

**Bylaws of the
Cape Fear REALTORS MLS, Inc.**

ARTICLE 1 - NAME

The name of this organization shall be Cape Fear REALTORS MLS, Inc., hereinafter referred to as the "Service", all the shares of stock of which are solely and wholly owned by Cape Fear REALTORS ("CFR").

ARTICLE 2 - PURPOSES

A Multiple Listing Service is a means by which authorized participants make blanket unilateral offers of compensation to other participants (acting either 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 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 among the participants so that the 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.

ARTICLE 3 - SERVICE AREA

The area within which the Service shall function shall be the same as that adopted by the NC Regional MLS, LLC("NCRMLS").

ARTICLE 4 – 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 North Carolina regulatory agency¹ 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, or corporation, or the branch office manager designated by said firm,

¹ Licensed or certified appraiser as used hereinafter shall also include any other type of license or designation conferred by the appropriate North Carolina regulatory agency for the appraisal of real property including but not limited to Registered Trainee

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 participants who utilize the Service.

Mere possession of a broker's license is not sufficient to qualify for MLS participation. Rather, the requirement that an individual or firm 'offers or accepts cooperation and compensation' means that the Participant actively endeavors during the operation of its real estate business to list real property of the type listed on the MLS and/or to accept offers of cooperation and compensation made by listing brokers or agents in the MLS. “Actively” means on a continual and on-going basis during the operation of the Participant's real estate business. The “actively” requirement is not intended to preclude MLS participation by a Participant or potential Participant that operates a real estate business on a part time, seasonal, or similarly time-limited basis or that has its business interrupted by periods of relative inactivity occasioned by market conditions. Similarly, the requirement is not intended to deny MLS participation to a Participant or potential Participant who has not achieved a minimum number of transactions despite good faith efforts. Nor is it intended to permit an MLS to deny participation based on the level of service provided by the Participant or potential Participant as long as the level of service satisfies state law.

The key is that the Participant or potential Participant actively endeavors to make or accept offers of cooperation and compensation with respect to properties of the type that are listed on the MLS in which participation is sought. This requirement does not permit an MLS to deny participation to a Participant or potential Participant that operates a Virtual Office Website (“VOW”) (including a VOW that the Participant uses to refer customers to other Participants) if the Participant or potential Participant actively endeavors to make or accept offers of cooperation and compensation. An MLS may evaluate whether a Participant or potential Participant “actively endeavors during the operation of its real estate business” to “offer or accept cooperation and compensation” only if the MLS has a reasonable basis to believe that the Participant or potential Participant is in fact not doing so.

The membership requirement shall be applied on a nondiscriminatory manner to all Participants and potential Participants. (Adopted 11/08) [MLS Board of Directors adopted January 16, 2009]

Article 4.1 Application for Participation

Application for participation shall be made in such manner and form as may be prescribed by the Board of Directors of the Service and made available to any REALTOR® principal of this or any other Association requesting it. The application form shall contain a signed statement agreeing to abide by these Bylaws, and any other applicable Rules and Regulations of the Service as from time to time adopted or amended including those of the NCRMLS.

Any applicant for MLS participation 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 of no more than eight (8) classroom hours devoted to the MLS Rules and

Regulations and computer training related to MLS information entry and retrieval within thirty (30) days after access has been provided.

Article 4.2 Discontinuance of Service

Participants of the Service may discontinue the Service by giving the Service fourteen (14) days written notice.

A resignation from membership by the participant shall become effective when accepted by the Service at which time the resigning participant shall return to the CFR's office all key devices and all KeyBoxes issued to the firm. Resignation shall not release a participant from obligations for dues, fees and other charges not paid prior to the effective date of resignation.

Article 4.3 Subscribers

Subscribers (or users) of the Service include non-principal broker, sales associates and licensed and certified appraiser 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 an MLS participant or the participant's licensed designee. REALTOR® Subscribers may attend meetings, vote, serve on committees and be elected as an Officer or Director.

Article 4.3 Harassment Any Participant or Subscriber of the MLS may be reprimanded, placed on probation, suspended or expelled for harassment of a CFR or MLS employee or CFR and/or MLS Officer or Director, after an investigation in accordance with the procedures of the CFR. 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 CFR. Disciplinary action may also consist of any sanction authorized in the CFR'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 5 - SERVICE CHARGES

The charges made for participation in the Service shall be as determined, and as amended from time to time by the Board of Directors of the Service, and specified in the Rules and Regulations of the Service.

ARTICLE 6 - GOVERNING BODY

Article 6.1 Government of the Service

The government of the Service shall be vested in a Board of Directors, comprised of the elected Officers and Directors nominated and elected as described in this Article.

Article 6.2 Board of Directors

The Officers and Directors of the Service shall be as follows: a President (who is also the President-Elect of the CFR), a President-Elect (who is also the Vice President of the CFR), a Past President (who is also the President of the CFR), and the two appointed Managers of the NC Regional MLS, LLC (nonvoting). The Chief Staff Executive shall serve as the Secretary (nonvoting).

Article 6.3 Nomination and Election of Officers and Directors

The Officers and Directors of the Service shall be elected in the same manner as prescribed in the Bylaws of the CFR.

Article 6.4 Duties of Officers and Directors The duties of the Officers and Directors shall be as follows:

Section 1. President: The President shall preside at all meetings and perform such other duties as general usage would indicate.

Section 2. President-Elect: The President-Elect shall chair the Finance Committee and shall automatically become President on January 1 of the ensuing calendar year, or in the event the office of the President should become vacant between elections. In the absence of the President, the President-Elect shall perform all of the duties of the President.

Section 3. Secretary: The Secretary shall keep all records of the Service, carry on all necessary correspondence, have charge of the corporate seal and affix the name to all documents properly requiring such seal.

Section 4. Board of Directors: The Board of Directors shall administer the day to day finances of the Service

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 to adopt such rules, regulations, and policies as they may deem appropriate.

ARTICLE 7 - MEETINGS

Article 7.1 Annual Meeting

The Annual Meeting of the Service may be held during the month of September at the time and place specified by the Board of Directors.

Article 7.2 Special Meetings of the Service

Special meetings of the Service may be called from time to time by the President or by the Board of Directors. Written notice shall be given not less than one week prior to said meeting stating the day, place, and hour of the meeting, and the purpose or purposes for which the meeting is called.

Article 7.3 Directors' Meetings: The Board of Directors shall meet as published in the Annual calendar, when deemed necessary by the President, or a majority of the Board of Directors 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.

Article 7.5 Quorum and Voting: A quorum of the Board of Directors shall be a simple majority of its members. Voting by facsimile or email is permissible when as 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. Staff 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

Article 7.6 Authority to Assist Governmental and Quasigovernment Entities: The Board of Directors is granted authority to assist governmental and quasigovernmental entities with statistical information and photographs when deemed in the best interest of its Participants/ Subscribers or the public (Approved at Annual Meeting 09-09-2010).

ARTICLE 8 - COMMITTEES

The President may appoint Committees.

ARTICLE 9 - FISCAL YEAR

The fiscal year of the Service shall commence on the first day of January and shall end on the 31st day of December.

ARTICLE 10 - AMENDMENTS

Article 10.1 Amendments: These Bylaws may be amended by a majority vote of the Board of Directors subject to final approval by the Shareholder's Board of Directors. Further, on-line and absentee 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. Such amendment(s) shall be noticed to all participants and to REALTOR® Subscribers.

Article 10.2 Notice: 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.

ARTICLE 11 - DISSOLUTION

In the event the Service shall at any time terminate its activities, the Board of Directors of the Service shall consider and adopt a plan of liquidation and dissolution with the approval of the Shareholder's Board of Directors. Said plan shall provide for the collection of all assets, the payment of all liabilities, and the remaining portions thereof be assigned to the parent corporation, namely, Cape Fear REALTORS®.

ARTICLE 12 - RULES OF ORDER

Robert's Rules of Order, Newly Revised, shall be recognized as the authority governing the meetings of the Service and committees in all instances wherein its provisions do not conflict with these Bylaws.