes

(a) A REALTOR® who changes the conditions under which they held membership shall be required to provide written notification to the Association within thirty (30) days. A REALTOR® (non-principal) who becomes a principal in the firm with which he has been licensed or, alternatively, becomes a principal in a new firm which will be comprised of REALTOR® principals may be required to satisfy any previously unsatisfied membership requirements applicable to REALTOR® (principal) Members but shall, during the period of transition from one status of membership to another, be subject to all of the privileges and obligations of a REALTOR® (principal). If the REALTOR® (non-principal) does not satisfy the requirements established in these Bylaws for the category of membership to which they have transferred within 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.

(b) A REALTOR® who is transferring their license from one firm comprised of REALTOR® principals to another firm comprised of REALTOR® principals shall complete a transfer form. During the period of transition all the privileges and obligations of membership shall be suspended. If the transfer is not completed within thirty (30) days of the date the Association is advised of the disaffiliation with the current firm, membership will terminate automatically unless otherwise so directed by the Board of Directors.

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

(c) 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.

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

ARTICLE VI - PRIVILEGES AND OBLIGATIONS

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

Section 2. Any Member of the Association may be reprimanded, fined, placed on probation, suspended or expelled by the Board of Directors for a violation of these Bylaws and Association Rules and Regulations not inconsistent with these Bylaws, after a hearing as provided in the Code of Ethics and Arbitration Manual of the Association. Although Members other than REALTORS® are neither 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 NATIONALS 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 non-discriminatory basis, reflects adversely on the terms REALTOR® or REALTORS®, and the real estate industry, or for conduct that is inconsistent with or adverse to the objectives and purposes of the local Association, the State Association, and the NATIONAL ASSOCIATION OF REALTORS®.

Section 3. 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. Resignations of Members shall become effective when received in writing by the Association of Directors, provided, however, that if the Member submitting the resignation is indebted to the Association for dues, fees, fines, or other assessments of the Association of any of its services, departments, divisions, or subsidiaries, the Association may condition the right of the resigning Member to reapply for membership upon payment in full of all such monies owed.

Section 5. If a member resigns from the association or otherwise causes membership to terminate with an ethics complaint pending, the complaint shall be processed until the decision of the association with respect to disposition of the complaint is final by this association (if respondent does not hold membership in any other association) or by any other association in which the respondent continues to hold membership. If an ethics respondent resigns or otherwise causes membership in all Boards to terminate before an ethics complaint is filed alleging unethical conduct occurred while the respondent was a REALTOR®, the complaint, once filed, shall be processed until the decision of the association with respect to disposition of the complaint is final. In any instance where an ethics hearing is held subsequent to an ethic respondent's resignation or membership termination, any discipline ratified by the Board of Directors shall be held in abeyance until such time as the respondent rejoins an association of REALTORS®.

a. 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®. (Amended 1/00 and 11/11)

Section 6. REALTOR® Members, whether primary or secondary, in good standing whose financial obligations to the Association are paid in full shall be entitled to:

(a) Vote and to hold elective office in the Association.

(b) REALTOR® Members May use the term REALTOR® and REALTORS®, which use shall be subject to the provisions of Article VIII.

(c) REALTOR® Members have the primary responsibility to safeguard and promote the standards, interests, and welfare of the Association and the real estate profession.

(d) If a REALTOR® Member is a principal in a firm, partnership, or 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 principal, 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 with the firm, partnership, or corporation is severed or unless the REALTOR® Member (non-principal) elects to sever his connection with the REALTOR® and affiliate with another REALTOR® Member in good standing in the Association, whichever may apply. If a REALTOR® Member 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.

(e) In any action taken against a REALTOR® Member for suspension or expulsion under Section 6(d) 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 provision of Article VI, Section 6(d) shall apply.

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

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 association's Multiple Listing Service.

Section 8. Affiliate Members**.** Affiliate Member shall have rights and privileges and be subject to obligations prescribed by the Board of Directors.

Section 9. Public Service Members. Public Service Members hall have rights and privileges and be subject to obligations as prescribed by the Board of Directors.

Section 10. Honorary Members**.** Honorary Membership shall confer only the right to attend meetings and participate in discussions.

Section 11. Student Members. Student Members shall have rights and privileges and shall be subject to obligations prescribed by the Board of Directors.

Section 12. Certification by REALTOR®**.** "Designated" REALTOR® Members of the Association shall certify to the Association during the month of January on a form provided by the Association, a complete listing of all individuals licensed or certified in the REALTORS®'s office(s) and shall designate a primary Association for each individual who holds membership. Designated REALTOR® shall also identify any non-member licensees in the REALTOR®'S office(s) and if Designated REALTOR® dues have been paid to another Board/Association based on said non-member licensees, the Designated REALTOR® shall identify the Board/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 individual(s) licensed or certified with the firm(s) within ten (10) days of the date of affiliation or severance of the individual.

Section 13. Legal Liability Training. Within two (2) years of the date of election to membership, and every two (2) years thereafter, each REALTOR® member of the association shall be required to demonstrate that they have

completed a course of instruction on antitrust laws, agency laws, civil rights laws or the REALTORS® Code of Ethics, its interpretation and meaning and/or the procedures related to its enforcement.

This requirement will be considered satisfied upon presentation of evidence that the member has completed an educational program conducted by another Member Board, the State Association of REALTORS®, the NATIONAL ASSOCIATION OF REALTORS® or any of its affiliated Institutes, Societies or Councils, or any other recognized educational institution which, in the opinion of the board of directors, is an adequate substitute for the training programs conducted by the association.

Failure to satisfy this requirement biennially will result in membership being suspended from the date it otherwise would be renewed until such time that the member provides evidence of completion of the aforementioned educational requirements.

Section 14. Harassment**.** Any member of the association may be reprimanded, placed on probation, suspended or expelled for harassment of an association or MLS employee or association officer or director after an investigation in accordance with the procedures of the association. As used in this section, harassment means any verbal or physical conduct including threatening or obscene language, unwelcome sexual advances, stalking, actions including strikes, shoves, kicks, or other similar physical contact, or threats to do the same, or any other conduct with the purpose or effect of unreasonably interfering with an individual's work performance by creating a hostile, intimidating or offensive work environment. The decision of the appropriate disciplinary action to be taken shall be made by the investigatory team comprised of the president, and president-elect and/or vice president and one member of the board of directors selected by the highest ranking officer not named in the complaint, upon consultation with legal counsel for the association. Disciplinary action may include any sanction authorized in the association's Code of Ethics and Arbitration Manual. If the complaint names the president, president-elect or vice president, they may not participate in the proceedings and shall be replaced by the immediate past president or, alternatively, by another member of the board of directors selected by the highest ranking officer not named in the complaint.

ARTICLE VII - PROFESSIONAL STANDARDS AND ARBITRATION

Section 1. The responsibility of the Association and of Association Members relating to the enforcement of the Code of Ethics, the disciplining of Members, and the arbitration of disputes, and the organization and procedures incident thereto, shall be governed by the Code of Ethics and Arbitration Manual of the NATIONAL ASSOCIATION OF REALTORS®, as amended from time to time, 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.

Section 2. It shall be the duty and responsibility of every REALTOR® member of this Association to abide by the Constitution and Bylaws and the Rules and Regulations of the Association, the Constitution and Bylaws of the State Association, the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS®, and to abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, including the duty to arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics, and as further defined and in accordance with the procedures set forth in the Code of Ethics and Arbitration Manual of this Association, as from time to time amended.

Section 3: The responsibility of the 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 part of these Bylaws.

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

Section 1. Use of the terms REALTOR® and REALTORS® by Members shall, at all times, be subject to the provisions of the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS® and 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. (Amended 5/06)

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

Section 3. A REALTOR® 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 of the Association or Institute Affiliate Members.

(a) In the case of a REALTOR® member who is a principal of a real estate firm, partnership, or corporation whose business activity is substantially all commercial, the right to use the term REALTOR® or REALTORS® shall be limited to office locations in which a principal, partner, corporate officer, or branch office manager of the firm, partnership, or corporation holds REALTOR® membership. If a firm, partnership, or corporation operates additional places of business in which no principal, partner, corporate 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. (Amended 1/01)

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

ARTICLE IX - STATE AND NATIONAL MEMBERSHIPS

Section 1. The Association shall be a Member of the NATIONAL ASSOCIATION OF REALTORS® and the North Carolina Association of REALTORS®. By reason of the Association's Membership, each REALTOR® Member of the Member Association shall be entitled to membership in the NATIONAL ASSOCIATION OF REALTORS® and the North Carolina Association of REALTORS® without further payment of dues. The Association shall continue as a Member of the State and National Associations, unless by a majority vote of all of its REALTOR® Members, a 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 of REALTORS®

ARTICLE X - DUES AND ASSESSMENTS

Section 1. Application Fee. The Board of Directors may adopt an application fee for REALTOR® Membership in reasonable amount, not exceeding three times the amount of the total 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. (Amended 12/03)

Section 2. Dues. The annual dues of members shall be as follows:

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 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) 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 state contiguous thereto, provided the Designated REALTOR® notifies the Association in writing 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 the 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 Association shall be held to be any Member who has a place or places of business within that state or a state contiguous thereto and who, as a principal, partner, corporate officer, or branch office manager of a real estate firm, partnership, or corporation, is actively engaged in the real estate 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 (except as provided for in Section 2 (a.) (1) hereof) provided that such licensee is not otherwise included in the computation of dues payable by the principal, partner, corporate officer or branch manager of the entity.

A REALTOR® with a direct or indirect ownership interest in any 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 the Section and shall not be included in calculating the annual dues of the Designated REALTOR®.

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

(a) The annual dues of REALTOR® Members other than the Designated REALTOR® shall be in such amount as established annually by the Board of Directors.

(b) Affiliate Members. The annual dues of each Affiliate Member shall be as established annually by the Board of Directors.

(c) Institute Affiliate Members. The annual dues of each Institute Affiliate Member shall 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). The National Association shall credit $35 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 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 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. (Amended 11/2013)

(d) Public Service Members. The annual dues of each Public Service Member shall be in such amount as established by the Board of Directors.

(e) Honorary Members. Dues payable, if any, shall be at the discretion of the Board of Directors.

(f) Student Members. Dues payable, if any, shall be at the discretion of the Board of Directors.

Section 3. Dues Payable. Dues for all Members shall be payable annually in advance in January. Dues shall be computed from the first day of the month in which a Member is notified of election and shall be prorated for the remainder of the year.

(a) In the event a sales licensee or licensed or certified appraiser who holds REALTOR® membership is dropped for non-payment 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 4. Nonpayment of Financial Obligations. If dues, fees, fines, or other assessments including amounts owed to the Association or the Association's Multiple Listing Service are not paid within one (1) month after the due date, the nonpaying Member is subject to suspension at the discretion of the Board of Directors. Two (2) months after the due date, membership of the nonpaying Member may be terminated at the discretion of the Board of Directors. Three (3) months after the due date, membership of the nonpaying Member shall automatically terminate unless within that time the amount due is paid. However, no action shall be taken to suspend or expel a Member for nonpayment of disputed amounts until the accuracy of the amount has been confirmed by the Board of Directors. A former Member who has had his membership terminated for nonpayment of dues, fees, fines, or other assessments duly levied in accordance with the provisions of these Bylaws or the provisions of other Rules and Regulations of the Association or any of its services, departments, divisions or subsidiaries may apply for reinstatement in a manner prescribed for new applicants for membership, after making payment in full of all accounts due as of the date of termination.

Section 5. Deposits and Expenditures. Deposits and expenditures of funds shall be in accordance with policies established by the Board of Directors.

Section 6. Notice of Dues, Fees, Fines, Assessments, and Other Financial Obligations of Members. All dues, fees, fines, assessments, or other financial obligations to the Association or the Association's Multiple Listing Service shall be noticed to the delinquent Association Member in writing setting forth the amount owed and due date.

Section 7. The dues of REALTOR® Members who are REALTOR® Emeriti (as recognized by the National Association), past presidents and past treasurers of the National Association or recipients of the Distinguished Service Award shall be as determined by the board of directors (Amended 11/2013).

NOTE: A Member Association's dues obligation to the National Association is reduced by an amount equal to the amount which the Association is assessed for a REALTOR® Member, times the number of REALTOR® Emeriti (as recognized by the National Association), Past Presidents of the National Association, and recipients of the Distinguished Service Award of the National Association who are REALTOR® Members of the Association. The dues obligation of such individuals to the local Association should be reduced to reflect the reduction in the Association's dues obligation to the National Association. The Association may, at its option, choose to have no dues requirement for such individuals except as may be required to meet the Association's obligation to the State Association with respect to such individuals. It should be noted that this does not affect a "Designated" REALTOR®'s dues obligation to the Association with respect to those licensees employed by or affiliated with the "Designated" REALTOR® who are not Members of the local Association.

ARTICLE XI - OFFICERS AND DIRECTORS

Section 1. Officers. The elected officers of the Association shall be: a President, a Vice President (who shall be the President-Elect), a Secretary and Treasurer. The Secretary and Treasurer may be the same person. All officers shall be elected for a term of one year except the Secretary/Treasurer who shall serve for a term of two (2) years. The term of office shall commence January 1 of each year.

Section 2. Duties of Officers. The duties of the officer 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 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 three (3) elected officers and six (6) REALTOR® Members, including the immediate past President, who will serve as directors. Elected directors shall serve a three (3) year term and will be any REALTOR® member in good standing of the Catawba Valley Association of REALTORS®, Inc.

Section 4. Executive Officer. The Board of Directors is empowered to elect and employ an Executive Officer, who may also be corporate secretary, and they may otherwise prescribe his functions, fix his compensation, and assign title.

Section 5. Election of Officers and Directors.

(a) At least two (2) months before the annual election, a Nominating Committee of five (5) REALTOR® Members shall be appointed by the President with the approval of 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. The report of the Nominating Committee shall be mailed to each Member eligible to vote at least three (3) weeks preceding the election. Additional candidates for the offices to be filled may be placed in nomination by petition signed by at least twenty (20%) percent of the REALTOR® members eligible to vote. The petition shall be filed with the Secretary at least two (2) weeks before the election. The Secretary shall send notice of such additional nominations to all Members eligible to vote before the election.

(b) The election of Officers and Directors shall take place at the annual meeting. Election shall be by ballot and all votes shall be cast in person, or by absentee ballot at the Association office. The ballots shall contain the names of all candidates and the offices for which they are nominated.

(c) The President, with the approval of the Board of Directors, shall appoint an Election Committee of five (5) REALTOR® Members to conduct the election. In case of a tie vote, the issue shall be determined by lot.

Section 6. 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 7. Removal of Officers or Directors. In the event that an Officer or Director is deemed to be incapable of fulfilling the duties for which elected, but will not resign from office voluntarily, the Officer or Director may be removed from office under the following procedure:

(a) A petition requiring the removal of an Officer or Director and signed by not less than one-third of the voting membership or a majority of all Directors shall be filed with the President, or if the President is the subject of the petition, with the next-ranking officer, and shall specifically set forth the reasons the individual is deemed to be disqualified from further service.

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

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

ARTICLE XII - MEETINGS

Section 1. Annual Meetings. The annual meeting of the Association will be held in October of each year, the date, place and the hour to be designated by the board of directors.

Section 2. Meetings of Directors. The board of directors shall designate a regular time and place of meetings. Absence from three (3) 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 board of directors, except as may otherwise be required by state law. (Amended 005/2013)

Section 3. Other Meetings. Meetings of the Members may be held at other times as the President or the Board of Directors may determine, or upon the written request of at least ten (10%) percent of the Members eligible to vote.

Section 4. Notice of Meetings. Written notice shall be given to every Member entitled to participate in the meeting at least one (1) week preceding all meetings. If a special meeting is called, it shall be accompanied by a statement of the purpose of the meeting.

Section 5. Quorum. A quorum for the transaction of business at general and/or special meetings of the membership shall consist of thirty (30%) percent of the Members eligible to vote, except as may otherwise be required by state law. (Amended 5/2013)

Section 6. Absentee Ballots. In the event a REALTOR® Member cannot be present at a duly called meeting, then the REALTOR® Member may sign and cast a ballot at the Association Office by placing the ballot in a sealed envelope and delivering the envelope with the ballot to the Association Office not later than 5:00 p.m. on the day preceding the meeting. Absentee ballots shall plainly state the matter to be voted upon and shall be effective only for the purposes as stated therein and for purposes pursuant to Article XII, Section 5. Absentee ballots are to be opened and counted by the Election Committee prior to the vote for purposes of determining quorum requirements, however, under no circumstances is the vote count to be made available to any one until after the vote on the matter at the duly called meeting.

ARTICLE XIII - COMMITTEES

Section 1. Standing Committees. The President shall appoint from among the REALTOR® and/or Affiliate Members, subject to confirmation by the Board of Directors, the following standing committees:

Budget/Finance
Community Service
Education
Equal Opportunity in Housing
Golf for Charity
Grievance
Orientation/Membership
Professional Standards
Public Relations

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 duties, function and powers as assigned 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.

ARTICLE XIV - FISCAL AND ELECTIVE YEAR

Section 1. Fiscal Year. The fiscal year of the Association shall be April 1 through March 31.

Section 2. Elective Year. The elective year of the Association shall be 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. Amendments to these Bylaws shall be by consideration and approval of the Board of Directors and, if the Directors deem necessary, by two thirds of the votes cast by those Members present at the Annual Meeting or at a special or other meeting of the Members or by two thirds of the votes cast by written ballot without a meeting, provided that written notice containing the substance of such proposed amendment or amendments shall be given to the Members entitled to vote at least ten (10) days prior to the Annual meeting or other meeting. If the vote is taken without a meeting, the substance of such proposed amendment or amendments shall be provided with the

ballot, which shall be delivered at least ten (10) days prior to the date by which the ballot must be received by the Association. The Board of Directors will determine whether or not a meeting is required for the vote.

Section 2. Notice of all meetings at which amendments are to be considered shall be mailed to every Member eligible to vote at least one (1) week prior to the meeting.

Section 3. Amendments to these Bylaws affecting the admission or qualification 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®.

Section 4. In order to insure unity of basic purposes in relationships among this Association, the State Association and the National Association, all recommended amendments/changes by the NATIONAL ASSOCIATION OF REALTORS® of these Bylaws shall be adopted and incorporated into these Bylaws without action by this Association and shall be effective on the date the recommended amendments/changes are received by the Association. In the event the NATIONAL ASSOCIATION OF REALTORS® recommends amendments/changes which conflict with any local, county or state rule, regulation, ordinance or law, then said amendments/changes shall be rescinded, retroactive to the date of receipt from the NATIONAL ASSOCIATION OF REALTORS® by the Association, upon written notification by the Association's legal counsel.

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 court non-profit tax exempt organization.

ARTICLE XVIII – MULTIPLE LISTING

Multiple Listing Service Operated as a Separate Corporation Wholly-Owned by the Association

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

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

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

Section 4. Participation. Any REALTOR® of this or any other Board who is a principal, partner, corporate officer, or branch office manager acting on behalf of a principal, without further qualification, except as otherwise stipulated in these bylaws, shall be eligible to participate in Multiple Listing upon agreeing in writing to conform to the rules and regulations thereof and to pay the costs incidental thereto.* However, under no circumstances is any individual or firm, regardless of membership status, entitled to Multiple Listing Service "membership" or "participation" unless they hold a current, valid North Carolina real estate broker's license and offer or accept compensation to and from other Participants or are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property. ** Use of information developed by or published by a Board Multiple Listing Service is strictly limited to the activities authorized under a Participant's licensure(s) or certification and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey "participation" or "membership" or any right of access to information developed by or published by a Board Multiple Listing Service where access to such information is prohibited by law. (Amended 11/08)

Note 1: Mere possession of a broker's license is not sufficient to qualify for MLS participation. Rather, the requirement that an individual or firm 'offers or accepts cooperation and compensation' means that the Participant actively endeavors during the operation of its real estate business to list real property of the type listed on the MLS and/or to accept offers of cooperation and compensation made by listing brokers or agents in the MLS. "Actively" means on a continual and on-going basis during the operation of the Participant's real estate business. The „'actively" requirement is not intended to preclude MLS participation by a Participant or potential Participant that operates a real estate business on a part time, seasonal, or similarly time-limited basis or that has its business interrupted by periods of relative inactivity occasioned by market conditions. Similarly, the requirement is not intended to deny MLS participation to a Participant or potential Participant who has not achieved a minimum number of transactions despite good faith efforts. Nor is it intended to permit an MLS to deny participation based on the level of service provided by the Participant or potential Participant as long as the level of service satisfies state law. The key is that the Participant or potential Participant actively endeavors to make or accept offers of cooperation and compensation with respect to properties of the type that are listed on the MLS in which participation is sought. This requirement does not permit an MLS to deny participation to a Participant or potential Participant that operates a Virtual Office Website ("VOW") (including a VOW that the Participant uses to refer customers to other Participants) if the Participant or potential Participant actively endeavors to make or accept offers of cooperation and compensation. An MLS may evaluate whether a Participant or potential Participant "actively endeavors during the operation of its real estate business" to "offer or accept cooperation and compensation" only if the MLS has a reasonable basis to believe that the Participant or potential Participant is in fact not doing so.

The membership requirement shall be applied on a nondiscriminatory manner to all Participants and potential Participants. (Adopted 11/08)

NOTE 2: Generally, Associations of REALTORS®, when there is more than one principal in a real estate firm, define the chief principal officer of the firm as the MLS "Participant". Brokers or salespersons other than principals are not considered "Participants" in the Service, but have access to and use of the Service, but have access to and use of the Service through the principal(s) with whom they are affiliated.

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

Section 6. Subscribers. Subscribers (or users) of the MLS include non-principal brokers, sales associates and licensed and certified appraisers affiliated with Participants.

ARTICLE XIX
INDEMNIFICATION OF OFFICERS, DIRECTORS, COMMITTEE MEMBERS AND EMPLOYEES

The Association shall indemnify each and every officer, director, committee member and employee of the Association against any and all expenses incurred from any claim, action or demand on account of or arising out of said person serving in the above capacity by reason of any action taken or omission in his/her capacity as an officer, director, committee member or employee of the Association. The Association shall reimburse each such person for all legal expenses and related costs incurred by said person in defense of same, provided, however, that no such person shall be reimbursed for any expense incurred in connection with any claim, action or liability arising out of his/her own willful or intentional misconduct, gross negligence or in which the person derives an improper personal benefit.

The amount to be paid to any officer, director, committee member or employee under this indemnification shall not exceed the reasonable and necessary expenses incurred in connection with this matter as determined by the Board of Directors of the Association and any member of the Board of Directors seeking reimbursement shall not be permitted to vote on the matter. The right of indemnification as herein provided is not exclusive and each and every

officer, director, committee member or employee of the Association has the right to pursue any additional remedies as provided by law.

The Association shall not have any obligation to provide reimbursement pursuant to this Article without first considering other sources of reimbursement and any reimbursement shall be limited to the Association's ability to pay from its current operating funds after taking into consideration the obligations which the Association owes to its membership. Under no circumstances shall the Association be required to borrow funds or sell any of its operating assets in order to reimburse an indemnified party pursuant to the Article.

ARTICLE XX – HARASSMENT POLICY

The members of the CATAWBA VALLEY ASSOCIATION OF REALTORS® ("CVAR") and the MULTIPLE LISTING SERVICE OF CATAWBA VALLEY, INC. ("MLSCV") uphold to a high standard of ethics. No type of harassment shall be tolerated between members and staff. Therefore, any member of CVAR and MLSCV may be reprimanded, placed on probation, suspended, or expelled for harassment of an employee.

HARASSMENT/SEXUAL HARASSMENT POLICY STATEMENT

Harassment/Sexual Harassment and other types of harassment are illegal conduct and are contrary to the policy of the CATAWBA VALLEY ASSOCIATION OF REALTORS® ("CVAR") and the MULTIPLE LISTING SERVICE OF CATAWBA VALLEY, INC. ("MLSCV"). Each and every employee and/or member of CVAR and/or MLSCV is responsible for assuring that they do not engage in harassment/sexual harassment or any other form of harassment.

For purposes of this policy statement, Harassment/Sexual Harassment is defined as all forms of harassment, including sexual harassment, and is defined below as:

1) Unwelcome sexual advances;
2) Unwelcome requests for sexual acts or favors;
3) Other verbal or physical conduct that has the purpose or effect of unreasonably interfering with an individual's work performance by creating an intimidating, hostile or offensive working environment.
4) Offensive actions, words, jokes or comments regarding an individual's sex, race, color, national origin, age, religion, disability, citizenship and any other legally protected right.

Complaint Procedure

Any employee or member who believes he/she has suffered Harassment/Sexual Harassment by any other employee or member, including supervisors and coworkers, or by any member of CVAR and/or MLSCV, or by any guest or visitor of the CVAR and/or MLSCV, must bring the problem to the attention to the first of the following individuals (then to the next named person, if the name person is the alleged accused):

1) President of CVAR
2) President Elect of CVAR
3) Association Executive of CVAR
4) The General Counsel for CVAR

The complaint does not have to be in writing, although a written complaint is preferred. It is helpful if details of a general description of the harassment along with the dates, times, places of and witnesses, (if any), to the harassment can be provided.

Complaint Investigation and Confidentiality

All complaints will be investigated promptly by a team comprised of the President Elect, the Association Executive, and the General Counsel for CVAR. Either of the foregoing will be disqualified to serve if any of them are the alleged accused individual; in such case, the directors of CVAR shall select a person to serve in the place of the disqualified individual.

The identity of the employee or member making the complaint, as well as the identity of the individual accused of Harassment/Sexual Harassment, will be kept strictly confidential. Information regarding the charge of Harassment/Sexual Harassment and the investigation of that charge will not be made known to anyone who is not directly involved either as a party, a witness or a member of the investigatory team. Witnesses interviewed will be provided only such information as is necessary to elicit from them their observations and other relevant information. This Harassment/Sexual Harassment policy does not apply to a member of CVAR or MLSCV who files a complaint over an incident which arises directly or indirectly related to his/her workplace and does not involve an incident of Harassment/Sexual Harassment which occurred while the member is performing duties or using the services of either CVAR or MLSCV.

During the investigation, both the complainant and the accused will be provided a full opportunity to tell their side of the story. Witnesses identified by the complainant or the accused will also be interviewed. Upon completion of the investigation, the investigatory team will prepare a written report of its findings and recommendations for the President of CVAR. Authority for the final resolution of all charges and the determination of appropriate sanctions rests with the President of CVAR. If the President is the accused, then CVAR's directors shall designate a member of the Board who has not been part of the investigatory team to serve in the place of the President.

Discipline

Harassment/Sexual Harassment is serious offense and any employee or member found to have engaged in such conduct is subject to severe discipline, up to and including termination of employment or termination of membership. If a member of the CVAR or the MLSCV is found to have engaged in such conduct, then his/her right to membership may by subject to such disciplinary action as provided by said entity's rules and regulations.

It is contrary to this policy for a supervisor to retaliate against any employee or member who files a charge of Harassment/Sexual Harassment. All possible steps will be taken to eliminate the possibility of retaliation resulting from the filing of a complaint.

In the event a complaint of Harassment/Sexual Harassment is found to totally and completely without basis, appropriate disciplinary measures may be taken against the employee or member who brought the complaint. While this is not intended to discourage any employee or member who believes they have been the victim of Harassment/Sexual Harassment from bringing a complaint, this policy recognizes that a charge of Harassment/Sexual Harassment can cause serious damage to the accused's personal reputation and professional career.

Follow-up

In instances in which Harassment/Sexual Harassment is found to have occurred, a member of the investigatory team will remain in communication with the complainant to find out whether the harassment has ceased or if any retaliation has occurred.

Voluntary Office Romances

It is not contrary to the policy of CVAR and MLSCV for employees and members to date, except in circumstances where one of the employees or members reports either directly or indirectly to the other employee or member. No dating is permitted in such circumstances and a violation of this policy will result in immediate termination.

HARASSMENT CODE OF CONDUCT POLICY

The CATAWBA VALLEY ASSOCIATION OF REALTORS® ("CVAR") and the MULTIPLE LISTING SERVICE OF CATAWBA VALLEY, INC. ("MLSCV") fully support the rights and opportunities of all its directors, committee members, members and employees to work in an environment free from discrimination and without subjugation to harassment/sexual harassment.

The employees and members must work together effectively as a team to accomplish a code of conduct that creates an environment of courtesy and mutual respect. Offensive behavior not only impedes the effectiveness of the joint efforts, but can also create exposure to legal liability.

Harassment/Sexual harassment may be overt or subtle. It includes behavior that is not welcome, that is personally offensive, that fails to respect the rights of others, that lowers morale and that, therefore, interferes with the effectiveness of work. Harassment/Sexual harassment may take different forms. One specific form is a demand for sexual favors. Other forms of harassment include:

Verbal	Sexual innuendoes, suggestive comments, jokes of a sexual nature, sexual propositions, threats.
Non-verbal	Sexually suggestive objects or pictures, graphic commentaries, suggestive or insulting sounds, leering, whistling, obscene gestures.
Physical	Unwanted physical contact, including touching, pinching, brushing the body, coerced sexual intercourse, assault.

Harassment/Sexual harassment does not include occasional compliments or voluntary relationships between members and staff.

Whatever form it takes – verbal, non-verbal or physical, - harassment/sexual harassment is insulting and demeaning to the recipient and cannot be tolerated. Harassment/Sexual harassment of any employee or member, by any employee or member, will not be tolerated. All employees and members will be expected to behave accordingly and take appropriate measures to ensure that such conduct does not occur. Appropriate disciplinary action will be taken against any employee or member who engages in harassment/sexual harassment.

Any director, committee member, member or employee who believes he or she has been the subject of harassment/sexual harassment should report the alleged act immediately to the President of CVAR. If the complaint involves the President, then the complaint should be brought to the attention of the Vice President and, if necessary, then to the Executive Director.

Approved 2.28.19