

HIGH COUNTRY MULTIPLE LISTING SERVICE, INC. BYLAWS

Effective September, 2006

Amended 6/07; 04/08; 10/08; 01/09; 02/09; 04/09; 06/09; 9/10; 2/14;10/19

Approved 12/5/2019

Article 1: Name

The name of this organization shall be the High Country Multiple Listing Service, of the High Country Association of REALTORS®, hereinafter referred to as the Service, all the shares of stock of which are solely and wholly-owned by the High Country Association of REALTORS®. (Name amended 06/09)

Article 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 nonagency capacities defined by law); by which cooperation among participants is enhanced, by which information is accumulated and disseminated to enable authorized participants to prepare appraisals, analyses, and other valuations of real property for bona fide clients and customers; by which participants engaging in real estate appraisal 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 procuring cause of the sale (or lease). (Amended 11/04)

Article 3: Service Area

The Service area of the MLS shall be determined by the MLS Board of Directors. The service area of High Country Multiple Listing Service is Alleghany, Ashe, Avery and Watauga Counties of North Carolina, plus that portion of the Town of Blowing Rock, North Carolina, which extends into Caldwell County, and 2,000 feet on either side of U.S. Highway 221 as it passes through Caldwell County, North Carolina.

Article 4: Participation

PARTICIPATION DEFINED: Any REALTOR® of the HCAR or any other association 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 an association multiple listing Service is strictly limited to the activities authorized under a participant's licensure(s) or certification and

unauthorized uses are prohibited. Further, none of the foregoing is intended to convey participation or membership or any right of access to information developed by or published by an association multiple listing Service where access to such information is prohibited by law. The REALTOR® principal of any firm, partnership, corporation, or the branch office manager designated by said firm, partnership, or corporation as the participant shall have all rights, benefits, and privileges of the Service, and shall accept all obligations to the Service for the participant's firm, partnership, or corporation, and for compliance with the bylaws and rules and regulations of the Service by all persons affiliated with the participant who utilize the Service. (Amended 11/08)

Any applicant for MLS participation and any licensee (including licensed or certified appraisers) affiliated with an MLS participant who has access to and use of MLS-generated information shall complete an orientation program of no more than eight (8) hours devoted to the MLS rules and regulations and computer training related to MLS information entry and retrieval prior to access to the MLS. (Amended 11/96, 6/2019)

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 ongoing 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. (Adopted 11/08)

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 in a nondiscriminatory manner to all participants and potential participants. (Adopted 11/08)

Article 4.1: Application for Participation

Application for participation shall be made in such manner and form as may be prescribed by the board of directors of the Service and made available to any REALTOR® principal of this or any other association requesting it. The application form shall contain a signed statement agreeing to abide by these bylaws and any other applicable rules and regulations of the Service as from time to time amended or adopted. (Amended 2/94)

Article 4.2: Discontinuance of Service

Participants of the Service may discontinue the Service by giving the Service 30 days' written notice. Participant is not entitled to a refund. Participant may remain inactive for up to 12 months. Service may be re-instated within 12 months at no charge.

Participant may reapply to the Service after 12 months by making formal application in the manner prescribed for new applicants for participation provided all past dues and fees are fully paid.

Article 4.3: Subscribers

Subscribers (or users) of the MLS include non-principal brokers, sales associates, and licensed and certified appraisers affiliated with participants. Subscribers also include affiliated unlicensed administrative and clerical staff, personal assistants, and individuals seeking licensure or certification as real estate appraisers who are under the direct supervision of an MLS participant or the participant's licensed designee.) (Adopted 4/92)

Article 5: Service Charges

The charges made for participation in the Service shall be as determined, and as amended from time to time by the board of directors of the Service, and specified in the rules and regulations of the Service.

Article 6: Government of the Service

The government of the Service shall be vested in a board of directors comprised of the elected officers and directors nominated and elected as described in this article.

Article 6.1: Officers of the Service

The officers of the Service, who shall also be directors, shall be a president, a president elect, secretary, and treasurer, and shall have such duties as described in this article.

Article 6.2 Board of Directors

The elected Board of Directors will consist of the president, president elect, secretary, plus one additional director for every 50 member participants of the Service. Directors shall be elected from among the participants of the Service. BIC eligible subscribers may serve on the MLS BOD, with the consent of the member participant with whom they are affiliated except not more than 50% of the directors may be elected from among REALTORS other than participants. The President-Elect shall automatically succeed to the position of President, in the year after his or her term, without the necessity of standing for election.

In addition to the elected directors, the appointed Treasurer of the High Country Association of REALTORS®.(shareholder), the current president of the High Country Association of

REALTORS® (shareholder) or a current board member appointed by the HCAR president, and the immediate past president of the Service shall serve as directors, ex-officio, with full voting privileges.

*One Local Director for every 50 member participants of the Service (or fraction thereof) based on the member participant count on July 1st.

Article 6.3 Nomination and Election of Officers and Directors

The officers and directors of the Service shall be elected by a vote of the participants in the Service in accordance with these bylaws and as set forth below.

1. Nominating Committee: The president of the Service shall appoint a nominating committee each year, which committee shall be comprised of 5 participants of the Service. The appointment of the nominating committee shall be made by such a date as to enable the committee to meet and select a proposed slate of officers and directors of the Service not less than 45 days prior to the date of the *annual* meeting of the participants of the Service. The Recruiting/Certifying Committee shall notify the participants of the openings for nominations and shall receive written nominations from any member participant, review qualifications and nominee's willingness to serve, and ensure availability of candidates for each office and position to be filled on the Board of Directors.

All members of the Recruiting/Certifying Committee shall agree not to be a candidate for office the following year. The proposed slate of officers and directors shall be reported to the president and secretary of the Service.

2. Position Requirements: To help maximize the effectiveness of the Service and to ensure the efficient operation in line with general company policies, the President-Elect position must have at least one (1) year Experience on the MLS Board of Directors, with the Presidential position requiring two (2) years MLS Board of Directors experience. The Recruiting/Certifying Committee shall strive to make candidates available with representation from all geographic areas of the MLS and from different business offices.

3. Notice of Proposed Nominees: The president shall cause a list of the proposed nominees selected by the nominating committee to be forwarded to the participants of the Service on a date at least 30 days prior to the annual meeting.

4. Rights of Participants to Select Additional Nominees: The names of additional proposed nominees may be added to the list selected by the nominating committee by a petition submitted to the secretary of the Service by 5 (*five*) % of the participants of the Service, with said petition received *by board office* not less than 20 days prior to the date of *annual* meeting of the participants-

5. Electronic Voting: *Voting shall be conducted using an electronic online voting method to be determined by the MLS Board of Directors. Said election will be open and available to participants for voting online no earlier than 4 days (96 hours) prior to the annual meeting and shall close no later than 24 hours prior to annual meeting time.*

6. Board to Fill Non-Elected Openings: In the event that nominees are not duly and timely elected by the Service as provided in these bylaws, then the board of directors of the High

Country Association of REALTORS® shall exercise rights as sole and exclusive shareholder to elect a participant or participants of the Service to fill any existing vacancy or vacancies as officers or directors of the Service.

Article 6.4: Terms of Office

The president and president elect shall serve for a one-year term. The secretary shall serve for a two-year term. The elected local directors shall serve for staggered two-year terms with one-half of the terms expiring each year. Officers and directors shall take office upon the effective date of their offices and shall continue until their successors are elected, qualified, and installed. No officer or director shall be nominated and elected to the same office for more than two consecutive terms.

No more than 2 Elected Designated REALTORS® or REALTORS® from the same real estate firm may simultaneously serve on the MLS Board of Directors. (Adopted 11/09)

Article 6.5: Duties of Officers and Directors

The duties of the officers and directors are as follows:

1. The president shall be the chief executive officer of the Service and shall preside at its meetings and those of the board of directors, and shall perform all the duties of the president subject to declared policies and, as required, subject to confirmation of the board of directors. The MLS President will serve as a voting ex-officio officer of the Board of Directors of the High Country Association of REALTORS® and as a voting member of the Association Board of Directors, Executive committee.
2. The president-elect shall, in the absence of the president, perform all of the duties of the president.
3. The secretary shall keep records of the Service and carry on all necessary correspondence. He/she shall have charge of the corporate seal and affix the name to all documents properly requiring such seal.
4. The treasurer shall be the custodian of the funds of the Service and shall keep an accurate record of all receipts and disbursements. The treasurer shall provide to all members of the board of directors a quarterly statement of all accounts and financial affairs for the Service. It shall be the particular duty of the Treasurer to be the Chairman of the Finance Committee. (Amended 9-10)
5. The board of directors of the Service shall be the governing body of the Service and shall have control of all the affairs of the Service and shall authorize all expenditures of funds. The board of directors shall, prior to the end of each fiscal year, prepare a budget reflecting projected costs and expenses of the Service for the next fiscal year, indicating projected income from all sources. The budget shall be submitted to the participants of the Service for approval on a date not less than 10 days prior to the first day of the next fiscal year. The board of directors shall not incur an obligation in excess of 10% or \$1000, whichever is greater, over the total budget without the authorization by vote of a simple majority of member participants of the Service present and voting unless such excess is the result of an increase in the volume of

listings processed by the Service over that projected in preparing the annual budget. The MLS board of directors shall employ such executive, legal, and office personnel it deems necessary to care for and maintain the properties of the Service and otherwise conduct the administrative business of the Service. The board of directors of the Service shall have the right to make an audit of all books and accounts at any time without notice. The board of directors of the Service shall have the power from time-to-time to adopt such rules and regulations that they may deem appropriate subject to final approval of the board of directors of the High Country Association of REALTORS® (shareholder) Except as otherwise provided in these bylaws and rules and regulations, the action of the board of directors shall be final.

STANDARDS OF OFFICERS AND DIRECTORS. (Amended 9/10)

1. In accepting election to an office and the duties and responsibilities thereby imposed, the President, each elective officer and each Member of the Board of Directors reaffirms and acknowledges his or her commitment to the high standards of practice set forth in the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and to the obligations imposed by law on all brokers and appraisers duly licensed by the State of North Carolina. Each such officer and director acknowledges that his or her failure to conform to such standards and obligations may reflect adversely on the organization.
2. In the event the license of any member of the Board of Directors is revoked or is actively suspended by the appropriate North Carolina regulatory agency, such revocation or active suspension shall automatically result in the immediate removal of that individual from the office of the High Country Multiple Listing Service to which he or she has been elected and the termination of all rights, privileges, duties and responsibilities accompanying that office, whether or not the revocation or suspension is appealed.
3. In the event any Member of the Board of Directors is found guilty of a violation of the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® by the High Country Association of Realtors, thereby bringing discredit to the office to which he or she was elected and to the High Country Association of REALTORS® such individual may be removed from the office to which he or she was elected by action of the Board of Directors after due notice given to the elected officer or director and an opportunity to be heard at a meeting duly scheduled by the Board of Directors. In the event the Board of Directors by a majority vote determines that the individual should be removed from office, such action shall cause removal of the individual from the office of the High Country Multiple Listing Service, to which he or she has been elected together with all rights, privileges, duties and responsibilities accompanying that office and such removal shall be effective immediately upon a majority vote of the Board of Directors.
4. Vacancies among the Officers and the Board of Directors shall be filled by the High Country MLS Board of Directors from the Active Participants or a BIC eligible subscriber for the remainder of the term of office of the vacancy. (Amended 9/10)

Article 6.6: Removal of Officers and Directors

In the event that an officer or director of the multiple listing Service 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: (Adopted 11/96)

1. A petition requiring the removal of an officer or director and signed by not less than one-third of the participants or a majority of all directors of the MLS shall be filed with the president of the MLS, 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. (Adopted 11/96)

2. 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 participants of the MLS 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. (Adopted 11/96)

3. The special meeting shall be noticed to all participants at least ten (10) days prior to the meeting, and shall be conducted by the president of the MLS 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 or the hearing by the participants. Provided a quorum is present, a three-fourths vote of participants present and voting shall be required for removal from office. (Adopted 11/96)

4. Any vote taken by the participants to remove an officer or director must ultimately be confirmed by a majority vote of the directors of the shareholder. Notwithstanding the foregoing, the shareholder may remove an officer or director by a majority vote of the directors of the shareholder. (Adopted 11/96)

Article 7: Annual Meeting

The annual meeting of participants of the Service shall be held during the month of September at the time and place specified by the board of directors.

Article 7.1: Special Meetings of the Service

Special meetings of participants of the Service may be called from time to time by the president, the board of directors, or by 15% of the participants of the Service. Written notice stating the day, place, and hour of the meeting, the purpose or purposes for which the meeting is called, shall be delivered to all REALTORS® who are participants in the Service not less than _10 days prior to said meeting.

Article 7.2: Quorum and Voting at Meetings of the Service

For the transaction of business, 15% of the participants of the Service shall be considered a quorum. A majority vote by such participants present and voting at a meeting attended by a quorum shall be required for passage of motions.

Each Participant shall have one (1) vote.

Any Active Participant may vote by Proxy if:

- The proxy is in writing and signed by the Participant; and
- The person to whom the proxy is given is a member of the High Country Multiple Listing Service, Inc. in good standing; and

- The proxy is specified to be for ONLY the ONE meeting prescribed; and
- The proxy is delivered to the Board of Directors prior to any vote.
- Only five proxies may be held by any member of the High Country Multiple Listing Service, Inc. (Rev. 10/08)

Article 7.3: Meetings of the Board of Directors

The board of directors may meet at any time it deems advisable on the call of the president or half of the members of the board of directors. Half of the directors shall constitute a quorum. A majority vote by the directors present and voting at a meeting attended by a quorum shall be required for passage of motions.

Special meetings of the board of directors may be called by the president or any two directors.

Any or all directors may participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all directors participating may simultaneously hear each other during the meeting. A director participating in a meeting by this means is deemed to be present in person at the meeting.

Action required or permitted by this Chapter to be taken at a board of directors' meeting may be taken without a meeting if the action is taken by all members of the board. The action must be evidenced by one or more unrevoked written consents signed by each director before or after such action, describing the action taken, and included in the minutes or filed with the corporate records. To the extent the corporation has agreed pursuant to G.S. 55-1-50, a director's consent to action taken without meeting or revocation thereof may be in electronic form and delivered by electronic means.

Absence from three consecutive regular meetings without an excuse deemed valid by the Board of Directors shall be construed as resignation there from.

Article 7.4: Presiding Officer

At all meetings of the participants of the Service, or of the board of directors, the president or, in the absence of the president, the president elect, shall serve as presiding officer. In the absence of the president and the president elect, the president shall name a temporary chairperson or, upon the president's failure to do so, the board of directors of the Service shall appoint a temporary chairperson.

Article 8: Committees

The president, with the approval of the board of directors, shall create such standing or ad hoc committees as the president deems desirable and shall appoint their members. Each committee shall consist of not less than 1 participant in the Service, but may also include subscribers, employed by or affiliated as independent contractors with a REALTOR® participant serving as representatives of said REALTOR® participants and with their consent, and who may serve either as a chairperson or member of a committee.

Article 9: Fiscal Year

The fiscal year of the Service shall commence on January 1 and shall end on December 31.

Article 10: Amendments to Bylaws

Amendments to these bylaws shall be by the Service and shall be subject to approval by the board of directors of the High Country Association of REALTORS® (shareholder).

If the proposed amendments to the bylaws of the multiple listing Service fail approval of the board of directors of the shareholder, the board of directors of the multiple listing Service shall be informed, and advised that the proposed amendment or amendments to the bylaws be further considered and resubmitted to the shareholder.

Amendments to the bylaws shall further be approved by the participants of the Service, at an annual meeting or special meeting of the Service in accordance with the provisions of Article 7, concerning meetings of the Service.

When amendments to the bylaws of the Service have been approved by the board of directors of the High Country Association of REALTORS® (shareholder), and the participants of the Service, said amendments shall be effective immediately or as stated in the amending resolution.

Article 10.1: Amendments to Rules and Regulations

Amendments to the rules and regulations of the Service shall be by consideration and approval of the board of directors of the multiple listing Service in accordance with the provisions of Article __7__, Section __3__, concerning meetings of the board of directors, subject to final approval by the board of directors of the __HCAR__ Association of REALTORS® (shareholder).

When approved by the board of directors of the High Country Association of REALTORS® (shareholder) as described, the amendments to the rules and regulations of the multiple listing Service shall be effective immediately or as stated in the amending resolution.

If the proposed amendments of the multiple listing Service rules and regulations fail approval by the board of directors of the shareholder, the board of directors of the multiple listing Service shall be informed, and advised that the proposed amendment or amendments must be further considered and resubmitted as approved by the board of directors of the multiple listing Service to the board of directors of High Country Association of REALTORS® (shareholder).

Article 11: Dissolution

In the event this Service shall at any time terminate its activities, the board of directors of the Service shall consider and adopt a plan of liquidation and dissolution with the approval of the participants thereof and of the board of directors of the _the High Country Association of REALTORS®, Inc. (shareholder). Said plan shall provide for the collection of all assets, the payment of all liabilities, and that the remaining portions thereof be assigned to the parent corporation, namely, the High Country Association of REALTORS®, Inc.

Article 12: Rules of Order

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

B. All legal documents or financial instruments, other than checks, must be signed by the President and the Secretary of the Service.

C. Minutes are to be kept for all Board of Director's meetings and Participant's Meetings. Transcribed minutes must include all motions, the name of the person making the motion and the person who seconded it, and the number of yes and no votes of any contested motions.

Article 13: Indemnification of Directors and Officers

The Service shall indemnify any director, officer (or former director or officer) of the Service, or any other person that may have been appointed to serve the Service ("appointed person") against liabilities and reasonable litigation expenses, including attorney's fees, incurred by said person in connection with actions, suits, or proceedings in which said person is made or is threatened to be made a party by reason of being or having been such director, officer, or appointed person, except in relation to matters to which he shall be adjudged in such action, suit, or proceeding to have acted in bad faith or to have been liable or guilty by reason of willful misconduct in the performance of his duties. The Service may also reimburse any director, officer, or appointed person in settling said action, suit, or proceeding should the Service decide that it is in the best interest of the Service that such settlement be made. The foregoing right of indemnification shall not be deemed exclusive of any right to which such director, officer, or appointed person may be entitled under any bylaw, agreement, vote of the board of directors, or otherwise.