

**OPERATIONS POLICY OF THE
WINSTON-SALEM PROPERTY MANAGEMENT ASSOCIATION
A DIVISION OF THE
WINSTON-SALEM REGIONAL ASSOCIATION OF REALTORS[®], INC.**

ARTICLE I.

IDENTIFICATION AND PURPOSE:

Section 1. Name: The name of this Division shall be the Winston-Salem Property Management Association, hereinafter referred to as Association.

Section 2. Purpose: The purpose of the Association is to promulgate and promote professional standards and cooperation between Professional Property Managers and Owners.

ARTICLE II.

MEMBERSHIP:

Section 1. Membership Classification: Any individual or firm who meets the qualifications of the Association, for the membership, as set forth in the Operations Policy, is eligible for membership. Firm membership shall be in the name of the firm and the firm shall designate a member of its firm, corporation or partnership to represent the firm in all business matters concerning the Association. There shall be three (3) classes of members as defined as follows:

(A) Designated Members: Individuals or firms engaged in the management of real property and holding REALTOR[®] membership in the Winston-Salem Regional Association of REALTORS[®], Inc.

(B) Associate Members: Individuals or firms who are employed, allied or associated with a Designated Member who is engaged in the management of real property and holding REALTOR[®] membership in the Winston-Salem Regional Association of REALTORS[®], Inc.

(C) Affiliate Members: Individuals or firms not engaged in the management or real property but in the fields of appraising, financing or those desiring membership in the Division for statistical information only, and holding Affiliate membership in the Winston-Salem Regional Association of REALTORS[®], Inc.

Section 2. Application for Membership: Application shall be made in such manner and form as may be prescribed by the Board of Directors. The Board of Directors shall review the qualifications of the applicant and then vote on his eligibility to membership. If an applicant receives a majority vote of the Board of Directors, he shall be declared elected to membership.

ARTICLE III.

PRIVILEGES AND OBLIGATIONS OF MEMBERSHIP:

Section 1. Rights of Members: The right of any member to vote and all rights, title and interest in or to the Association shall cease upon termination of membership in any manner. No member shall be entitled to share in the distribution of the Association assets upon the dissolution of the Association, nor shall any member receive any funds or obtain any pecuniary interest in any asset of the Association by reason of membership therein nor shall any funds belonging to the Association to the benefit of any member except that a member of the Association may receive reimbursement for expenses incurred on behalf of the Association upon arrival by the Board of Directors and/or any officer with authority to make such approval.

Section 2. Resignation: Any member may resign by delivering written resignation to the President or Secretary of the Association. Such resignation shall in no manner relieve such member from the liability for the payment of any accrued and unpaid dues, assessments, or other charges.

Section 3. Disciplinary Action: Any disciplinary action which may result from a complaint against a member by a member or third party shall be conducted according to ARTICLE VII of the Bylaws of the Association of REALTORS[®], Inc.

Section 4. Reinstatement: Any member may be reinstated in the same manner as is provided for Application for Membership set forth in ARTICLE II, Section 2, of this Operation Policy.

ARTICLE IV.

MEETINGS:

Section 1. Annual Meetings: The annual meeting of the members of the Association shall be held at a place designated by the President of the Association on the third Tuesday in October in each year, if not a legal holiday, for the purpose of electing directors, and for the transaction of such other business as may properly come before the meeting.

Section 2. Notice of Annual Meeting. Notice of the time, place and purpose of the annual meeting shall be served upon each member by mail, and not less than ten (10) days nor more than forty (40) days before such meeting.

Section 3. Other Meetings: Meetings of the members may be held at such times as the President or Board of Directors may determine, or upon the written request of one-fourth (1/4) of the Voting Members in good standing.

Section 4. Quorum. A majority of the Designated Members in good standing present at any regular meeting of the Association shall constitute a quorum and shall be necessary to conduct business at any meeting.

Section 5. Voting Members. At every meeting of the membership, each Designated Member shall be entitled to vote in person. Any Designated Member may designate an Associate Member of his firm, corporation or partnership to attend meetings and vote in said member's place. Each firm shall be entitled to one (1) vote.

Associate members cannot vote unless they are voting in place of the Designated Member, in which case the Association would have to have a letter on file from the Designated Member authorizing the Associate member

to vote in their place. The voting member change will remain in effect until further written notification is received at the Association office. Affiliate members shall not be entitled to vote.

Any voting member which may be sixty (60) days delinquent in the payment of dues, assessments or other charges shall not be entitled to vote for officers or directors or upon any question before the meeting.

Section 6. Voting: The vote for Directors and Officers and upon demand of any voting member, shall be by secret ballot.

Section 7. Waiver of Notice: Whenever, under the provision of any law or under the provisions of this Operations Policy the Association or the Board of Directors, or any committee thereof, is authorized to take any action after notice to the members of the Association or after the lapse of a prescribed period of time, such action may be taken without notice and without the lapse of any period of time, if any time before or after such action be completed, such requirements be waived in writing by the person or persons, firm or firms, and corporations or corporations entitled to such notice or entitled to participate in the action to be taken.

ARTICLE V.

BOARD OF DIRECTORS:

Section 1. Election: The business and property of the Association shall be managed and controlled by a Board of Directors elected annually by the voting members or serving as directors pursuant to ARTICLE V, Section 2 of this Operations Policy. A director must be a Designated or Associate member of the Association and no more than one (1) director shall be elected from any one such voting member, firm or corporation.

The election of the Board of Directors and officers shall be held at the annual meeting and nominees for each office shall be submitted by a Nominating Committee appointed by President subject to nominations from the floor.

Section 2. Number: The Board of Directors shall consist of the following nine (9) Directors: one may be the President of the Winston-Salem Regional Association of REALTORS[®], Inc.; one shall be the immediate Past President of the Association except for the initial Board of Directors; one shall be the President, one shall be Vice President, one shall be the Secretary, and one shall be the Treasurer, and three (3) elected Directors, one shall be elected for one year, one for two years, and one for three years; and thereafter, one director shall be elected for a term of three years at each annual meeting; which shall be held at the time and place as may be fixed by this Operations Policy.

In the event the President of the Winston-Salem Regional Association of REALTORS[®], Inc. shall choose to be a non-participating member of the Board, the Board of Directors shall appoint an active Member of the Association to serve the one year term of the President of the Winston-Salem Regional Association of REALTORS[®], Inc.

Section 3. Vacancies: In the event of the vacancy in the Board of Directors during the year, said vacancy may be filled for the unexpired portion of the term by the Board of Directors then serving, although less than a quorum, by affirmative vote of the majority thereof. Any director so elected shall hold office until the next succeeding annual meeting of the members of the Association.

Section 4. Meeting of Board of Directors: Immediately after each annual election the newly elected directors must meet forthwith for the purpose of organization and the transaction of other business and if a quorum of the directors be then present, no prior notice as such meeting shall be required to be given.

Section 5. Special Meetings: Special Meetings of the Board of Directors may be called by the President, or, in

his absence, the Vice President or on written request of any member of the Board, a special meeting shall be called.

Section 6. President: At all meetings of the Board of Directors the President or Vice President, or in their absence a President, chosen by the Directors, shall preside.

Section 7. Quorum: At all meetings of the Board of Directors a majority of the Directors shall be necessary and sufficient to constitute a quorum for the transaction of business and any act taken by a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise specifically provided by this Operations Policy. If at any meeting there is less than a quorum present, a majority of those present may adjourn the meeting until further notice to all absent directors.

Section 8. Contracts and Services: The Directors and officers of the Association may be interested directly or indirectly in any contracts relating to or incidental to the operation of the Association, and may freely make contracts, enter into transactions, or otherwise act for and in behalf of the Association, notwithstanding that they may also be acting as individuals, or as agents for others, provided that any such contract, transaction or act in behalf of the Association, in a matter in which the director is personally interest, shall be at arm's length and shall not result in the Association's use or application of funds for private benefit. In no event, however, shall any person or other entity dealing with the directors or officers be obligated to inquire into the authority of the directors and officers to enter into and consummate any contract, transaction other action. The Property Management Association shall have control of their assets and annual budget with review by the Board of Directors of the Winston-Salem Regional Association of REALTORS[®], Inc., with whom the final decision rests on adverse legal and tax matters.

ARTICLE VI.

OFFICERS.

Section 1. Number: The officers of the association shall be the Vice President, Secretary, Treasurer and such other officers with such powers and duties not inconsistent with this Operations Policy as may be appointed and determined by the voting members.

Section 2. Election, Term of Office and Qualifications: The election, term of office and qualifications of the officers shall be according to the provisions of ARTICLE V.

Section 3. Vacancies: In case of any office of the Association becomes vacant by death, resignation, retirement, disqualification or any other cause, the majority of the Board of Directors then in office, although less than a quorum, may elect an officer to fill such vacancy and the officer so elected shall hold office and serve until the next meeting of members.

Section 4. President: The President shall preside at all meetings of members and of the Board of Directors and shall serve as a voting member of the Board of Directors of the Winston-Salem Regional Association of REALTORS[®], Inc. The President shall have and exercise general charge and supervision of the affairs of the Association. He shall select and appoint the President and all committees of the Association and he shall be an Ex-Officio member of all such committees. Before the annual meeting, the President shall appoint a Nominating Committee which shall present a slate of officers and directors for consideration by members at the annual meeting.

Section 5. Vice President: At the request of the President, or in the event of his absence or disability, the Vice President shall perform the duties and possess and exercise the powers of the President; and he shall have such other powers as the Board of Directors may determine, and shall perform such other duties as may be assigned to him by the Board of Directors.

Section 6. Secretary: The Secretary shall have charge of such books, documents and papers as the Board of Directors may determine. The Secretary shall attend and keep the minutes of all meetings of the Board of Directors and members of the Association. The Secretary shall receive all applications for membership in the Association and notify all members of their election to such membership. The Secretary shall issue all notices as required by this Operations Policy and shall, in general, conduct all correspondence and perform all duties incidental to the office of Secretary, subject to the control of the Board of Directors, and shall do and perform such other duties as may be assigned to him by the Board of Directors.

Section 7. Treasurer: The Treasurer shall perform all the duties incidental to such office unless these duties are delegated to another person by the Board of Directors.

Section 8. Removal: Any officer may be removed from office by the affirmation vote of two-third (2/3) of all the active members at any regular meeting or special meeting called for nonfeasance, malfeasance, or misfeasance, for conduct detrimental to the interest of the Association, for lack of sympathy with its objectives, or for refusal to render reasonable assistance in carrying out its purposes. Any officer proposed to be removed shall be entitled to at least ten (10) days notice in writing, by mail, of the meeting of the Board of Directors, at which such removal is to be voted upon and shall be entitled to appear before and be heard by the Board of Directors at such meeting.

ARTICLE VII.

DUES AND FEES:

Section 1. Initiation Fees: Any person or firm elected to membership in the Association, shall pay in advance, an initiation fee as set by the Board of Directors.

Section 2. Annual Dues: The annual dues for each member classification shall be approved by the Board of Directors. The annual dues of the Association for members shall be payable within thirty (30) days after billing. Any member whose dues are in arrears sixty (60) days following the due date shall be declared delinquent, a member not in good standing, shall be denied the privilege of voting, and shall be expelled from the Association upon the action of the Board of Directors if such delinquencies shall exceed 180 days.

ARTICLES VIII.

FISCAL YEAR:

Section 1. The fiscal year of the Association shall commence on January 1st of each year and end on December 31st.

ARTICLE IX.

PROHIBITION AGAINST SHARING IN ASSOCIATION EARNINGS:

Section 1. No member, director, officer, employee, member of a committee, or person connected with the Association, or any other private individual shall receive at any time any of the net earnings or pecuniary profit from the operations of the Association, provided that this shall not prevent the payment to any such person of such reasonable compensation for services rendered to or for the Association in effecting any of its purposes as shall be fixed by the Board of Directors; and no such person or persons shall be entitled to share in the

distribution of any of the corporate assets upon dissolution of the Association. All members of the Association shall be deemed to have expressed consented and agreed that upon such dissolution or winding up of the affairs of the Association, whether voluntary or involuntary, the assets of the Association, after all debts have been satisfied, then remaining in the hands of the Board of Directors, shall be distributed, transferred, conveyed, delivered and paid over in such amounts as the Board of Directors, may determined by a Court of competent jurisdiction upon application of the Board of Directors, exclusively to the Winston-Salem Regional Association of REALTORS[®], Inc.

ARTICLE X.

AMENDMENTS:

Section 1. This Operations Policy may be altered, amended, or repealed at any meeting of Designated members of the Association (or an Associate Member designated by the Designated Member to vote in his place) by a vote of a majority of those present, provided that the purpose of action is inserted in the notice of such meeting; and, provided, a quorum is present. Any amendment shall be subject at approval at the Board of Directors to the Winston-Salem Regional Association of REALTORS[®], Inc.

ARTICLE XI.

APPROVAL OF OFFICERS AND DIRECTORS:

All references to election of Directors and Officers of the Association are subject to the final approval of the Board of Directors of the Winston-Salem Regional Association of REALTORS[®], Inc., which approval shall consist of considering each director and officer as a nominee for election and the approval of the directors and officers submitted to the Winston-Salem Regional Association of REALTORS[®], Inc. shall actually constitute the election of such director or officer. Election of officers and directors of the Association by the Winston-Salem Regional Association of REALTORS[®], Inc. shall consist of approving nominees submitted by the Association by majority vote, and any disapproval of any nominee shall only be upon the basis that election of that nominee would constitute clear and present detriment to the goals and principles of the Winston-Salem Regional Association of REALTORS[®], Inc. which detriment can be shown by specific instances of past actions of dishonesty or continuous and willful violations of the Code of Ethics.

ARTICLE XII.

BOOKS OF ACCOUNT:

The Association shall maintain books of accounting showing schedules of assets and liabilities, and shall maintain its own accounts within the Winston-Salem Regional Association of REALTORS[®] accounting system.

(Last Amended 12/20/05)