

BYLAWS OF THE COASTAL CAROLINAS ASSOCIATION OF REALTORS®, INC.

ARTICLE I - NAME

Section 1. Name. The name of this organization shall be the COASTAL CAROLINAS ASSOCIATION OF REALTORS®, INC. hereafter referred to as the "Association".

Section 2. REALTOR. 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 SOUTH 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 the 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 shall include: All of Horry and Georgetown Counties with the exception of the area from the North Carolina line south to the northern margin of Briarcliffe Acres running parallel with the Atlantic Ocean ten miles deep to the North Carolina line.

Section 2. Territorial Jurisdiction is defined to mean:

(a) 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 six (6) classes of Members as follows:

(a) **REALTOR Members.** REALTOR Members whether primary or secondary shall be:

(1) Individuals who, as sole proprietors, partners or corporate officers, or broker-in-charge or his/her designee, are engaged actively 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 South 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 of REALTORS within the state or a state contiguous thereto unless otherwise qualified for Institute Affiliate Membership as described in Section 1b of Article IV. (amended 8/05)

NOTE: REALTOR Members may obtain membership in a "secondary" Board in another state.

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 board 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. (Amended 1/01)

(2) Individuals who are engaged in the real estate profession other than as sole proprietors, partners, corporate officers, or broker-in-charge or his/her designee and are associated with a REALTOR Member and meet the qualifications set out in Article V.

(3) 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 board 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 the local board, state association and National Association.

(4) Primary and secondary REALTOR Members. An individual is a primary member if the Board 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. One of the principals in a real estate firm must be a Designated REALTOR member of the Board in order for licensees affiliated with the firm to select the Board as their "primary" Board.

(5) Designated REALTOR Members. Each firm 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 Board dues as established in Article X of the Bylaws. The "Designated REALTOR" must be a sole proprietor, partner, corporate officer, broker-in-charge or his/her designee 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 a 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. (Amended 1/02)

(c) Affiliate Member. Affiliate Members shall be real estate owners and other individuals or firms who, while not engaged in the real estate profession as defined in paragraph (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) Honorary Members. Honorary Members shall be individuals not engaged in the real estate profession who have performed notable service for the real estate profession, for the Association, or for the public.

(f) 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.

ARTICLE V - QUALIFICATION AND ELECTION

Section 1. Application. An application for membership and reinstatement of 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 Constitutions, Bylaws, and Rules and Regulations of the Association, the State and National Associations, and if elected a Member, will abide by the Constitutions and Bylaws and Rules and Regulations of the Association, State and National Associations, 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 14 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 Membership Committee or otherwise, 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 to 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, broker-in-charge or his/her designee of a real estate firm shall supply evidence satisfactory to the Board through its Membership Committee that he is actively engaged in the real estate profession, and maintains a current, valid real estate broker's, salesperson's, or property manager's license or is licensed or certified by an appropriate state regulatory agency to engage in the appraisal 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 Rules and Regulations 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 such reasonable and nondiscriminatory written examination thereon as may be required by the Committee, and shall agree that if elected to membership, he/she will abide by such Constitution, Bylaws, Rules and Regulations, and Code of Ethics.

NOTE 1: Associations may NOT adopt membership qualifications more rigorous than specified in the Membership Qualifications Criteria for REALTOR membership approved by the Board of Directors of the National Association of REALTORS.

NOTE 2: Article IV, Section 2, of the NAR Bylaws prohibits Member Boards from knowingly granting REALTOR or REALTOR-ASSOCIATE membership to any applicant who has an unfulfilled sanction pending which was imposed by another Association of REALTORS for violation of the Code of Ethics. (Adopted 1/01)

*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 office, or branch office manager, is not involved in any pending bankruptcy or insolvency proceeding 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 Board establishes that its interests and those of its members and the public could not be adequately protected by requiring that the bankrupt applicant pay cash 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 a "cash basis" from the date that bankruptcy is initiated until one (1) year from the date that the member has been discharged from bankruptcy.

** No record of official sanctions involving unprofessional conduct is intended to mean that the Board 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.

(b) Individuals who are actively engaged in the real estate profession other than as sole proprietors,

partners, corporate officers, broker-in-charge or his/her designee, 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 Designated REALTOR Member of another Association (if a secondary member) and must maintain a current, valid real estate broker's, salesperson's, or property manager'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 Rules and Regulations 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 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 will abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS, and by the Constitution, Bylaws, and Rules and Regulations of the local Association, the State Association, and the NATIONAL ASSOCIATION. (amended 8/05)

(c) An applicant for reinstatement of REALTOR Membership who is a principal, partner, or corporate officer of a real estate firm shall supply evidence satisfactory to the Membership Committee that he maintains a current, valid real estate broker's, salesperson's, or property manager's license or be licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, has a place of business within the state or a state contiguous thereto, 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 Rules and Regulations of the Association, the Bylaws of the State Association, and the Constitution, Bylaws, and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS, and shall pass such reasonable and nondiscriminatory written examinations thereon as may be required by the Committee unless he has previously completed this course in its latest edition, and shall agree that if elected to membership, will abide by the Constitution, Bylaws, Rules and Regulations, and Code of Ethics.

(d) Individuals who are engaged in the real estate profession other than as principals, partners, or corporate officers, in order to qualify for reinstatement of REALTOR Membership, shall at the time of application be associated either as an employee or as an independent contractor with a REALTOR Member of this Association and must maintain a current, valid real estate broker's, salesperson's, or property manager'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 Rules and Regulations of the Association, the Bylaws of the State Association, and the Constitution, Bylaws and the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS, and shall pass such reasonable and nondiscriminatory written examinations thereon as may be required by the Committee, unless he has previously completed this course in its latest edition, and shall agree in writing that if elected to membership, he will abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS, and by the Constitution, Bylaws, Rules and Regulations of the local Association, the State Association and the NATIONAL ASSOCIATION OF REALTORS.

Section 3. Election.

The procedure for election to membership shall be as follows:

(a) The Membership Committee shall determine whether the applicant is applying for the appropriate class of membership. It shall then give written notice to the REALTOR Members of such application and invite written comment. If one or more REALTOR Members object to the approval of the application, basing such objection on lack of qualification as set forth in these Bylaws, the Committee shall invite any objecting Member to appear and substantiate his objections. Objections that are not substantiated shall be totally disregarded. The Committee may not find objections substantiated without (1) informing the applicant in advance, in writing, of the objections and identifying the objecting Member, and (2) giving the applicant a full opportunity to appear before the Committee and establish his qualifications. The Committee shall thereafter make a written report of its findings. The Membership Committee shall conduct all proceedings with strict attention to the principles of due process and compliance with the Bylaws of the Association.

(b) Thereafter, within sixty (60) days, the Membership Committee shall report its recommendation to the Board of Directors in writing. If the recommendation is adverse to the approval of the application the reasons shall be specifically stated. If any member of the Membership Committee submits a dissenting recommendation, it shall also be reported to the Board of Directors.

(c) The Board of Directors shall review the qualifications of the applicant and the recommendation of the Committee and then vote on the applicant's eligibility for membership. If applicant receives a majority vote of the Board of Directors, he shall be declared elected to membership and shall be advised by written notice. An applicant for Institute Affiliate Membership shall be acted upon by the Board of Directors within sixty (60) days from the date of application for membership.

(d) The Board of Directors may not reject an application without providing the applicant with advance notice of the findings and recommendations of the Membership Committee, 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.

(e) If the Board of Directors determines that the application should be rejected, it shall record its reasons with the Secretary. If the Board of Directors believes that denial of membership to the applicant may specify that rejection denial shall become the basis of litigation and a claim of damage by the applicant, it may specify that denial shall become effective upon entry in a suit by the Association for a declaratory judgement by a court of competent jurisdiction of a final judgement declaring that the rejection that the rejection violates no right of the applicant.

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 within 90 days of the date of application (or, alternatively, the date that provisional membership was 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 State 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 membership duty for which REALTOR membership shall be suspended until such time as the training is completed. (Adopted 1/01)

Members suspended for failing to meet the requirement for the first four (4) year cycle (2001-2004) will have until December 31, 2005 to meet the requirement. Failure to meet the requirement by that time will result in automatic termination of membership.

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 member who is still suspended as of that date will be automatically terminated. (adopted 1/01, revised 5/05)

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 Board within thirty (30) days. A REALTOR (non-principal) who becomes a principal in the firm with which he 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 thirty (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.

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 thirty (30) days of the date the board is advised of the disaffiliation with the current firm, membership will terminate automatically unless otherwise so directed by the Board of Directors.

NOTE: The Board of Directors, at its discretion, may waive any qualification that the applicant has already fulfilled in accordance with the Association's Bylaws.

(b) 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.

(c) Dues shall be prorated from the first day of the quarter 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 as 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 Association Rules and Regulations, 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 not 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 of the Membership Committee, or 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 purpose of the Local Association, the State Association, and the NATIONAL ASSOCIATION OF REALTORS.

Section 3. Any REALTOR 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 REALTORS as set forth in the Code of Ethics and Arbitration Manual of the NATIONAL ASSOCIATION.

Section 4. Resignations of Members shall become effective when received in writing by the Board of Directors, provided, however, that if the 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 Association may condition the right of the resigning Member to reapply for membership upon payment in full of all such monies owed.

Section 5. If a member resigns from the Association or otherwise causes membership to terminate with an ethics complaint request 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 proceedings and will abide by the decision of the hearing panel.

(a) 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

(a) 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.

(b) REALTOR Members may use the term REALTOR and REALTORS, which use shall be subject to the provisions of Article VIII.

(c) REALTOR Members have the responsibility to safeguard and promote the standard, interests, and welfare of the Association and the real estate profession.

(d) If a REALTOR Member is a principal in a firm, partnership, or 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 REALTORS by the firm, partnership, or corporation shall not be affected.

(e) In any action taken against a REALTOR Member for suspension or expulsion under Section 6d 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 6d 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.

NOTE: Local associations establish the rights and privileges to be conferred on Institute Affiliate members except that no Institute Affiliate Member may be granted the right to use the term REALTOR®, REALTOR-ASSOCIATE®, or the REALTOR® logo; to serve as President of the local association; or to be a Participant in the local association's Multiple Listing Service. (Amended 1/02)

Section 8. Affiliate Members. Affiliate 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 as prescribed by the Board of Directors.

Section 10. Honorary Members. Honorary Members shall confer only the right to attend meetings and participate in discussions.

Section 11. Student Members. Student Members shall have rights and privileges and shall be subject to such obligations prescribed by the Board of Directors.

Section 12. Certification by REALTOR. "Designated" REALTOR Members of the Association shall certify to the Association during the months of March and September, on a form provided by the Association, a complete listing of individuals licensed or certified in the REALTOR's office(s) and shall designate a primary Board 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 based on said non-member licensees, the Designated REALTOR 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 thirty (30) days of the date of affiliation or severance of the individual.

Section 13. Legal Liability Training. Within two years of the date of election to membership, and every two years thereafter, each REALTOR Member of the Association shall be required to demonstrate that they have completed a course of instruction on anti-trust laws, agency laws, civil rights laws or the REALTORS Code of Ethics, its interpretation and meaning and/or the procedures related to its enforcement.

This requirement will be considered satisfied upon presentation of evidence that the member has completed an educational program conducted by another Member Board, the State Association of REALTORS, the NATIONAL ASSOCIATION OF REALTORS or any of its affiliated institutes, societies or councils, or any other recognized educational institution which, in the opinion of the Board of Directors, is an adequate substitute for the training programs conducted by the Association.

Failure to satisfy this requirement biennially will result in membership being suspended from the date it otherwise would

be renewed until such time that the member provides evidence of completion of the aforementioned educational requirements.

NOTE: Any education requirement must comply with Interpretation No. 37 of Article I, Section 2, Bylaws, NATIONAL ASSOCIATION OF REALTORS.

Section 14. 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 a hearing in accordance with the established procedures of the Association. Disciplinary action may also consist of any sanction authorized in the association's Code of Ethics and Arbitration Manual. 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 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. If the complaint names the President, President-Elect, 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 8/03)

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 amended from time to time, which is by this reference incorporated into these Bylaws, provided, however, that any provision deemed inconsistent with state law shall be deleted or amended to comply with state law.

Section 2. It shall be the duty and responsibility of every REALTOR Member of this Association to abide by the Constitution and Bylaws and the Rules and Regulations of the Association, the Constitution and Bylaws of the State 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 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.

Section 3. The responsibility of the Association and 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.

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 Regulations 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.

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.

(a) 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 OR REALTORS.

ARTICLE IX - STATE AND NATIONAL MEMBERSHIPS

Section 1. The Association shall be a Member of the NATIONAL ASSOCIATION OF REALTORS and the SOUTH CAROLINA ASSOCIATION OF REALTORS. By reason of the Association's Membership, each REALTOR Member of the Member Association shall be entitled to membership in the NATIONAL ASSOCIATION OF REALTORS and the SOUTH 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, a 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 its 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 and Regulations, and policies of the NATIONAL ASSOCIATION and the SOUTH 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. This application fee shall also be required to accompany each application for reinstatement of membership except for members who have dropped at year's end and who apply for reinstatement within 12 months. (Amended 1/02)

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 an amount as established annually by the Board of Directors, plus an additional amount to be established by the Board of Directors times the number of real estate salespersons, property managers, 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 Section (1) and (2) of this Article shall not be included in the computation of dues if the DR has paid dues on said non-member licensees in another Association in the state or a state contiguous thereto, provided the Designated REALTOR notifies the Association in writing of the identity of the 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)

(1) For the purpose of this Section, a REALTOR Member of a Member Board 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 1, 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 broker who is licensed with the REALTOR, or by any entity in which the REALTOR has a direct or indirect ownership interest and 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 or branch office manager 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 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 of the annual dues of the Designated REALTOR.

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. (Amended 8/03)

(b) REALTOR Members. The annual dues of each REALTOR Member other than the Designated REALTOR 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 in such amount as established in Article II of the Bylaws of the National Association of REALTORS®.

Note: The Institutes, Societies and Councils of the National Association shall be responsible for collecting and remitting dues to the National Association for Institute Affiliate members (\$75.00). The National Association shall credit \$25.00 to the account of a local association for each Institute Affiliate Member whose office address is within the assigned territorial jurisdiction of that association, provided, however, if the office location is also within the territorial jurisdiction of a Commercial Overlay Board (COB), the \$25.00 amount will be credited to the COB, unless the Institute Affiliate Member directs that the dues be distributed to the other board. The National Association shall also credit \$25.00 to the account of state associations for each Institute Affiliate Member whose office address is located with the territorial jurisdiction of the state association. Local and state associations may not establish any additional entrance, initiation fees or dues for the Institute Affiliate members, but may provide service packages to which Institute Affiliate Members may voluntarily subscribe. (Amended 1/02)

(d) Affiliate Members. The annual dues of each Affiliate Member shall be in such amount as established annually by the Board of Directors.

(e) Public Service Members. The annual dues of each Public Service Member shall be in such amount established annually by the Board of Directors.

(f) Honorary Members. Dues payable, if any, shall be at the discretion of the Board of Directors.

(g) Student Members. Dues payable, if any, shall be at the discretion of the Board of Directors.

Section 3. Dues Payable. Dues for all members shall be payable annually in advance on the first day of January. Dues for new members shall be computed from the first day of the month in which a member is notified of election and shall be prorated for the remainder of the year.

Section 4. Notice of Dues, Fee, Fines, Assessments or Other Financial Obligations of Members. All dues, fees, fines, assessments, or other financial obligations to the Association or Association's Multiple Listing Service shall be sent to the Association Members, as well as to any delinquent Association Members, in writing setting forth the amount owed and due date.

Section 5. Nonpayment of Financial Obligation. If dues, fees, fines, or other assessments including amounts owed to the Association or the Association's Multiple Listing Service are not paid within thirty-five (35) days after the due date, the nonpaying member is subject to suspension and/or a late penalty assessed at the discretion of the Board of Directors. Sixty (60) days after the due date, membership of the nonpaying Member shall be automatically terminated 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 accuracy of the amount owed has been confirmed by the Board of Directors. A former Member who has had his/her Membership terminated for nonpayment of dues, fees, fines or other assessments duly levied in accordance with the provisions of these Bylaws or the provisions of other Rules and Regulations of the Association or any of its services, departments, divisions, or subsidiaries may apply for reinstatement in the manner prescribed for new applicants for Membership, after making payment in full of all accounts due as of the date of termination.

Section 6. Deposit. All money received by the Association for any purpose shall be deposited to the credit of the Association in a financial institution or institution selected by resolution of the Board of Directors.

Section 7. Expenditures. The Board of Directors shall administer the finances of the Association and shall not incur any obligation in excess of One Thousand and no/100 Dollars (\$1,000) over the available cash on hand without authorization by vote of a majority of all REALTOR Members.

Section 8. Honorary Dues. 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.

NOTE: A Member Association's dues obligation to the National Association is reduced by an amount equal to the amount which the Association is assessed for a REALTOR Member, times the number of REALTOR Emeriti (as recognized by the National Association), Past Presidents of the National Association, and recipients of the Distinguished Service Award of the National Association who are REALTOR Members of the Association. The dues obligation of such individuals to the local Association should be reduced to reflect the reduction in the Association's dues obligation to the National Association. The Association may, at its option, choose to have no dues requirement for such individuals except as may be required to meet the Association's obligation to the State Association with respect to such individuals. Member Associations should determine whether the dues payable by the Association to the State Association are reduced with respect to such individuals. It should be noted that this does not affect a "designated" REALTORS dues obligation to the Association with respect to those licensees employed by or affiliated with the "designated" REALTOR who are not Members of the local Association.

ARTICLE XI - OFFICERS AND DIRECTORS

Section 1. Officers. The elected officers of the Association shall be: a President, a President-Elect, a Secretary, and a Treasurer. They shall be elected for a term of one (1) year.

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. It shall be the particular duty of the Secretary or Chief Executive to keep the records of the Association and to carry on all necessary correspondence with the NATIONAL ASSOCIATION OF REALTORS and the SOUTH 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, the immediate past President of the Association, and twelve (12) Members of the Association. Directors shall be elected to serve for terms of three (3) years, except that at organization, one-third of the elected Directors shall be elected for terms of one, two, and three years, respectively, or for lesser terms as may be necessary to complete the first fiscal year. Any Past President of the Association (including Boards or Associations merged into the Greater Horry County Association in 1982) who has also been a Past S.C. State President, will automatically be Ex-Officio Member of the Board of Directors and will remain so as long as membership is active. Therefore, as many Directors shall be elected each year as are required to fill vacancies.

Section 4. Election of Officers and Directors.

(a) At least two (2) months before the annual election, a Nominating Committee of seven (7) REALTOR Members shall be appointed by the President with the approval of the Board of Directors. The Nominating Committee shall select one candidate for each office and one candidate for each place to be filled on the Board of directors. The report of the Nominating Committee shall be mailed or where permitted by state law, electronically transmitted to each Member eligible to vote at least three (3) weeks preceding the election. Additional candidates for the offices to be filled may be placed in nomination by petition signed by at least 20% of the REALTOR members eligible to vote. The petition shall be filed with the Chief Staff Executive at least two (2) weeks before the election. The Chief Staff Executive shall send notice of such additional nominations to all Members eligible to vote before the election.

(b) The election of Officers and Directors shall take place at the annual meeting. Election shall be by ballot and all votes shall be cast in person. The ballots shall contain the names of all candidates and the offices for which they are nominated.

(c) The President, with the approval of the Board of Directors, shall appoint an election committee of

three (3) REALTOR Members to conduct the election. In case of a tie vote, the issue shall be determined by lot.

Section 5. Vacancies. In the event, in the opinion of the Board of Directors, the President is incapacitated and unable to perform the duties of President, the President-Elect shall be his successor and will act for the President until such time as the President is fully capable of performing the duties of President. Vacancies among the other officers and the Board of Directors shall be filled by simple majority vote of the Board of Directors until the next election.

Section 6. Removal of Officers. In the event that an Officer or Director is deemed to be incapable of fulfilling the duties of which elected, but will not resign from office voluntarily, the Officer or Director may be removed from office under the following procedures.

(a) A petition requiring the removal of an Officer or Director and signed by not less than one-third of the voting membership or a majority of all Directors shall be filed with the President, or if the President is the subject of the petition, with the next-ranking officer, and shall specifically set forth the reasons the individual is deemed disqualified from further service.

(b) Upon receipt of the petition, and not less than twenty (20) days or more than forty-five (45) days thereafter, a special meeting of the voting membership of the Association shall be held, and the sole business of the meeting shall be to consider the charge against the Officer or Director, and to render a decision on such petition.

(c) The special meeting shall be noticed to all voting Members at least ten (10) days prior to the meeting, and shall be conducted by the President of the Association unless the President's continued service in office is being considered at the meeting. In such case, the next ranking officer will conduct the meeting of the hearing by the Members. Provided a quorum is present, a three-fourths vote of Members present and voting shall be required for removal from office.

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 Board. The Chief Staff Executive shall have the authority to hire, supervise, evaluate and terminate other staff, if any, and shall perform such other duties as prescribed by the Board of Directors.

ARTICLE XII - MEETINGS

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

Section 2. Meeting of Directors. The Board of Directors shall designate a regular time and place of meetings. Absence from three (3) regular meetings without an excuse deemed valid by the Board of Directors shall be construed as resignation therefrom. Special meetings of the Board of Directors shall require one (1) week written notice.

Section 3. Other Meetings. Meetings of the Members may be held at other times as the President or the Board of Directors may determine, or upon the written request of at least ten percent (10%) of the Members eligible to vote.

Section 4. Notice of Meetings. One (1) week written notice shall be given to every member entitled to participate in any special meeting called, and it shall be accompanied by a statement of the purpose of the meeting.

Section 5. Quorum. A quorum for the transaction of business shall consist of twenty percent (20%) of the Members eligible to vote.

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

Section 7. Chairing of Meetings. In the event the President is unable to attend or chair a meeting of the Association, the President-Elect shall act in his stead at such meetings.

ARTICLE XIII - COMMITTEES

Section 1. Standing Committees. The President shall appoint from among the REALTOR Members, subject to confirmation by the Board of Directors, the following standing committees: Professional Standards, Finance, Professional Development, Multiple Listing Service, REALTORS Political Action Committee, Legislative, Membership, Program, Grievance, Public Relations, REALTOR Protection, Equal Opportunity, Community Service, Awards, and

Hospitality.

Section 2. Special Committees. The President shall appoint, subject to confirmation by the Board of Directors, special committees as deemed necessary.

Section 3. Organization. All Committees shall be of such size and shall have duties, functions, and powers as may be assigned by the President or the Board of Directors except as otherwise provided in these Bylaws.

Section 4. President. The President shall be an ex-officio member of all standing committees, except the Nominating, Grievance, and Professional Standards Committees, and shall be notified of their meetings.

ARTICLE XIV - FISCAL AND ELECTIVE YEAR

Section 1. The fiscal year of the Association shall be the calendar year.

Section 2. The elective year of the Association shall begin the day following the official closing of the NATIONAL ASSOCIATION OF REALTORS Annual Meeting and end the last day of the NATIONAL ASSOCIATION OF REALTORS Annual Meeting.

ARTICLE XV - RULES OF ORDER

Section 1. Robert's Rules of Order. Latest edition, 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.

(a) These Bylaws may be amended by 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.

(b) When Bylaws amendments are mandated by NAR policy, these Bylaws may be automatically amended to reflect the mandate as of the effective date of the mandatory policy authorized by the NATIONAL ASSOCIATION OF REALTORS. The Board shall provide notice of that change in a regular or special membership communication.

Section 2. Notice of all meetings at which amendments are to be considered shall be mailed 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 Board shall become effective upon their approval as authorized by the Board of Directors of the NATIONAL ASSOCIATION OF REALTORS.

ARTICLE XVII - DISSOLUTION

Section 1. Upon the dissolution of this Board, the Board of Directors, after providing for the payment of all obligations, shall distribute any remaining assets to the SOUTH CAROLINA ASSOCIATION OF REALTORS or, within its discretion, to any other non-profit tax exempt organization.

ARTICLE XVIII - MULTIPLE LISTING SERVICE

Section 1. Authority. The Association of REALTORS shall maintain for the use of its members a Multiple Listing Service which shall be subject to the Bylaws of the Association of REALTORS and such Rules and Regulations as may be hereinafter adopted.

Section 2. Purpose. A Multiple Listing Service is a means by which authorized Participants make blanket unilateral offers

of cooperation and compensation to the other Participants (acting as subagents, buyer agents, or in other agency or non-agency capacities defined by law); by which information is accumulated and disseminated to enable authorized Participants to prepare appraisals and other valuations of real property; 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 among the Participants so that they may better serve their clients and the public. Entitlement to compensation is determined by the cooperating broker's performance as procuring cause of sale (or lease).

Section 3. Participation. Any REALTOR Member of this or any other Board who is a principal partner or corporate officer, or branch manager acting on behalf of the 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 are capable of offering and accepting 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 a Board 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 a Board Multiple Listing Service where access to such information is prohibited by law.

Any applicant for MLS participation and any licensee (including licensed or certified appraisers) affiliated with an MLS Participant who has access to and use of MLS-generated information shall complete an orientation program of no more than eight (8) 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. (amended 8/05)

Section 4. Supervision. The activity shall be operated under the supervision of the Multiple Listing Service Committee, in accordance with the Rules and Regulations, subject to the approval of the Board of Directors of the association.

Section 5. Appointment of Committee. The President shall appoint, subject to the confirmation of the Board of Directors, a Multiple Listing Committee of twelve (12) REALTOR members. All members of the Committee shall be Participants in Multiple Listing except, at the option of the local Association of REALTORS affiliated with Participants may be appointed to serve in such numbers as determined by the local Association. The Committee members so named shall serve three year terms. The Committee shall select its Chairperson from among the members thereof. (The Chairperson may be designated by the President.)

Section 6. Vacancies. Vacancies in unexpired terms shall be filled as in the case of original appointees.

Section 7. Attendance. Any Committee Member who fails to attend three (3) consecutive regular or special meetings of the Committee, without excuse acceptable to the Chairman of the Committee, shall be deemed to have resigned from the Committee and the vacancy shall be filled as herein provided for original appointees.

Section 8. Access to Comparable and Statistical Information. Association Members 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 the Association Members and individuals affiliated with Association 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 9. Internet/Web Policy. The display of information on the internet is controlled by Multiple Listing Rules and Regulations.

APPENDIX 1

Membership Policy Statements Approved by the Board of Directors

NATIONAL ASSOCIATION OF REALTORS

(The following statements are informational and not part of the Bylaws)

Statements of Membership Policy Related to Implementation of Board of Choice

That, effective upon approval by the Board of Directors, the following statements of membership policy and amendments to the Model Board Bylaws to implement the board of choice proposal be adopted.

1. The primary board of affiliation elected by a REALTOR must be in the state where the REALTOR is licensed and maintains his/her principal place of business. Licensees affiliated with a REALTOR firm may choose as their "primary" board any board in the state where the firm maintains a "Designated" REALTOR.
2. Membership shall be available in a secondary board on terms and conditions no more stringent than the requirements established in the board's Bylaws for REALTOR and (REALTOR – ASSOCIATE where applicable) membership. The privileges of membership shall be the same including the right to vote and hold office. Membership will be granted to individuals who hold REALTOR or REALTOR – ASSOCIATE membership in their primary board without any requirement that the Designated REALTOR they are licensed or affiliated with hold membership in the secondary board. However, MLS services will only be available if the Designated REALTOR participates in the MLS. Board dues shall not include a national allocation since NAR dues have been paid through the member's primary board. A state allocation may only be included if the member's primary board is located in a different state.
3. REALTORS shall be entitled to purchase services from boards other than their primary board without the necessity of holding membership in those boards. Service fees will be determined by the individual boards. However, the board may require that a REALTOR (principal) be licensed in the state as a condition of MLS participation. (Adopted 2/94; Amended 11/96)

Concerning Board of Choice Across State Lines

That the membership choices currently provided under Board of Choice be expanded across state lines as follows:

Members may join a primary board across contiguous state lines. State association membership would be in the state where primary board membership is held. To become effective July 1, 1996, with optional local board adoption sooner. (Adopted 11/95)

Portability of Membership Records (Files)

In order to facilitate timely processing of applications for membership and to assist associations in determining an applicant's qualifications for REALTOR® or REALTOR-ASSOCIATE® membership, associations shall, based on a request from another association, share information about current or former members. Minimum "core" member information shall include:

1. Previous applications for membership

All final findings of Code of Ethics violations and violations of other membership duties within the past three (3) years (when available), pending complaints alleging violations of the Code of Ethics or alleging violations of other membership duties, incomplete or (pending) disciplinary measures, pending

arbitration requests (or hearings), unpaid arbitrations awards or unpaid financial obligations to the association or its MLS.

An association may, at its discretion, consider information received from other association when determining whether an applicant satisfies the association's membership requirements as established in the association's bylaws (not to exceed NAR's Membership Qualification Criteria). (Adopted 2/96)

Clarification of the Term "Principal"

The term "principal" as used in the NAR Constitution and Bylaws and in other relevant policies, includes licensed or certified individuals who are sole proprietors, partners in a partnership, officers or majority shareholders of a corporation, or office managers (including branch office managers) acting on behalf of principals of a real estate firm. (Adopted 11/96)

Secondary Membership in a Board/Association

When a member has joined a primary association and paid local, state, and national dues, secondary membership may be held in a local association in another state (provided the applicant meets all of the qualifications for membership) without holding membership in that state association, or alternatively, secondary membership may be held directly in the state association without holding membership in a local association in that state. (Adopted 11/96)

Membership Requirements Related to Multiple Office Locations

When considering an applicant for REALTOR® membership who is a principal in a real estate firm, associations have an obligation to determine that all of the principals of the real estate firm who are actively engaged in the real estate business in the state are either applying for or already hold REALTOR® membership (or Institute Affiliate membership, if applicable) in a board or association. (Adopted 11/96)

If an association (local, state, national) is notified by another association that a REALTOR® member has an office location elsewhere in the state that is not functioning as a "REALTOR® office" (i.e., licensees affiliated with the office are not members or are not accounted for under the DR dues formula) the association where the REALTOR® holds primary membership shall be responsible, in cooperation with the state and national associations, for ensuring compliance with applicable membership policies (i.e., that said licensees hold membership in the REALTOR®'s primary association – or some other association in the state where the firm maintains a designated REALTOR® presence – or that dues have been paid to an association based on non-member licensees affiliated with the office. (Adopted 11/96)