

**Index to the Bylaws of the Wilmington Regional
Association of REALTORS[®], Incorporated**

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BYLAWS OF THE WILMINGTON REGIONAL ASSOCIATION OF REALTORS®

ARTICLE I - NAME

Section 1. Name The name of this organization shall be the Wilmington Regional Association of REALTORS®, Inc., hereinafter referred to as the “Association.”

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

ARTICLE II - OBJECTIVES

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 estate profession in this community with the North Carolina Association of REALTORS® and the NATIONAL ASSOCIATION OF REALTORS® thereby furthering their own objectives throughout the state and nation, and obtaining the benefits and privileges of membership therein.

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

ARTICLE III - JURISDICTION

Section 1. The territorial jurisdiction of the Association as a Member of the NATIONAL ASSOCIATION OF REALTORS® is New Hanover County, North Carolina and Pender County, North Carolina, with the exception of Topsail Island, as allocated by the Board of Directors of the NATIONAL ASSOCIATION OF REALTORS®.

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

Section 1. There shall be seven classes of members as follows:

- a) **REALTOR[®] Members** REALTOR[®] Members, whether primary or secondary shall be:

Individuals who, as sole proprietors, partners, corporate officers, or branch office managers, are engaged actively¹ in the real estate profession, including buying, selling, exchanging, renting or leasing, managing, appraising for others for compensation, counseling, building, developing or subdividing real estate, and who maintain, or are associated with an established real estate office in the state of North Carolina or a state contiguous thereto. All persons who are partners in a partnership, or all officers in a corporation who are actively engaged in the real estate profession within the state or a state contiguous thereto shall qualify for REALTOR[®] Membership only, and each is required to hold REALTOR[®] Membership (except as provided in the following paragraph) in a Board or Association of REALTORS[®] within the state or a state contiguous thereto unless otherwise qualified for Institute Affiliate Membership as described in Section I (b) of Article IV.

In the case of a real estate firm, partnership, or corporation, whose business activity is substantially all commercial, only those principals actively engaged in the real estate business in connection with the same office, or any other offices within the jurisdiction of the Association in which one of the firm's principals holds REALTOR[®] membership, shall be required to hold REALTOR[®] membership unless otherwise qualified for Institute Affiliate Membership as described in Section 1(b) of Article IV.

NOTE: REALTOR[®] Members may obtain membership in a "secondary" Association in another state.

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

Franchise REALTOR[®] Membership Corporate officers (who may be licensed or unlicensed) of a real estate brokerage franchise organization with at least one hundred fifty (150) franchisees located within the United States, its insular possessions and the Commonwealth of Puerto Rico, elected to membership pursuant to the provisions in the NAR Constitution and Bylaws. Such individuals shall enjoy all of the rights, privileges and obligations of REALTOR[®] membership (including compliance with the Code of Ethics) except: obligations related to association mandated education, meeting attendance, or indoctrination classes or other similar requirements; the right to use the term REALTOR[®] in connection with their franchise organization's name; and the right to hold elective office in this Association, the state Association and National Association.

¹ Engaged actively as used herein means that the individual has been issued a license from either the NC Real Estate Commission or from the NC Appraisal Board and that the license is on active status. See NAR letter dated January 25, 1999 from Kevin Milligan, Member Policy.

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 Board or 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 this Association as their “primary” Association.

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 as established in Article X of the Bylaws. The “Designated REALTOR®” must be a sole proprietor, partner, corporate officer, or branch office manager acting on behalf of the firm’s principal(s) and must meet all other qualifications for REALTOR® Membership established in Article V, Section 2, of the Bylaws.

- b) **Institute Affiliate Members** Institute Affiliate Members shall be individuals who hold a professional designation awarded by an Institute, Society, or Council affiliated with the NATIONAL ASSOCIATION OF REALTORS® that addresses a specialty area other than residential brokerage or individuals who otherwise hold a class of membership in such Institute, Society or Council that confers the right to hold office. Any such individual, if otherwise eligible, may elect to hold REALTOR® membership, subject to payment of applicable dues for such membership.
- c) **Allied Members** Allied 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) **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.
- f) **Life Members** Life Members shall be REALTOR® members who have given exemplary and outstanding service to the Association during their Membership. The board of directors shall establish the criteria and elect said Life Members. REALTOR® elected as life Members shall not be required to pay local dues to the Wilmington Regional Association of REALTORS®.

ARTICLE V - QUALIFICATION AND ELECTION

Section 1. Application 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 Constitution, Bylaws, and Policy and Procedures Manual of the Association, the State and National Associations and if elected a Member, will abide by the Constitution and Bylaws and Policy and Procedures Manual of the Association, State and National Association, and if a REALTOR[®] Member, will abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS[®] including the obligation to arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics, and as further specified in the Code of Ethics and Arbitration Manual of the NATIONAL ASSOCIATION OF REALTORS[®], as from time to time amended; and (2) that applicant consents that the Association, through its Members Services Committee or staff, 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 sole proprietor, partner, corporate officer, or branch office manager of a real estate firm shall supply evidence satisfactory to the Association Staff that he/she is actively engaged in the real estate profession, and maintains a current, valid real estate broker's or salesperson's license or is licensed or certified by an appropriate state regulatory agency to engage in the appraisal² 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 Policy and Procedures Manual 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 may be asked to complete such reasonable and nondiscriminatory written examination thereon as may be required by the Board of Directors, and shall agree that if elected to membership, he/she will abide by such Constitution, Bylaws, Rules and Regulations, and Code of Ethics.

(*) NO RECENT OR PENDING BANKRUPTCY is intended to mean that the applicant or any real estate firm in which the applicant is a sole proprietor, general partner, corporate officer, or branch office manager is not involved in any pending bankruptcy or insolvency proceedings or, has not been adjudged bankrupt in the past three (3) years. If a bankruptcy proceeding as described above exists, membership may not be rejected unless the Association establishes that its interests and those of its members and the public could not be adequately protected by requiring that the bankrupt applicant pay by certified or electronic funds in advance for Association and MLS fees for up to one (1) year from the date that membership is approved or from the date that the applicant is discharged from bankruptcy (whichever is later). In the event that an existing member initiates bankruptcy proceedings, the member may be placed on "certified or electronic funds basis" from the date that bankruptcy is initiated until one (1) year

² Licensed or certified appraiser as used herein shall also include any other type of license or designation conferred by the appropriate state regulatory agency for the appraisal of real property. A Registered Trainee may hold REALTOR[®] membership. (Amended 03-18-04)

from the date that the member has been discharged from bankruptcy. (Amended 03-18-04)

(**) No record of official sanctions involving unprofessional conduct is intended to mean that the Association may only consider judgments 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. (Article IV, Section 2, of the NAR Bylaws prohibits this Association 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.)

- b) Individuals who are actively engaged in the real estate profession other than as sole proprietors, partners, corporate officers, or branch office managers in order to qualify for REALTOR® Membership, shall at the time of application, be associated either as an employee or as an independent contractor with a Designated REALTOR® Member of the Association or a Designated REALTOR® Member of another Association or Board (if a secondary member) and must maintain a current, valid real estate broker's or salesperson's license or be licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, shall complete a course of instruction covering the Bylaws and Policy and Procedures Manual of the Association, the Bylaws of the State Association, and the Constitution and Bylaws and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and shall pass complete such reasonable and nondiscriminatory written examinations thereon as may be required by the committee and shall agree in writing that if elected to membership he/she will abide by such Constitution, Bylaws, Rules and Regulation, of this association, the state Association, and the National Association and the Code of Ethics of NATIONAL ASSOCIATION OF REALTORS®.
- c) The Association will also consider the following in determining an applicant's qualifications for REALTOR® membership:
 - 1) All final findings of Code of Ethics violations and violations of other membership duties in this or any other REALTOR® association within the past three (3) years
 - 2) Pending ethics complaints (or hearings)
 - 3) Unsatisfied discipline pending
 - 4) Pending arbitration 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 the applicant's firm.
- d) "Provisional" membership may be granted in instances where ethics complaints or arbitration requests (or hearings) are pending in other associations or where the applicant for membership has unsatisfied discipline pending in another association (except for violations of the Code of Ethics; See Article V, Section 2 (a) NOTE 2) provided all other qualifications for membership have been satisfied. The Association may reconsider the membership status of such individuals when all pending ethics and arbitration matters (and related discipline) have been resolved or if such matters are not resolved within six months from the date that provisional membership is approved. Provisional members shall be considered REALTORS® and shall be subject to all of the same privileges and obligations of REALTOR® membership. If a member resigns from another association with an ethics complaint or arbitration request pending, the association may condition membership on the applicant's certification that he/she will submit to the pending ethics or arbitration

proceeding (in accordance with the established procedures of the association to which the applicant has made application) and will abide by the decision of the hearing panel.

Section 3. Election The procedure for election to membership shall be as follows:

- a) Applicants for REALTOR[®] membership shall be granted provisional membership immediately upon submission of a completed application form and remittance of applicable Association dues and any application fee. Provisional members shall be considered REALTORS[®] and shall be subject to all of the same privileges and obligations of membership. Provisional membership is granted subject to subsequent review of the application by the Board of Directors. If the Board of Directors determines that the individual does not meet all of the qualifications for membership as established in the Association's Bylaws, or, if the individual does not satisfy all of the requirements of membership (for example, completion of a mandatory orientation program) within the time frame specified in the Policy Manual with the date beginning from the Association's receipt of their application, membership may, at the discretion of the Board of Directors, be terminated. (Amended 09-17-09)
- b) Dues shall be computed from the date of application and shall be non-refundable unless the Association's Board of Directors terminates the individual's membership in accordance with subsection (a) above. In such instances, dues shall be returned to the individual less a prorated amount to cover the number of days that the individual received Association services and any application fee.
- c) The Board of Directors may not terminate any provisional membership without providing the provisional member with advance notice, an opportunity to appear before the Board of Directors, to call witnesses on his 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 or may electronically or mechanically record the proceedings.
- d) If the Board of Directors determines that provisional membership should be terminated, it shall record its reasons with the Secretary. If the Board of Directors believes that termination of provisional membership may become the basis of litigation and a claim of damage by a provisional member, it may specify that termination shall become effective upon entry in a suit by the Association for a declaratory judgment by a court of competent jurisdiction of a final judgment declaring that the termination violates no rights of the individual.

Section 4. New Member Code of Ethics Orientation

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

Failure to satisfy this requirement by not attending the second offering of Orientation after

provisional membership is granted, will result in denial of the membership application or termination of provisional membership.

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. Continuing Member Code of Ethics Training

Effective January 1, 2001, through December 31, 2004, and for successive four year periods thereafter, each REALTOR® member of the association shall be required to complete quadrennial ethics training of not less than two hours and thirty minutes of instructional time. This requirement will be satisfied upon presentation of documentation that the member has completed a course of instruction conducted by this or another association, the NC Association of REALTORS®, the National Association Of REALTORS®, or any other recognized educational institution or provider which meets the learning objectives and minimum criteria established by the National Association Of REALTORS® from time to time. REALTOR® members who have completed training as a requirement of membership in another association and REALTOR® members who have completed the New Member Code of Ethics Orientation during any four year cycle shall not be required to complete additional ethics training until a new four year cycle commences.

Failure to satisfy this requirement shall be considered a violation of a membership duty for which REALTOR® membership shall be suspended until such time as the training is completed. Failure to meet the requirement for the second (2005 – 2008) cycle and subsequent four (4) year cycles will result in suspension of membership for the first two months (January and February) of the year following the end of any four (4) year cycle or until the requirement is met, whichever occurs sooner. On March 1 of that year, the membership of a member who is still suspended as of that date will be automatically terminated.

Section 6. Status Changes

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

- c) The Board of Directors, at its discretion, may waive any qualification, which the applicant has already fulfilled in accordance with the Association's Bylaws.
- d) 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.
- e) Dues shall be prorated from the first day of the month in which the member is notified of election by the Board of Directors and shall be based on the new membership status for the remainder of the year.

ARTICLE VI - PRIVILEGES AND OBLIGATIONS

Section 1. The privileges and obligations of Members, in addition to those otherwise provided in these Bylaws, shall be 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/or those in the Policy and Procedures Manual 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 NATIONAL ASSOCIATION OF REALTORS[®] and conduct their business and professional practices accordingly. Further, Members other than REALTORS[®] may, upon recommendation by a hearing panel of the Professional Standards Committee, be subject to discipline as described above, for any conduct, which in the opinion of the Board of Directors, applied on a nondiscriminatory basis, reflects adversely on the terms REALTOR[®] or REALTORS[®], and the real estate industry, or for conduct that is inconsistent with or adverse to the objectives and purposes of the this 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 REALTOR[®] as set forth in the Code of Ethics and Arbitration Manual of the National Association.

Section 4. Resignation Resignations of Members shall become effective when received in writing and approved by the Board of Directors, provided, however, that if any Member submitting the resignation is indebted to the Association for dues, fees, fines, or other assessments of the Association or any of its services, departments, divisions, or subsidiaries, the Board may condition the right of the resigning Member to reapply for membership upon payment in full of all such monies owed.

Section 5. Resignation/Termination Ethics If a Member resigns from the Association or otherwise causes membership to terminate with an ethics complaint pending, that Board of Directors may condition the right of the resigning Member to reapply for membership upon the applicant's

certification that he/she will submit to the pending ethics proceeding and will abide by the decision of the hearing panel.

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

Section 6. REALTOR® Members. REALTOR® Members, whether primary or secondary, in good standing whose financial obligations to the Association are paid in full shall be entitled to vote and to hold elective office in the Association may use the terms REALTOR® and REALTORS®, which use shall be subject to the provisions of Article VIII; and have the primary responsibility to safeguard and promote the standards, interests, and welfare of the Association and the real estate profession.

- a) If a REALTOR® Member is a sole proprietor in a firm, a partner in a partnership, or an officer in a corporation and is suspended or expelled, the firm, partnership, or corporation shall not use the terms REALTOR® or REALTORS® in connection with its business during the period of suspension, or until readmission to REALTOR® Membership, or unless connection with the firm, partnership, or corporation is severed, whichever may apply. The membership of all other principals, partners, or corporate officers shall suspend or terminate during the period of suspension of the disciplined Member, or until readmission of the disciplined Member, or unless connection of the disciplined Member with the firm, partnership, or corporation is severed, whichever may apply. Further, the membership of REALTORS® other than principals who are employed by or affiliated as independent contractors with the disciplined Member shall suspend or terminate during the period of suspension of the disciplined Member or until readmission of the disciplined Member or until connection of the disciplined Member with the firm, partnership, or corporation is severed, or unless the REALTOR® Member (non-principal) elects to sever his 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 REALTOR® by the firm, partnership, or corporation shall not be affected.
- b) In any action taken against a REALTOR® Member for suspension or expulsion under Section 6(a) hereof, notice of such action shall be given to all REALTORS® employed by or affiliated as independent contractors with such REALTOR® Member and they shall be advised that the provisions in Article VI, Section 6(a) shall apply.

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

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

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

Section 10. Student Members Student Members shall have rights and privileges and be subject to obligations prescribed by the Board of Directors.

Section 11. Certification by REALTOR® “Designated” REALTOR® Members of the Association shall certify during the month of July in such manner as is specified in its Policy Manual, a complete listing of all individuals licensed or certified in the REALTOR’s® office(s) and shall designate a primary Association for each individual who holds membership. Designated REALTORS® shall also identify any non-member licensees in the REALTOR’s® office(s) and if Designated REALTOR® dues have been paid to another Board or Association based on said non-member licensee(s), the Designated REALTOR® shall identify the Board or 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 three (3) business days of the date of affiliation or severance of the individual. Designated REALTORS® may be assessed a fine, as established by the Board of Directors for failure to comply with this section.

Section 12. 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 also consist of 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. (Amended 9-24-03; 06-18-09)

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 from time to time amended, which by this reference is made a part of these Bylaws.

Section 2. It shall be the duty and responsibility of every REALTOR® member of this Association to abide by the Bylaws and the rules and regulations of this Association, the Constitution and Bylaws of the NC 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 mediate and 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. (Amended by membership vote on 04/20/12)

Section 3. The responsibility of the Association and of Association 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 Association, which by this reference is made a part of these Bylaws. Any such Agreement may be entered into by the Board of Directors.

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 Regulation prescribed by its Board of Directors. The Association shall have the authority to control, jointly and in full cooperation with the NATIONAL ASSOCIATION OF REALTORS®, use of the terms within its jurisdiction. Any misuse of the terms by members is a violation of a membership duty and may subject members to disciplinary action by the Board of Directors after a hearing as provided for in the association's Code of Ethics and Arbitration Manual.

Section 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® Member who is a principal of a real estate firm, partnership, or corporation 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 as described in Section 1(b) of Article IV.

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®, nor 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 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, 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, Regulations, and policies of the National Association and the North Carolina 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 annual dues for REALTOR[®] Membership, which shall be required to accompany each application for REALTOR[®] Membership and which shall become the property of the Association upon final approval of the application.

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

- a) **REALTOR[®] Members** The annual dues of each Designated REALTOR[®] Member shall be in such amount as established annually by the Board of Directors, plus an additional amount to be established annually by the Board of Directors times the number of real estate salespersons and licensed or certified appraisers who **(1)** are employed by or affiliated as independent contractors, or who are otherwise directly or indirectly licensed with such REALTOR[®] Member, and **(2)** are not REALTOR[®] Members of any association in the state or a state contiguous thereto or Institute Affiliate Members of the Association. In calculating the dues payable to the Association by a Designated REALTOR[®] Member, non-member licensees as defined in **(1)** and **(2)** of this paragraph shall not be included in the computation of dues if the DR has paid dues based on said non-member licensees in another Board or Association in the state or a state contiguous thereto, provided the Designated REALTOR[®] notifies the Association in writing of the identity of the Board or Association to which dues have been remitted. In the case of a Designated REALTOR[®] Member in a firm, partnership, or corporation whose business activity is substantially all commercial, any assessments for non-member licensees shall be limited to licensees affiliated with the Designated REALTOR[®] (as defined in **(1)** and **(2)** of this paragraph) in the office where the Designated REALTOR[®] holds membership, and any other offices of the firm located within the jurisdiction of this Association. * (Amended 1/01)

For the purpose of this Section, a REALTOR[®] Member of a Member Board/Association shall be held to be any Member who has a place or places of business within the state or a state contiguous thereto and who, as a principal, 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 I, 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 one who is licensed or certified with the REALTOR[®], or by any entity in which the REALTOR[®] has a direct or indirect ownership interest 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, or corporate officer of the entity.

A REALTOR[®] with a direct or indirect ownership interest in an entity engaged exclusively in soliciting and/or referring clients and customers to the REALTOR[®] for consideration on a substantially exclusive basis shall annually file with the association on a form approved by the association a list of the licensees affiliated with that entity and shall certify that all of the licensees affiliated with the entity are solely engaged in referring clients and customers and are not engaged in listing, selling, leasing, managing, counseling or appraising real property. The individuals disclosed on such form shall not be deemed to be licensed with the REALTOR[®] filing the form for purposes of this Section and shall not be included in calculating the annual dues of the Designated REALTOR[®].

The exemption for any licensee included on the certification form shall automatically be revoked upon the individual being engaged in real estate licensed activities (listing, selling, leasing, renting, managing, counseling, or appraising real property) other than referrals, and dues for the current fiscal year shall be payable.

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

- b) **REALTOR[®] Members** The annual dues of REALTOR[®] Members other than the Designated REALTORS[®] shall be in such amount as established annually by the Board of Directors.
- c) **Institute Affiliate Members** The annual dues of each Institute Affiliate Member shall be as established in Article II of the Bylaws of the NATIONAL ASSOCIATION OF REALTORS[®].
- d) **Allied Members** The annual dues of each Allied Member shall be in such amount as established by the Board of Directors.
- e) **Public Service Members** The annual dues of each Public Service Member shall be in such amount as established by the Board of Directors.
- f) **Student Members** Dues payable shall be at the discretion of the Board of Directors.

Section 3. Dues Payable

- a) Dues for all Members who join prior to December 31, 2008 shall be payable annually in advance of the first day of November. If dues are not received in the Association office before January 1, the non-paying member is automatically terminated from membership effective December 31. (Amended 12-03-08)
- b) Dues for all Members who join on or after January 1, 2009, shall be computed from the date of application and granting of provisional membership as determined by the Board of Directors. Dues shall be billed in accordance with the Policy Manual. Members who join prior to December 31, 2008, may opt-in to this billing arrangement as provided in the Policy Manual. If dues are not received in the Association office within forty-five (45) days after the due date, the membership of the nonpaying Member may be terminated at the discretion of the Board of Directors. Sixty (60) days after the due date, membership of the nonpaying Member shall automatically terminate unless within that time the amount due is paid. (Amended 12-03-08; 01-15-09)

Section 4. Termination In the event the REALTOR[®] membership of a sales licensee, a licensed or certified appraiser or Registered Trainee is terminated for nonpayment of Association dues, and the individual remains with the designated REALTOR[®]'s firm, the dues obligation of the "Designated" REALTOR[®] (as set forth in Article X, Section 2 (a) will be increased to reflect the addition of a non-member licensee. Dues shall be calculated from the first day of the current fiscal year and are payable within 30 days of the notice of termination.

Section 5. Reinstatement In the event a REALTOR[®]'s membership is terminated for non-payment of dues, and the individual wishes to reinstate their membership within twelve months of the date on which they were terminated, the individual may do so by paying all amounts owed to the Association, its Multiple Listing Service and/or any other of its divisions or subsidiaries, plus non pro rata local dues, NCAR and NAR dues, plus a reinstatement fee as provided in the policy and procedures manual.

Section 6. Nonpayment of Financial Obligations If charges, fees, fines, or other assessments including amounts owed to the Association, the Association's Multiple Listing Service or any other of its divisions or subsidiaries 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. Forty-five (45) days after the due date, the membership of the nonpaying Member may be terminated at the discretion of the Board of Directors. Sixty (60) days 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 owed has been confirmed by the Board of Directors. A former Member who has had his membership terminated for nonpayment of charges, fees, fines, or other assessments duly levied in accordance with the provisions of these Bylaws or the provisions of the MLS and/or RCA-SENC/MLS Rules and Regulations may reinstate by paying a reinstatement fee and making payment in full of all accounts due as of the date of termination if application is made within sixty (60) days of termination; after sixty (60) days all other who apply for reinstatement must do so 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 7. Deposit Deposits and expenditures of funds shall be in accordance with policies

established by the Board of Directors.

Section 8. Expenditures and Right To Adopt Rules A single non-budgeted expenditure in excess of \$12,000 within a fiscal year shall not be made unless approved by a majority of the votes cast by Association members eligible to vote either on-line by ballot cast anytime after the notice of the meeting is given up until close of business the day before the meeting or being present at a duly called meeting. Each member is to be given notice at least a 10-calendar days before such meeting. (Amended 03-18-04) The Board of Directors shall have the right to audit all books and accounts at any time without notice. The Board of Directors shall have the power from time to time to adopt such rules, regulations, and policies as they may deem appropriate.

Section 9. 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 Association Multiple Listing Service shall be noticed to the delinquent Association Member setting forth the amount owed and due date.

Section 10. REALTOR® Emeritus The dues of REALTOR® Members who are REALTOR® Emeriti (as recognized by the National Association), Past Presidents of the National Association or recipients of the Distinguished Service Award shall be as determined by the Board of Directors.

ARTICLE XI - OFFICERS AND DIRECTORS

Section 1. Officers The elected officers of the Association shall be a President, a President Elect (who shall also serve as President of the Multiple Listing Service of the Wilmington Regional Association of REALTORS®), and a Vice President (who shall Chair the Finance Committee). The Chief Staff Executive shall serve as the Secretary (non-voting). Those elected shall serve one-year terms. (Amended 03-18-04)

Section 2. Duties of Officers The duties of the officers shall be such as their titles, by general usage, would indicate and such as may be assigned to them by the Board of Directors and as specified in the Policy and Procedures Manual. The Vice President shall automatically succeed to the office of the President-Elect. If the office of the President-Elect becomes vacant, the Vice President may become the President-Elect and perform the duties of both offices and, thereby, no vacancy is created for the office of the Vice President. 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 elected officers and up to ten REALTOR® Members of the Association, the immediate Past Association President, and the President of the REALTORS® Commercial Alliance of Southeastern North Carolina. Directors shall be elected to serve for terms of three years. As many Directors shall be elected each year as are required to fill vacancies. No director shall serve for more than two consecutive three-year terms. Six of the directors shall be elected by the REALTOR® members and three shall be elected from among the members of the Executive Roundtable Committee. The Board of Directors may appoint a Director whose firm is not a member of the Executive Roundtable; such director shall serve a one year term. If the Director transfers to a firm who is a member of the Executive Roundtable, or if the firm becomes a member of the Executive Roundtable such Director automatically forfeits the position. (Amended 12-03-09) Directors elected by the

Executive Roundtable are subject to the following provisions:

The members of the Executive Roundtable shall be limited to:

1. Those REALTOR[®] owners/managers who hold primary or secondary membership in the Association;
2. Whose firms represent 66% of the total licensees found in all branch offices (where the licensee is either a primary REALTOR[®] Member of this Association or where the licensee is included in the Designated REALTOR[®] member's dues paid to this Association) as of January 1 of each year
3. Where several firms would qualify for the last position on the committee, such position(s) will be determined by lot(s) drawn by the Past President in the presence of the chief staff executive.
4. Each firm shall be entitled to only one vote.
5. Each Director must be a REALTOR[®] principal or a REALTOR[®] manager, as evidenced by being the Broker-In-Charge, from among the members of the Executive Roundtable;
6. The election would be held no later than the annual meeting;
7. In order for a Director to retain his/her position, each Director's firm must remain on the Executive Round Table Committee;
8. Each of the three Directors must come from different firms (if a Director changed to another firm among those already having a Director, or where merger occurs, then the seat would be forfeited and declared vacant);
9. The Executive Roundtable Committee will hold a special election to fill any vacant seat.
10. The Executive Roundtable Committee shall adopt their own rules for all elections.

Section 4. Election of Officers and Directors

- a) **Recruiting/Certifying Committee** At least six (6) months before the annual election, a Recruiting/Certifying Committee of five REALTOR[®] Members shall be appointed by the President. The Recruiting/ Certifying Committee shall select at least one but no more than three candidates for each office or for each position created by a vacancy which was not filled by the Board of Directors. The Committee shall not submit the name of any REALTOR[®] so as to permit more than three REALTORS[®] from the same firm to serve on the Board of Directors ("firm" is defined as an entity whose owners are the same or substantially the same). The Recruiting/Certifying Committee shall send notice to the REALTOR[®] members setting forth the time, place, and other pertinent conditions of the meeting to elect those so noticed on a date at least twenty (20) days prior to the proposed meeting.
- b) **Applicants for Director** Applicants for Director must have been a REALTOR[®] for at least two years prior to taking office.
- c) **Applicants for an Officer** Applicants for an officer position must have been a REALTOR[®] for at least two years prior to taking office and must have served on the Board of Directors within the last five years.
- d) **Voting** Voting for selection of nominees shall be by a secret ballot administered through an Internet voting program. The ballot shall contain the names of all candidates and the offices for which they are nominated. The election of officers and directors shall be by plurality vote. On-line voting shall close just prior to the Annual Meeting. In case of a tie vote, the

issue shall be determined by lot. The president shall inform the membership of the results of the balloting. (Amended 03-18-04; 12-03-08)

- e) **Election Committee** The President shall appoint an Election Committee of three (3) REALTOR[®] Members plus the chief staff executive to conduct the election and to count the ballots.

Section 5. Vacancies And Removal From Office If a vacancy arises for any elected or appointed position, then said vacancy may be filled by a simple majority vote of the Board of Directors.

In the event that an officer or director is found in violation of the Code of Ethics (unless the officer or director is the Designated REALTOR[®] and has been enjoined in a complaint because of the action of a licensee) or is censured or reprimanded or has their license suspended by an appropriate state regulatory agency then that officer or director automatically forfeits the position to which they have been elected or appointed.

Section 6. Board of Directors Meetings

- a) **Meetings** The Board of Directors shall meet as published in the Annual Calendar, when deemed necessary by the President, or when requested by one-fourth of the Board except, however, the President may cancel any meeting published in the Annual Calendar when the President determines that the meeting is not necessary. The time and place shall be as determined by the President. The purpose of the meeting shall be clearly stated in the notice of the meeting and only that business and that which logically grows from it shall be considered.
- b) **Removal:** Any officer or director who misses more than three (3) meetings as published in the annual calendar during a calendar year shall be deemed to have resigned, and the vacancy shall be filled as provided in these Bylaws.
- c) **Voting** A quorum of the Board of Directors shall be a simple majority of its members. Voting by facsimile or email is permissible when an issue arises that, in the opinion of the President, warrants an immediate response. Any action taken by the Board by facsimile or e-mail must be approved by a majority of the Directors voting with no fewer than a majority of the entire Board participating in the vote. The Secretary shall retain proof of a vote so taken and shall record and report the vote to all board members no later than the next meeting at which time the minutes will reflect a confirmation of the action. (Amended 03-18-04)

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

ARTICLE XII - MEETINGS

Section 1. Annual Meetings The annual meeting of the Association shall be held during September of each year, the date, place, and hour to be designated by the Board of Directors.

Section 2. Other Meetings Meetings of the Members may be held at other times as the President or the Board of Directors may determine for the purpose of conducting programs of an educational or informative nature.

Section 4. Notice of Meetings The staff shall send notice 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. All notices required by these Bylaws shall be considered delivered when submitted for electronic mail delivery to the electronic mail address of the Member entitled to such notice. It shall be the responsibility of each Member to furnish their current email address to the WRAR's office.

Section 5. Quorum There shall be no minimum number of REALTOR[®] members required to be present at the meetings of the Membership. Association business shall be transacted by those REALTOR[®] members present at the meeting.

Section 6. Electronic Transaction of Business: To the fullest extent permitted by law, the Board of Directors may conduct business by electronic means.

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 a majority of the Board of Directors. The action must be evidenced by one or more written acknowledgements signed or electronically acknowledged by each member before or after such action describing the action taken, which consent(s) shall be included in the minutes as described in Article XI, Section 6 (c). Action is effective when member signs or electronically acknowledges the consent, unless the consent specifies a different effective date.

ARTICLE XIII - COMMITTEES

Section 1. Committees The President shall appoint Committee Chairs, and Task Force Chairs of the Association from among the REALTOR[®] Members, subject to confirmation by the Board of Directors. The President shall also appoint Committee members from among all of the members for these Committees and Task Forces. The standing committees are: Grievance, Professional Standards, Finance, and Executive Roundtable Committee.

Section 2. Organization All committees shall be of such size and shall have duties, functions, and powers as assigned by the President or the Board of Directors except as otherwise provided in these Bylaws or Policy and Procedures Manual.

Section 3. President The President shall be an ex-officio member of all committees, subsidiaries, and divisions except the Recruiting/Certifying and Election committees and shall be notified of their meetings.

Section 5. **Action without a Meeting:** Any action which may be taken at a meeting of a committee may be taken without a meeting if an acknowledgment in writing is delivered by mail or electronically by one or more written consents setting forth the action taken, is signed or electronically acknowledged by a majority of the members of a committee entitled to vote on the matter.

Section 6. **Attendance by Telephone:** Members of a committee may participate in any meeting through the use of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Such participation shall be at the discretion of the President and shall constitute presence at the meeting.

ARTICLE XIV - FISCAL AND ELECTIVE YEAR

Section 1: The fiscal shall be from January 1 through December 31.

Section 2 The elective year shall be from January 1 through December 31.

ARTICLE XV - RULES OF ORDER

Robert's Rules of Order, newly revised, shall be recognized as the authority governing the meetings of the Association, its Board of Directors, and committees, in all instances wherein its provisions do not conflict with these Bylaws.

ARTICLE XVI - AMENDMENTS

Section 1. These Bylaws may be amended by a majority vote of the Members present and qualified to vote at any meeting at which a quorum is present, provided the substance of such proposed amendment or amendments shall be plainly stated in the call for the meeting. Further, ballots may be cast as provided in Article XI, Section 4(c). Amendments are effective immediately upon their adoption unless another time is specified for them becoming effective. The Board of Directors may, at any regular or special meeting at which a quorum is present, approve amendments to the Bylaws, which are mandated by NAR policy, created by clerical error, or added for the purpose of clarification and not causing any change to the intent of the Bylaws. Such amendment(s) shall be noticed to all members. (Amended 03-18-04)

Section 2. Notice of all meetings at which amendments are to be considered shall be disseminated 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[®].

ARTICLE XVII - DISSOLUTION

Upon the dissolution of this Association, the Board of Directors, after providing for the payment of all obligations, shall distribute any remaining assets to the North Carolina Association of REALTORS[®] or, within its discretion, to any other non-profit tax exempt organization.

ARTICLE XVIII - MULTIPLE LISTING

Section I. Authority The Association 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 Wilmington Regional Association of REALTORS[®], Incorporated.

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, or buyer agents); 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 to bona fide clients and customers; by which participants engaging in real estate appraisal contribute to common data bases; 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).

Section 3. Governing Documents The Board of Directors shall cause any Multiple Listing Service established by it pursuant to this Article to conform to its corporate charter, constitution, bylaws, rules, regulations, policies, practices, and procedures and at all times to the Constitution, Bylaws, Rules, Regulations, and Policies of the NATIONAL ASSOCIATION OF REALTORS[®].

Section 4. Membership and Orientation

- a) **Participation** 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 this Association's 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 this Association's multiple listing service where access to such information is prohibited by law. (Amended 11/08)

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)

- b) **Orientation:** 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 enhancement and/or changes to MLS rules or policies. Participants and subscribers must be given the opportunity to complete any mandated additional training remotely.

Section 5. Access to Comparable and Statistical Information REALTORS[®] who are actively engaged in real estate brokerage, management, appraising, land development or building, but who do not participate in the MLS, are nonetheless entitled to receive, by purchase or lease, information other than current listing information that is generated wholly or in part by the MLS including "comparable" information, "sold" information, and statistical reports. This information is provided for the exclusive use of these members and individuals affiliated with these 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 MLS Rules and Regulations. Association members who receive such information, either as an Association service or through the Association's MLS, are subject to the applicable provisions of the MLS Rules and Regulations whether they participate in the MLS or not.

Section 6. Subscribers Subscribers of the MLS include non-principal brokers, sales associates, and licensed and/or certified appraisers and Registered Trainees 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.

ARTICLE XIX REALTORS[®] Commercial Alliance of WRAR

The Association may maintain for the benefit of its members, a REALTORS[®] Commercial Alliance and a multiple listing service (RCASENC/MLS). While the RCA/SENCMLS shall be operated by the Alliance under the supervision of the Association, the physical assets shall at all times be owned by the Multiple Listing Service of the Wilmington Regional Association of REALTORS[®].