

BYLAWS OF THE CRYSTAL COAST MLS, INC.

121 N. 28th Street, Morehead City, NC 28557

**Amended October 2019
BOD Approved November 2019**

ARTICLE I – NAME, OFFICES

Section 1. Name: The name of the corporation shall be the Crystal Coast MLS, Inc., hereinafter referred to as the "Service", all the shares of stock of which are solely and wholly owned by the Carteret County Association of REALTORS®, hereinafter referred to as the "Association" or the "Shareholder".

Section 2. Principal Office: The principal office of the Service shall be at 121 N. 28th Street, Morehead City, North Carolina; but may be relocated from time to time hereafter by action taken by the Board of Directors of the Service.

Section 3. Registered Office: The registered office of the Service required by law to be maintained in the State of North Carolina shall be the same as its principal office, or may be such other office as may be designated by the Board of Directors.

ARTICLE II - PURPOSES

The Service shall provide access to a Multiple Listing Service ("MLS") for the use of its members in such a manner as the Board of Directors shall from time to time determine in its reasonable discretion to be in the best interests of the MLS and its Members, whether the MLS is owned exclusively by the Association or through an entity owned wholly or partly by the Association, or MLS services are provided by contractual arrangement with another entity, or otherwise. The MLS shall be subject to such bylaws of the Association and MLS and such rules and regulations may be hereinafter adopted by the MLS and/or other entity providing MLS services, as the case may be. The Service, which 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 procuring cause of the sale (or lease). **M**

ARTICLE III - SERVICE AREA

The area within which the Service shall function shall at all times be coextensive with or within its territorial jurisdiction.

ARTICLE IV – PARTICIPATION

Section 1. Any REALTOR® of this 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 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) **M**

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.

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. **M**

Section 2. Orientation Program: Any applicant for participation as a Participant, and any person affiliated with an MLS Participant or his/her Subscriber, who has access to and use of MLS-generated information shall complete an orientation program devoted to the Service Rules and Regulations and computer training related to information entry and retrieval within **one** hundred and twenty (120) days after access has been provided.

Participants and subscribers may be required, at the discretion of the MLS, to complete additional training of not more than four (4) classroom hours in any twelve (12) month period when deemed necessary by the MLS to familiarize participants and subscribers with system changes or enhancements and/or changes to MLS rules or policies. Participants and subscribers must be given the opportunity to complete any mandated additional training remotely.

Associations are not required to establish prerequisites for MLS participation beyond holding REALTOR® (principal) membership in an association. However, if the association wishes to establish these requirements for MLS participation or for access to MLS-generated information, the requirement of attendance at an orientation program is the most rigorous requirement that may be established. (adopted 2/94)

Section 3. 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 the Association or of any other association or board of REALTORS® 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 adopted or amended. **M**

Section 4. Discontinuance of Service: Participants of the Service may discontinue the Service by giving the Service five (5) business days written notice and may reapply as a new member by making formal application to the Service after five (5) business days, provided all past dues and fees are fully paid. However, after thirty (30) days, the former Participant must reapply by making formal application in the manner prescribed for new applicants or as

described by policy as set forth by the Board of Directors for participation, provided all past dues and fees are fully paid.

Section 5. **Subscribers:** Subscribers (or users) of the Service include non-principal brokers, sales associates and licensed and certified appraisers affiliated with an MLS Participant or with a Subscriber who has access to the MLS. 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 a Participant or the Participant's licensed designee. **M**

ARTICLE V – MLS 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. **M**

ARTICLE VI – BOARD OF DIRECTORS


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. **M**

Section 1. **Number of Directors:** There shall be a total of seven (7) voting members of the Board of Directors of the Service, including the President, President-Elect/, and Treasurer of the Service. The immediate Past President of the MLS service shall also serve as a voting member of the Board of Directors. The remaining three (3) voting members of the Board of Directors shall serve two-year staggered terms, and shall be elected by the Members of the Association at the Annual Meeting. All directors shall be Participants or REALTORS® who are affiliated with Participants and serve with consent of the Participants as representatives of the Participants with whom they are affiliated. There shall be no more than (2) two directors from the same office serving at one time. If an Officer/Director transfers his/her license from one firm to another during his/her term in office, with the result that two associated with a firm is exceeded, none of the Officers/Directors associated with the firm shall be compelled to resign from their elective office until the expiration of their current elective term. In addition to the elected directors, the Secretary shall serve as a non-voting member of the Board of Directors. **M**

Section 2. Nomination of Directors: At least two (2) months before the annual election a Nominating Committee shall be formed composed of the CCAR and CCMLS Presidents who shall serve as Chairs, the CCAR and CCMLS Immediate Past Presidents, the CCAR and CCMLS President-Elects and two (2) REALTOR® Members. The CCAR President with the approval of the Board of Directors shall appoint Members. The Nominating Committee shall select a minimum of one (1) candidate for each office and one (1) candidate for each place to be filled on the Board of Directors. The report of the Nominating Committee shall be delivered or made available electronically to each REALTOR® Member eligible to vote at least three (3) weeks preceding the election. (Amended 12/2018)


In the event that nominees are not duly and timely provided by the service to the board of


directors of the Carteret County Association of REALTORS®, as provided in these bylaws, then the board of directors of the Carteret County Association of REALTORS® may 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. **M**

Section 2.a. 

Additional candidates for offices to be filled may be placed in nomination by petition signed by at least thirty (30) participants of the service eligible to vote. The petition shall be filed at least two (2) weeks before the election with the Executive Officer, who shall certify all signatures and candidate qualifications in accordance with the Bylaws and the Policies of the Association. Notice of such additional nominations will be sent to all Members eligible to vote before the election.


Section 2b. Director Terms: No Director shall serve for more than three (3) consecutive two (2)-year terms.

Section 2.c. Officers and Directors assume their positions  January 1 of the new year.
(Amended _____)

Section 3. Duties of Board of Directors: All corporate powers shall be exercised by or under the authority of, and the business and affairs of the Service shall be managed under the direction of, it's Board of Directors. 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.  Capital expenditures in excess of \$25,000 may not be made unless approved by a majority vote of a quorum of participants. The Board of Directors shall employ such executive and office personnel as it deems necessary to conduct the operations and administrative business of the Service. The Board of Directors shall have the right to make an audit of all books and accounts at any time without notice. The Board of Directors shall have the power from time to time to adopt and amend such Rules and Regulations of the Service as they may deem appropriate.

Section 4. Removal of Directors: In the event that a director of the Service is deemed to be incapable of fulfilling the duties for which elected, but will not resign from office voluntarily, the director may be removed from office by the Shareholder at a meeting of the Shareholder held in accordance with these Bylaws.

ARTICLE VII– OFFICERS

Section 1. Officers: The Officers of the service, who shall also be Directors, shall be a President, a President Elect/ Secretary and a Treasurer. In the absence of the President, the  President Elect shall perform the duties of President. The President and President-Elect shall be

a one-year term. The Treasurer shall be a two-year term. The elected President Elect will automatically serve as President the year following election. The Officers of the Service shall have such duties as in this article and in the Policy Manual. **M Amended 9/2019**

Section 2. President: -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.

Section 3. President-Elect: In the absence of the President, the President-Elect shall perform all of the duties of the President.

Section 4. Treasurer: The Treasurer shall serve as Vice Chair of the Association's Finance Committee. The Treasurer shall provide to all members of the Board of Directors a monthly statement of all accounts and financial affairs for the Service.

Section 5. Secretary: The Executive Officer of the Association shall serve as the Secretary of the Service. The Secretary shall keep the records of the Service and perform such other duties as are customary to the office, including acting as secretary at all meetings of the Shareholder and of the Board of Directors. The Secretary shall also be the custodian of the funds of the Service, shall keep an accurate record of all receipts and disbursements and provide such information to the Treasurer in a timely manner as agreed upon. In addition, the Executive Officer, as Secretary for the Corporation, shall serve as a non-voting advisor of the Board of Directors.

ARTICLE VIII – NORTH CAROLINA REGIONAL MLS

Section 1. Board of Managers: The Crystal Coast MLS will have two members of representation on the NCRMLS Board of Managers. Each Board of Manager will serve an alternating three-year term. The current Crystal Coast MLS Board of Directors will vote on the Board of Managers no later than November of the current year by application. The Board of Managers member must be a current or past Board of Director primary member of the Crystal Coast MLS. The CEO will be a proxy manager for the NCRMLS. (Amended 5/2018) A Substitute Manager will be assigned by the President and approved by the Board of Directors at its first annual board meeting.

Section 2. Withdrawal from NCRMLS: Crystal Coast MLS is a founding member of the North Carolina Regional MLS and holds interest by fractional units. In the event a withdrawal from NCRMLS is needed, an 180 (one-hundred and eighty) day written notice must be provided to NCRMLS by CCMLS with the approval of the Shareholder (CCAR Board of Directors).*


*See Article 10 of NCRMLS Operating Agreement


ARTICLE IX - MEETINGS




Section 1. Annual Meeting: The annual meeting of participants of the service shall be held during the third (3rd) quarter of the year at the time and place specified by the board of directors. **M**

Section 2. Special Meetings of Participants: Special meetings of participants of the service may be called from time to time by the president, the board of directors, or by twenty percent (20%) 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 ten (10) days prior to said meeting. **M**

 **Section 3. Quorum and Voting at Meetings of the Service.** For the transaction of business, 20% 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. **M**

 **Section 4. Meetings of Directors:** The Board of Directors may meet at any time it deems advisable on the call of the President or majority of members of the Board of Directors. Four (4) voting 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. **M**

Section 5. Special Meetings of the Board of Directors: Special meetings of the Board of Directors may be held at anytime on the call of the President or any four (4) members of the Board of Directors. The person or persons calling a special meeting of the Board of Directors shall, at least two days before the meeting, give or cause to be given notice thereof by any usual means of communication, including, without limitation, in person; by telephone, telegraph, teletype or other form of wire or wireless communication, or by facsimile transmission; or by mail or private carrier. A director may waive any meeting notice before or after the meeting. The waiver must be in writing, signed by the director, and delivered to the Service for inclusion in the minutes or for filing with the corporate records, except that, notwithstanding the foregoing requirement of written notice, a director's attendance at or participation in a meeting waives any required notice to the director of the meeting unless the director at the beginning of the meeting (or promptly upon the director's arrival) objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting. A majority of the Directors entitled to vote shall constitute a quorum. A majority vote by the Directors present and voting at a meeting of the Board of Directors at which a quorum is present shall constitute the act of the Board of Directors. **M**

 **Section 6. Absence of Board of Directors:** Absence from three (3) regular Board of Director meetings without an excuse deemed valid by the Board of Directors shall be construed as resignation. Specific circumstances will be reviewed by the President, President-Elect & Immediate Past President for determination (Amended _____)

Section 7. Action Without a Meeting: Any action required or permitted to be taken at a

Board of Directors meeting may be taken without a meeting if the action is taken by all Directors of the Board. The action must be evidenced by one or more written consents signed by each director before or after such action, describing the action taken, which consent or consents shall be included in the minutes or filed with the corporate records. Action taken as provided in this Section is effective when the last director signs the consent, unless the consent specifies a different effective date. A consent signed pursuant to this Section has the effect of a meeting vote and may be described as such in any document.

Section 8. Presiding Officer at Meetings: 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 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.

Section 9. Electronic Transaction of Business: To the fullest extent permitted by law, the Board of Directors or participants may conduct business by electronic means. Any matter that arises requiring a vote of the Board of Directors between meetings may be addressed by electronic means and affirmed at the next regular meeting of the Board of Directors. (Amended _____)

ARTICLE X: 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 2 participants in the service but may also include REALTORS® or REALTOR-ASSOCIATE®, 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. **M**

ARTICLE XI —FISCAL YEAR

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

ARTICLE XII —AMENDMENTS TO BYLAWS

Except as otherwise provided in the Articles of Incorporation or these bylaws, or a bylaw adopted by the Shareholder, these Bylaws may be amended at any official meeting of the Board of Directors by a two-thirds vote of the Directors present and voting, provided, however, that notice of any proposed amendment shall have been sent by first-class or electronic mail by the Secretary to the Directors, at least ten (10) days in advance of such meeting. Amendments are effective immediately upon their adoption unless another time is specified for them becoming effective. Such amendment(s) shall be noticed to all participants and to REALTOR®

subscribers.

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 as approved by the participants of the multiple listing service. **M**

ARTICLE XIII—INDEMNIFICATION; INSURANCE

Section 1. Indemnification: Any person who at any time serves or has served as a director or officer of the Service, or who, while serving as a director or officer of the Service, serves or has served, at the request of the Service, as a director, officer, partner, trustee, employee or agent or another corporation, partnership, joint venture, trust or other enterprise, shall have a right to be indemnified by the Service to the fullest extent permitted by law against (a) reasonable expenses, including attorneys' fees, incurred by him in connection with any threatened, pending or completed civil, criminal, administrative, investigative or arbitral action, suit or proceeding (and any appeal therein), whether or not brought by or on behalf of the Service, seeking to hold him liable by reason of the fact that he is or was acting in such capacity, and (b) reasonable payments made by him in satisfaction of any judgment, money decree, fine, penalty or settlement for which he may have become liable in any such action, suit or proceeding.

Section 2. Insurance: The Service shall obtain, to the extent available, directors, and officers' liability insurance and errors and omissions liability insurance, the cost of said insurance to be provided at the expense of the Service.

ARTICLE XIV—DISSOLUTION

In the event this Service shall at any time terminate its activities, the Board of Directors shall consider and adopt a plan of liquidation and dissolution with the approval of the 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 Carteret County Association of REALTORS®. **M**

ARTICLE XV—RULES OF ORDER

The rules contained in the current edition of Robert's Rules of Order Newly Revised shall govern the Service in all cases to which they are applicable and in which they are not inconsistent with these bylaws and any special rules of order the Service may adopt.

