

BY-LAWS OF THE CENTRAL CAROLINA REALTORS® ASSOCIATION

Central Carolina REALTORS® Association - 7515

Rewrite Adopted 8/18/94

Amended 8/20/96, 10/21/97, 8/18/98, 12/16/99, 1/31/00, 8/17/00, 8/15/02, 03/13/03, 06/19/03, 12/11/03, 05/20/04, 07/14/05, 02/01/08, 08/18/11, 08/16/12, 12/13/12, 5/13, 11/13, 8/14/, 5/16, 11/14, 1/17, 7/18/17, 7/27/17, _____/19

ARTICLE I-Name

Section 1. Name. The name of this organization shall be the Central Carolina REALTORS® Association, (hereafter referred to as the "Association").

Section 2. REALTORS®. Inclusion and retention of the Registered Collective Membership Mark REALTORS® in the name of the Association shall be governed by the Constitution and By-laws 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 interest 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® ("State Association") and the NATIONAL ASSOCIATION OF REALTORS®, thereby furthering their own objectives throughout the state and nation, and obtaining the benefits and privileges of membership therein.

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

ARTICLE III-Jurisdiction

Section 1. The territorial jurisdiction of the Association as a member of the NATIONAL ASSOCIATION OF REALTORS® is all of BAMBURG COUNTY, CALHOUN COUNTY, CLARENDON COUNTY, FAIRFIELD COUNTY, LEXINGTON COUNTY, NEWBERRY COUNTY, ORANGEBURG COUNTY, and RICHLAND COUNTY, South Carolina.

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 By-Laws 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. REALTOR® Members.

REALTOR® Members, whether primary or secondary, shall be:

(a) Individuals who, as sole proprietors, partners, corporate officers, or branch office managers, 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 there to shall qualify for REALTOR® Membership only, and each is required to hold REALTOR® Membership (except as provided in the following paragraph) in an association of REALTORS® within the state or a state contiguous thereto unless otherwise qualified for Institute Affiliate Membership.

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

NOTE: REALTORS® Members may obtain membership in a "secondary" board in another state.

(b) Individuals who are engaged in the real estate profession other than as sole proprietors, partners, or corporate officers, or branch office managers and are associated with a REALTOR® Member and meet the qualifications.

Section 2. Franchise REALTOR® Membership. Corporate officers (who may be licensed or unlicensed) of a real estate brokerage franchise organization with at least one hundred fifty (150) franchisees located within the United States, its insular possessions and the Commonwealth of Puerto Rico, elected to membership pursuant to the provisions in the NAR Constitution and Bylaws. Such individuals shall enjoy all of the rights, privileges and obligations of REALTOR® membership (including compliance with the Code of Ethics) except: obligations related to Association mandated education, meeting attendance, or indoctrination classes or other similar requirements; the right to use the term REALTOR® in connection with their franchise organization's name; and the right to hold elective office in the local Association, State Association and National Association. *(Adopted 1/96)*

Section 3. Primary and Secondary REALTOR® Members. An individual is a primary member if the Association pays State and National Association dues based on such Member. An individual is a secondary Member if State and National Association dues are remitted through another association.

One of the principals in a real estate firm must be a Designated REALTOR® member of the Association in order for licensees affiliated with the firm to select the Association as their "primary" Association.

Section 4. Designated REALTOR® Members. Each firm (or office in the case of firms with multiple office locations) shall designate in writing one REALTOR® Member who shall be responsible for all duties and obligations of Membership including the obligation to arbitrate (or mediate if required by the Association) pursuant to Article 17 of the Code of Ethics and the payment of Association dues. The "Designated REALTOR®" must be a sole proprietor, partner, corporate officer or branch office manager acting on behalf of the firm's principal(s) and must meet all other qualifications for REALTOR® Membership.

Section 5. Institute Affiliate Members. Institute Affiliate Members shall be individuals who hold a professional designation awarded by an Institute, Society or Council affiliated with the NATIONAL ASSOCIATION OF REALTORS® that addresses a specialty area other than residential brokerage or individuals who otherwise hold a class of membership in such Institute, Society or Council that confers the right to hold office. Any such individual, if otherwise eligible, may elect to hold REALTOR® membership, subject to payment of applicable dues for such membership. *(Amended 1/02)*

Section 6. Affiliate Members. 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.

Section 7. 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.

Section 8. 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.

Section 9. 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 (2) years of college and at least one (1) college level course in real estate, but are not engaged in real estate practice on their own account or not associated with an established real estate office.

Section 10. Privileges of REALTOR® Members. REALTOR® Members, whether primary or secondary, in good standing whose financial obligations to the Association are paid in full shall be entitled to vote and hold elective office in the Association; may use the terms REALTOR® and REALTORS®, and have the primary responsibility to safeguard and promote the standards, interests, and welfare of the Association and the real estate profession.

Section 11. Obligations of REALTOR® Members. 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 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.

ARTICLE V-Qualification and Election

Section 1. Application.

(a) An application for membership shall be made in such manner and form as may be prescribed by the Association's Board of Directors ("Board" or "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/herself with the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, the Constitutions, Bylaws, and Rules and Regulations of the local Association, State Association and National Associations, and if elected as a Member, will abide by the Constitutions and Bylaws and Rules and Regulations of the local Association, State Association and National Associations, and if a REALTOR®, will abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® including the obligation to arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics, and as further specified in the Code of Ethics and Arbitration Manual of the NATIONAL ASSOCIATION OF REALTORS®, as from time to time amended, and (2) that applicant consents that the Association, may invite and receive information and comment about applicant from any Member or other persons, and that applicant agrees that any information and comment furnished to the Association by any person in response to the invitation shall be conclusively deemed to be privileged and not form the basis of any action for slander, libel, or defamation of character. The applicant shall, with the form of application, have access to a copy of the Bylaws, Constitution, Rules and Regulations, and Code of Ethics referred to above. *(Amended 08/16/12)*

Section 2. Qualification.

(a) An applicant for REALTOR® Membership who is a sole proprietor, partner, corporate officer, or branch manager of a real estate firm shall supply evidence satisfactory to the association that he/she is actively engaged in the real estate profession, and maintains a current, valid real estate broker's or salesperson's license or is licensed or certified by an appropriate state regulatory agency to engage in the 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, and shall agree if elected to membership, he/she will abide by such Constitution, Bylaws, Rules and Regulations, and Code of Ethics. *(Amended 12/13/12)*

(b) Individuals who are actively engaged in the real estate profession other than as sole proprietor, partner, corporate officer, or branch office manager in order to qualify for REALTOR® Membership, shall at the time of application, be associated either as an employee or as an independent contractor with a Designated REALTOR® Member of the Association or a Designated REALTOR® Member of another association (if a secondary member), and must maintain a current, valid real estate broker's or salesperson's license or be licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, has no record of official sanctions involving unprofessional conduct**, shall complete a course of instruction covering the Bylaws and Rules and Regulations of the local 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, and shall agree in writing if elected to membership, he/she will abide by such Constitution, Bylaws, and Rules and Regulations and the Code of Ethics.
(Amended 8/16/12)

(*) If the applicant or the applicant's real estate firm is named as a debtor in such bankruptcy proceeding, membership may not be denied unless the Board establishes that its interests and those of its members and the public could not be adequately protected by requiring that the applicant pay cash in advance for Association dues and Association MLS fees for up to one (1) year from the date that membership is approved. 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 Association may only consider:

A. civil judgments against the applicant imposed within the past seven (7) years involving judgments 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. criminal convictions if within the past seven (7) years involving a crime that reasonably relates to the real estate business or puts clients, customers, or other real estate professionals at risk. The applicant must provide and the Association must consider mitigating factors relating to that criminal history.

Note 1: Article IV, Section 2, of the NAR Bylaws prohibits Member Associations from knowingly granting REALTOR® or REALTOR-ASSOCIATE® membership to any applicant who has unfulfilled sanction pending which was imposed by another board or association of REALTORS® for violation of the Code of Ethics.

(c) The Association will also consider the following in determining an applicant's qualifications for REALTOR® membership:

(1) All final findings of Code of Ethics violations and violations of other membership duties in this or any other REALTOR® association within the past three (3) years.

(2) Pending ethics complaints (or hearings).

(3) Unsatisfied discipline pending.

(4) Pending arbitration requests (or hearings).

(5) Unpaid arbitration awards or unpaid financial obligations to any other association.

(6) Any misuse of the term REALTOR® or REALTORS® in the name of the applicant's firm

"Provisional" membership may be granted in instances where ethics complaints or arbitration requests (or hearings) are pending in other associations or where the applicant for membership has unsatisfied discipline pending in another association (except for violations of the Code of Ethics; See Article V, Section 2(a)) provided all other qualifications for membership have been satisfied. The Association may reconsider the membership status of such individuals when all pending ethics and arbitration matters (and related discipline) have been resolved or if such matters are not resolved within six (6) months from the date that provisional membership is approved. Provisional members shall be considered REALTORS® and shall be subject to all of the same privileges and obligations of REALTOR® membership.

If a member resigns from another association with an ethics complaint or arbitration request pending, the Association may condition membership on the applicant's certification that he/she will submit to the pending ethics or arbitrations proceeding (in accordance with the established procedures of the association to which the applicant has made application) and will abide by the decision of the hearing panel. *(Amended 11/09)*

Section 3. Election.

The procedure for election to membership shall be as follows.

(a) The Chief Executive Officer (or duly authorized designee) shall determine whether the applicant is applying for the appropriate class of membership. If the Association has adopted provisional membership, applicants for REALTOR® membership may be granted provisional membership immediately upon submission of a completed application form and remittance of applicable Association dues and any application fee. Provisional members shall be considered REALTORS® and shall be subject to all of the same privileges and obligations of membership. Provisional membership is granted subject to final review of the application by the Association's Board of Directors.

(b) If the Board of Directors determines that the individual does not meet all of the qualifications for membership as established in the Association's Bylaws, or, if the individual does not satisfy all of the requirements of membership (for example, completion of a mandatory orientation program) within ninety (90) days from the Association's receipt of their application, membership may, at the discretion of the Board of Directors, be terminated. In such instances, dues shall be returned to the individual less a prorated amount to cover the number of days that the individual received Association services and any application fee. The Board of Directors shall vote on the applicant's eligibility for membership. If the applicant receives a majority vote of the Board of Directors, he/she shall be declared elected to membership and shall be advised by written notice.

(c) The Board of Directors may not reject an application without providing the applicant with advance notice of the findings, an opportunity to appear before the Board of Directors, to call witnesses on his/her behalf, to be represented by counsel, and to make such statements as he/she deems relevant. The Board of Directors may also have counsel present. The Board of Directors shall require that written minutes be made of any hearing before it or may electronically or mechanically record the proceedings.

(d) If the Board of Directors determines that the application should be rejected, it shall record its reasons with the Chief Executive Officer (or duly authorized designee). If the Board of Directors believes that denial of membership to the applicant may 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 judgment by a court of competent jurisdiction of a final judgment declaring that the rejection violates no rights of the applicant. *(Adopted 1/98, Amended 1/05, Amended 1/17)*

Section 4. Status Changes.

(a) A REALTOR® who changes the conditions under which he holds membership shall be required to provide written notification to the Association within 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 Board 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 his 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 Association is advised of the disaffiliation with the current firm, membership will terminate automatically unless otherwise so directed by the Board of Directors. *(Amended 01/98)*

(The Board of Directors, at its discretion, may waive any qualification which 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 to an amount equal to any application fee previously paid by the applicant.

(c) Dues shall be prorated from the first day of the month in which the MEMBER IS NOTIFIED OF ELECTION BY THE BOARD OF DIRECTORS and shall be based on the new membership status for the remainder of the year. *(Amended 1/05)*

ARTICLE VI-Privileges and Obligations

Section 1. The privileges and obligations of members, in addition to those otherwise provided in these Bylaws, shall be specified in this Article.

Section 2. Any Member of the Association may be reprimanded, fined, placed on probation, suspended, or expelled by the Board of Directors for a violation of these Bylaws and 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 upon recommendation of the Grievance 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 purposes of the local Association, the State Association and the NATIONAL ASSOCIATION OF REALTORS®. *(Amended 12/13/12)*

Section 3. Resignations of Members shall become effective when received in writing by the Board of Directors, provided, however, that if any Member submitting the resignation is indebted to the Association for dues, fees, fines, or other assessments of the Association or any of its services, departments, divisions, or subsidiaries, the Association may condition the right of the resigning Members to reapply for membership upon payment in full of all such monies owed.

Section 4. If a Member resigns from the Association or otherwise causes membership to terminate with an ethics complaint pending, the complaint shall be processed until the decision of the Association with respect to disposition of the complaint is final by this Association (if respondent does not hold membership in any other association) or by any other association in which the respondent continues to hold membership. If an ethics respondent resigns or otherwise causes membership in all Associations Boards to terminate before an ethics complaint is filed alleging unethical conduct occurred while the respondent was a REALTOR®, the Complaint, once filed, shall be processed until the decision of the Association with respect to disposition of complaint is final. In any instance where an ethics hearing is

held subsequent to an ethic respondent's resignation or membership termination, any discipline ratified by the Board of Directors shall be held in abeyance until such time as the respondent rejoins an association of REALTORS®.

(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®. *(Amended 01/00)*

Section 5. REALTOR® Members.

(a) If a REALTOR® member is a sole proprietor in a firm, a partner in a partnership or an officer in a corporation and is suspended or expelled, the firm, partnership, or corporation shall not use the terms REALTOR® or REALTORS® in connection with its business during the period of suspension, or until readmission to REALTOR® membership, or unless connection with the firm, partnership, or corporation is severed, whichever may apply. The membership of all other principals, partners, or corporate officers shall suspend or terminate during the period of suspension of the disciplined member, or until readmission of the disciplined member, or unless connection of the disciplined member with the firm, partnership, or corporation is severed, whichever *may* apply. Further, the membership of REALTORS® other than principals who are employed by or affiliated as independent contractors with the disciplined member shall suspend or terminate during the period of suspension of the disciplined member or until readmission of the disciplined member or until connection of the disciplined member with the firm, partnership, or corporation is severed, or unless the REALTOR® member (non-principal) elects to sever his/her connection with the REALTOR® and affiliate with another REALTOR® member in good standing in the Association, whichever may apply. *(Amended 8/11)*

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.*

(b) In any action taken against a REALTOR® Member for suspension or expulsion under Section 6(a) hereof, notice of such action shall be given to all REALTORS® employed by or affiliated as independent contractors with such REALTOR® Member and they shall be advised that the provisions in Article VI, Section 6(a) shall apply.

Section 6. 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 Members may be granted the right to use the term REALTOR®, or the REALTOR® logo; to serve as President of the local association.

Section 7. Affiliate Members. Affiliate Members shall have rights and privileges and be subject to obligations prescribed by the Board of Directors.

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

Section 9. Honorary Members. Honorary Membership shall confer only the right to attend meetings and participate in discussions.

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

Section 11. Certification by REALTOR®. Designated REALTOR® Members of the Association shall certify to the Association during the month of February and August on a form provided by the Association, a complete listing of all individuals licensed or certified in the REALTOR's office(s) and shall designate a primary association for each individual who holds membership. Designated REALTORS® shall also identify any non-member licensees in the REALTOR's office(s) and if Designated REALTOR® dues have been paid to another association based on said non-member licensees, the Designated REALTOR® shall identify the association to which dues have been remitted. These declarations shall be used for purposes of calculating dues under Article X of the Bylaws. Designated REALTOR® Members shall also notify the Association of any additional individual(s) licensed or certified with the firm(s) or of any severance of affiliation with the firm(s) by a licensee within (30) thirty days of the date of affiliation or severance of the individual. See Article X.

ARTICLE VII – Code of Ethics: Professional Standard and Training

Section 1. 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 (2) hours and thirty (30) minutes of instruction 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 (1) year or less.

Failure to satisfy this requirement within ninety (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. *(Adopted 1/01)*

NOTE: Orientation programs must meet the learning objectives and minimum criteria established from time to time by the NATIONAL ASSOCIATION OF REALTORS®.

Section 2. Continuing REALTOR® Code of Ethics Training. Effective January 1, 2017, through December 31, 2018, and for successive two year periods thereafter, each REALTOR® member of the Association (with the exception of REALTOR® members granted REALTOR® Emeritus status by the National Association) shall be required to complete ethics training of not less than two (2) hours and thirty (30) 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, 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 two (2)-year cycle shall not be required to complete additional ethics training until a new two (2)-year cycle commences.

Failure to satisfy the required periodic ethics training shall be considered a violation of a membership duty. Failure to meet the requirement in any two (2)-year cycles will result in suspension of membership for the first two months (January and February) of the year following the end of any two (2)-year cycle or until the requirement is met, whichever occurs sooner. On March 1 of that year, the membership of a member who is still suspended as of that date will be automatically terminated.

Section 3. Discipline of REALTOR® Members. 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. Enforcement of the Code. It shall be the duty and responsibility of every REALTOR® Member of this Association to abide by the Constitution and Bylaws and 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.

ARTICLE VIII - REALTOR® Trademark- 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. Any misuse of the terms by members is a violation of a membership duty and may subject members to disciplinary action by the Board of Directors after a hearing as provided for in the Association's Code of Ethics and Arbitration Manual.

Section 2. REALTOR® Members of the Association shall have the privilege of using the terms REALTOR® or 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® principal member 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 or Institute Affiliate members.

In the case of a REALTOR® principal member 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 holds REALTOR® membership. If a firm, partnership, or corporation operates additional places of business in which no principal holds REALTOR® membership, the term REALTOR® or REALTORS® may not be used in any reference to those additional places of business.

Section 4. Institute Affiliate Members shall not use the terms REALTOR® or REALTORS® nor the imprint of the emblem seal of the NATIONAL ASSOCIATION OF REALTORS®.

ARTICLE IX-State and National Memberships

Section 1. The Association shall be a member of the NATIONAL ASSOCIATION OF REALTORS® and the South Carolina Association of REALTORS®. By reason of the Association's membership, each REALTOR®

member of the Association shall be entitled to membership in the NATIONAL ASSOCIATION OF REALTORS® and the South Carolina Association of REALTORS® without further payment of dues. The Association shall continue as a member of the State Association and National Association, unless by a majority vote of all of its REALTOR® members, decision is made to withdraw, in which case the State Association and National Association 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 right of the NATIONAL ASSOCIATION OF REALTORS® in the terms REALTOR® and REALTORS®. The Association shall discontinue use of the terms in any form in its name upon ceasing to be a member of the National Association, or upon a determination by the NATIONAL ASSOCIATION OF REALTORS® 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

Section 1. Application Fee.

The Board of Directors may adopt an application fee for REALTOR® membership in reasonable amount, not exceeding three (3) times the amount of the annual dues for REALTOR® membership, which shall be required to accompany each application for REALTOR® membership and which shall become the property of the Association upon final approval of the application.

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

(a) **Designated REALTOR® Members Dues.** The annual dues of each designated REALTOR® member shall be in such amount as established annually by the Association's Board of Directors, plus an additional amount to be established annually by the Board of Directors times the number of real estate salespersons and licensed or certified appraisers who (1) are employed by or affiliated as independent contractors, or who are otherwise directly or indirectly licensed with such REALTOR® member, and (2) are not REALTOR® members of any association in the state or a state contiguous thereto or Institute Affiliate members of the Association. In calculating the dues payable to the Association by a designated REALTOR® member, non-member licensees as defined in (1) and (2) of this paragraph shall not be included in the computation of dues if the designated REALTOR® has paid dues based 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.

A REALTOR® Member of a Member association shall be held to be any Member who has a place or places of business within the state or a state contiguous thereto and who, as a principal, 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 provided that such licensee is not otherwise included in the computation of dues payable by the principal of the entity.

A REALTOR® with a direct or indirect ownership interest in an entity engaged exclusively in soliciting and/or referring clients and customers to the REALTOR® for consideration on a substantially exclusive basis shall annually file with the Association on a form approved by the Association a list of the licensees affiliated with that entity and shall certify that all of the licensees affiliated with the entity are solely engaged in referring clients and customers and are not engaged in listing, selling, leasing, renting, managing, counseling or appraising real property. The individuals disclosed on such form shall not be deemed to be licensed with the REALTOR® filing the form for purposes of this Section and shall not be included in calculating the annual dues of the Designated REALTOR®. Designated REALTORS® shall notify the Association within three (3) days of any change IN STATUS of licensees in a referral firm.

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

Membership dues shall be prorated for any licensee included on a certification form submitted to the Association who during the same calendar year applies for REALTOR® or REALTOR® Associate membership in the Association. However, membership dues shall not be prorated if the licensee held REALTOR® or REALTOR® Associate membership during the preceding calendar year. *(Amended 11/09 and 11/14)*

(b) REALTOR® Member Dues. The annual dues of REALTOR® members other than a designated REALTOR® shall be as established annually by the Board of Directors.

(c) Institute Affiliate Members. The annual dues of each Institute Affiliate Member shall be as established in Article II of the Bylaws of the NATIONAL ASSOCIATION OF REALTORS®.
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 \$105.00. The National Association shall credit \$35.00 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 \$35.00 amount will be credited to the COB, unless the Institute Affiliate Member directs that the dues be distributed to the other association. The National Association shall also credit \$35.00 to the account of state associations for each Institute Affiliate Member whose office address is located within the territorial jurisdiction of the state association. Local and state associations may not establish any additional entrance, initiation fees or dues for Institute Affiliate Members, but may provide service packages to which the Institute Affiliate Members may voluntarily subscribe.

(d) Affiliate Members. The annual dues of each Affiliate Member shall be established annually by the Board of Directors. *(Amended 01/05)*

(e) Public Service Members. The annual dues of each Public Service Member shall be established annually by the Board of Directors. *(Amended 01/05)*

(f) **Honorary Members.** Dues payable if any shall be at the discretion of the Board of Directors.
(Amended 01/05)

(g) **Student Members.** Dues payable if any shall be at the discretion of the Board of Directors. (Amended 01/05)

Section 3. Dues Payable. Dues for all members shall be payable annually in advance on or before the 31st day of December for the next calendar year. Dues for new members shall be computed from the date of application and granting of provisional membership. In the event a sales licensee or licensed or certified appraiser who holds REALTOR® membership is dropped for nonpayment of Association dues, and the individual remains with the designated REALTORS®'s firm, the dues obligation of the "designated" REALTOR® (as set forth in Article X, Section 2[a]) will be increased to reflect the addition of a non-member licensee. Dues shall be calculated from the first day of the current fiscal year and are payable by February 20. (Amended 08/16/12 and 8/14)

If dues obligation are not paid by February 20, membership of the nonpaying Designated REALTOR® and their firm will automatically terminate.

Section 4. Non-Payment of Financial Obligations:

(a) If fees, fines, or other assessments (not including dues) including amounts owed to the Association or the Association's multiple listing service if applicable are not paid within one (1) month after the due date, the nonpaying Member is subject to suspension and/or a late fee at the discretion of the board of directors. Two (2) months after the due date, membership of the nonpaying member may be terminated at the discretion of the Board of Directors. (Amended 08/16/12 and 8/14)

Dues invoices go out no later than October 1 and are due on December 31. The nonpaying Member is subject to a late fee, if not paid on or before January 10th, at the discretion of the Board of Directors. Membership of the nonpaying member will be terminated if not paid on or before January 20", at the discretion of the Board of Directors.

If dues are not paid by February 20th, Membership of the "nonpaying Designated REALTOR® and their firm will automatically terminate.

However, no action shall be taken to suspend or expel a member for nonpayment of disputed amounts until the accuracy of the amount owed has been confirmed by the Board of Directors. A former member who has had his/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 a manner prescribed for new applicants for membership, after making payment in full of all accounts due as of the date of termination.

Section 5. Deposits and Expenditures. Deposits and expenditures of funds shall be in accordance with policies established by the Board of Directors.

Section 6. Notice of Dues, Fees, Fines, Assessments, and Other Financial Obligations of Members. All dues, fees, fines, assessments, or other financial obligations to the Association shall be noticed to the delinquent Association member in writing setting forth the amount owed and due date.

Section 7. REALTOR® Emeriti. The dues of REALTOR® members who are REALTOR® Emeriti (as recognized by the National Association), past presidents and past treasures of the National Association or recipients of the Distinguished Service Award shall be as determined by the Board of Directors.

NOTE: A Member Board'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 and past treasurers 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 Boards 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" REALTOR®'s 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. *(Amended 11/2013)*

ARTICLE XI-Officers and Directors

Section 1. Officers: The elective officers of the Association shall be a President, a Vice President, a Secretary and a Treasurer. The Secretary and Treasurer may be the same person. They shall be elected for terms of one 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 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. Chief Executive Officer: There shall be a Chief Executive Officer ("CEO"), appointed by the Board of Directors, who shall be the chief administrative officer of the Association. The Chief Executive Officer 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. *(Adopted 1/05)*

Section 4. Board of Directors: The governing body of the Association shall be a Board of Directors consisting of the elective officers, the immediate past President being an ex-officio member voting only in case of a tie, the Chairman of the Commercial Investment Division, eight (8) REALTOR® Members of the Association, and CEO with a majority of the persons constituting the Board of Directors required to be brokers, owners, and/or managers. Directors shall be selected to serve for terms of three (3) years, [except one third (1/3) of the elective directors shall be elected for terms of one (1), two (2) and three (3) years, respectively, or for such lesser terms as may be necessary to complete the first fiscal year. The CEO shall serve in an advisory capacity only without the right to vote. Thereafter, as many Directors shall be elected each year as are required to fill vacancies. *(Amended 08/18/11)*

Section 5. Eligibility:

(a) Only two (2) REALTOR® members from any firm, partnership or corporation shall be elected or shall serve as an officer or director at the same time, except when an elected officer or director moves his or her license to another member firm, partnership or corporation. Directors and officers are elected as individuals by the membership to represent the industry and membership as a whole. Member firms are not entitled to representation on the Board of Directors. *(Amended 02/01/08)*

(b) An elected Board of Director member may not spend more than 3 consecutive years on the Board of Directors unless that member is moving up the ladder of leadership.

(c) No REALTOR® member may concurrently sit on the Association's Board of Directors, while sitting on another local REALTOR® association Board of Directors or Multiple Listing Service (MLS) Board of Directors in the same year. A REALTOR® member must immediately remove his or her name from nomination if the REALTOR® member will sit on a competing association board when his or her Association Board of Directors term begins. A REALTOR® Member currently sitting on the Association's Board of Directors must resign his or her position on the Association's Board of Directors or the competing Association Board of Directors if it is revealed that he or she is concurrently sitting on both boards. *(Adopted 7/27/17)*

Section 6. Executive Committee: There shall be an Executive Committee consisting of the President, Vice President, Secretary, Treasurer, immediate past President, Chairman of the Commercial Investment Division, and the Chief Executive Officer (Secretary and Treasurer may be same person). The Chief Executive Officer shall serve in an advisory capacity, without the right to vote. *(Adopted 12/13/12)*

(a) The Executive Committee is to meet only for the purpose of making recommendations to the Board of Directors.

(b) Minutes of all Executive Committee meetings shall be kept and shall become a part of the minutes of the next Board of Directors meeting.

(c) Meetings of the Executive Committee shall be set by the President.

Section 7. The entire administrative government of the affairs of the Association shall be vested in the Board of Directors.

Section 8. Any rule or regulation of the Board of Directors may be modified or rescinded at any regular meeting of the Association by a vote of two-thirds of the members present, upon appeal by any member, provided a quorum is present. Notice of such appeal must be given to the Board of Directors at least six (6) days prior to the regular meeting at which same is to be considered.

Section 9. Election of Officers and Directors:

(a) At least thirty (30) days before the annual election, a nominating committee of five (5) REALTOR® members shall be appointed by the President with the confirmation of the Board of Directors. The nominating committee shall select one candidate for each elected position to be filled on the Board of Directors. The report of the nominating committee shall be sent by mail, facsimile or other electronic transmission to each REALTOR® member at least fifteen (15) days preceding the election. Additional candidates for the offices to be filled may be placed in nomination from the floor at the annual meeting of the Association. *(Amended 12/13/12)*

(b) The election of officers and directors shall take place at the annual business meeting of the Association. Election shall be by secret ballot. (Exception: slate may be accepted by acclamation) All votes must be cast in person. Voting by proxy is not permitted. The ballot shall contain the names of all candidates and the offices for which they are nominated, and each ballot will have space for write-in candidates for any nominations from the floor. *(Amended 12/13/12)*

(c) The President, with the confirmation 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. *(Amended 08/16/12)*

Section 10. Vacancies. In the event of a vacancy by the President the office of Presidency shall be appointed by the Board of Directors until the next annual election. Other vacancies among the Officers and the Board of Directors shall be filled by the Board of Directors until the next annual election. *(Amended 12/13/12)*

Section 11. Removal of Officers or Directors. In the event that an Officer or Director is deemed to be incapable of fulfilling the duties for which elected, but will not resign from office voluntarily, the Officer or Director may be removed from office by the Board of Directors with an affirmative seventy-five (75%) percent vote of voting Directors. *(Amended 8/14)*

Section 12. Conflict of Interest. Whenever a director or officer has a financial or personal interest in any matter coming before the Board of Directors, the affected person shall a) fully disclose the nature of the interest and b) withdraw from discussion, lobbying, and voting on the matter. Any transaction or vote involving a potential conflict of interest shall be approved only when a majority of disinterested directors determine that it is in the best interest of the Association to do so. The minutes of meetings at which such votes are taken shall record such disclosure, abstention and rationale for approval. *(Adopted 7/27/17)*

ARTICLE XII-Meetings

Section 1. Annual Meeting: The Annual meeting of the Association shall be held no later than the month of September of each year, the place and hour to be designated by the Board of Directors.

Section 2. General Membership Meetings: The general meetings of the Association shall be at times, dates and places as determined by the President. *(Amended 08/16/12)*

Section 3. Meetings of Directors: The Board of Directors shall designate a regular time and place of meeting.

Absence from three (3) regular meetings without an excuse deemed valid by the Board of Directors shall be construed as resignation there from. Directors may participate in a meeting by means of video or telephone conference or other communication equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting in such manner shall constitute presence in person at such meeting.

Section 4. 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 (10%) percent of the members eligible to vote.

Section 5. Notice of Meetings: Written notice shall be given to every member entitled to participate in the meeting at least ten (10) days and not more than sixty (60) days preceding all meetings. If a special meeting is called, it shall be accompanied by a statement of the purpose of the meeting.

Section 6. Quorum:

(a) A quorum for the transaction of business by the Association shall consist of ten (10) percent of the REALTOR® Members.

(b) A quorum for the transaction of business shall be a majority of the Board of Directors, except as may otherwise be required by state law, pursuant to SC Code Section 33-31-824. (*Amended 12/13/12 and 5/2013*)

(c) At committee meetings a majority shall constitute a quorum except that when a committee consists of more than nine members, five (5) shall constitute a quorum.

Section 7. Electronic Transaction of Business: To the fullest extent permitted by law, the Board of Directors or membership may conduct business by electronic means. (*Added 5/5/05*)

Section 8. Director Action without Meeting: Unless specifically prohibited by the articles of incorporation, any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if consent in writing, setting forth the action so taken, shall be signed by all of the directors. The consent shall be evidenced by one or more written approvals, each of which sets forth the action taken and bears the signature of one or more directors. All the approvals evidencing the consent shall be delivered to the Association Executive to be filed in the corporate records. The action taken shall be effective when all the directors have approved the consent unless the consent specifies a different effective date. (*Added 5/5/05*)

Section 9. Proxies: A Member may appoint a proxy, in writing, to vote for the Member. The appointment of a proxy is effective upon receipt by the Secretary of the Association or other person authorized to tabulate votes. Directors may not vote by proxy.

Section 10. Voting Requirements: The affirmative vote of a majority of Members present, in person or by proxy, where a quorum is present, is the Act of the membership.

ARTICLE XIII-Committees

Section 1. Standing Committees: The President shall appoint from among the REALTOR® members, subject to confirmation by the Board of Directors, (thereafter, the Board of Directors may grant President the authority to appoint additional members for the remainder of the year without having Board confirmation) the following standing committees:
Bylaws; Professional Standards; Grievance; Membership; Legislative/RPAC; Education; and Finance.
(*Amended 08/16/12*)

Section 2. Special Committees: The President shall appoint, subject to confirmation by the Board of Directors, such special committees as he/she may deem necessary. (*Amended 08/16/12*)

Section 3. Organization: All committees shall be of such size and shall have such 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 ex-officio member of all committees and shall be notified of their meetings.

Section 5. Action Without Meeting: Committee members may participate in a meeting by means of video or telephone conference or other communication equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting in such manner shall constitute presence in person at such meeting. *(Adopted 11/05, Amended 12/13/12)*

Section 6. Term: Committees shall be appointed for a term of not exceeding one year or until their successors have been duly appointed and qualified, with the exception of the Professional Standards and Grievance Committees. The Professional Standards and Grievance Committees Members shall be appointed for staggered three (3) year terms as recommended in the Code of Ethics and Arbitration Manual.

Section 7. All committees shall report to the Board of Directors and annually to the Association.

Section 8. Actions: All actions of committees shall be subject to the approval of the Board of Directors.

Section 9. Eligibility: Any members of the Association may serve upon committees, at the discretion of the President *and/or* confirmation of the Board of Directors. *(Amended 12/13/12)*

ARTICLE XIV-Standing Committees

The standing committees of the Association and their duties shall be as follows:

Section 1. Bylaws: It shall be the duty of the Bylaws Committee, which shall consist of at least five (5) REALTOR® Members, to review annually the bylaws of the Association and make recommendations if deemed necessary. *(Amended 08/16/12)*

Section 2. Professional Standards Committee: See Code of Ethics and Arbitration Manual.

Section 3. Grievance Committee: See Code of Ethics and Arbitration Manual.

Section 4. Membership Committee: It shall be the duty of the Membership Committee, which shall consist of at least five (5) REALTOR® Members, to build up the membership of the Association.

Section 5. Legislative/RPAC Committee: It shall be the duty of this committee, which shall consist of at least five (5) members, to guard and promote, the interest of real estate before all legislative bodies and perform such other duties pertaining to legislation as may be referred to it; to have careful oversight over matters of assessment and general taxation and to give the Association from time to time information of proposed changes; also, to cooperate in every possible way with governmental bodies having jurisdiction and to keep the Association informed as to zoning, street widening and other city planning problems.

Section 6. Education Committee: It shall be the duty of the Education Committee which shall consist of at least five (5) members, to develop an educational program for the benefit of its members by suggesting suitable speakers, arranging for classes in real estate subjects, obtaining qualified speakers to lecture, cooperating with state and national education conferences, and working to bring such conferences to the local Association when available. It is the duty of the Education Committee to organize and present an Indoctrination Course for new members at least semi-annually. *(Amended 12/13/12)*

Section 7. Finance Committee: It is the duty of the Finance Committee, which shall consist of at least five (5) members, to serve as advisory to the treasurer, assist in preparation of the budget, review financial statements and recommend methods of obtaining needed revenue. The Finance Committee shall prepare an annual budget to be approved by the Board of Directors no later than the December Board of Directors meeting in the year prior.

ARTICLE XV-Advisory Council

Section 1. There may be an Advisory Council consisting of at least three (3) past presidents of the Association, who shall continue to be affiliated with the Association. The Advisory Council shall act in an advisory capacity to the Officers and Directors of the Association. The Advisory Council shall be appointed by the President of the Association for the year in which he/she serves. *(Amended 12/13/12)*

ARTICLE XVI-Commercial Investment Division

Section 1. Members of the Association of REALTORS® whose primary interest is in the Commercial Real Estate profession shall be designated as members of the Commercial Investment Division.

Section 2. The members of the division shall elect a Chairman, Vice Chairman and Two Directors, each serving up to a (3) year term. *(Amended 08/16/12)*

Section 3. The members of the division shall meet on a regular schedule (to be determined by the division). Purpose of the meetings will be to focus on matters of primary interest to Commercial Real Estate.

Section 4. The Chairman of the Division shall serve as a member of the Board of Directors of the Central Carolina REALTORS® Association.

ARTICLE XVII-Fiscal and Elective Year

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

ARTICLE XVIII-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 XIX-Amendments

Section 1. These Bylaws may be amended by majority vote of the REALTOR® 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 except that the Board of Directors may, at any regular or special meeting of the Board of Directors at which a quorum is present, approve amendments to the Bylaws which are mandated by NAR policy.

Article IX may be amended only by a majority vote of all REALTOR® Members. *(Amended 8/15/02)*

Section 2. Notice given by mail, facsimile or other electronic transmission of all meetings at which such amendments are to be considered shall be given to every REALTOR® Member at least ten (10) days and not more than sixty (60) days prior to the time of meeting. *(Amended 12/13/12)*

Section 3. Amendments to these Bylaws affecting the admission or qualification of REALTOR® or Institute Affiliate Members, or the use of the terms REALTOR®, REALTORS® or any alteration in the territorial jurisdiction of the Association shall become effective upon their approval by the Board of Directors of the NATIONAL ASSOCIATION OF REALTORS®.

ARTICLE XX-Dissolution

Section 1. Upon the dissolution, 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. This article shall not be revocable nor shall it be subject to amendment in any form.

ARTICLE XXI – Standards of Conduct and Indemnification

Section 1. Standards of Conduct for Officers.

(a) An officer with discretionary authority shall discharge his duties under that authority:

- (1) in good faith;
- (2) with the care an ordinarily prudent person in a like position would exercise under similar circumstances; and
- (3) in a manner the officer reasonably believes to be in the best interests of the Association, and its members, if any.

(b) In discharging his duties, an officer is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by:

- (1) one (1) or more officers or employees of the Association who the officer reasonably believes to be reliable and competent in the matters presented;
- (2) legal counsel, public accountants, or other persons as to matters the officer reasonably believes are within the person's professional or expert competence.

(c) An officer is not acting in good faith if the officer has knowledge concerning the matter in question that makes reliance otherwise permitted by subsection (b) unwarranted.

(d) An officer is not liable to the Association, any member, or other person for any action taken or not taken as an officer, if the officer acted in compliance with this section.

(e) Subject to applicable statutes, an action against an officer asserting the officer's failure to act in compliance with this section and consequent liability must be commenced before the sooner of (i) three (3) years after the failure complained of or (ii) two (2) years after the harm complained of is, or reasonably should have been, discovered. This limitations period does not apply if the failure to act in compliance with this section has been fraudulently concealed.

Section 2. General Standards for Directors.

(a) A director shall discharge his duties as a director, including his duties as a member of a committee:

- (1) in good faith;
- (2) with the care an ordinarily prudent person in a like position would exercise under similar circumstances;
- (3) in a manner the director reasonably believes to be in the best interests of the Association.

(b) In discharging his or her duties, a director is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by:

- (1) one (1) or more officers or employees of the Association who the director reasonably believes is reliable and competent in the matters presented;
- (2) legal counsel, public accountants, or other persons as to matters the director reasonably believes are within the person's professional or expert competence;
- (3) a committee of the board of which the director is not a member, as to matters within its jurisdiction, if the director reasonably believes the committee merits confidence.

(c) A director is not acting in good faith if the director has knowledge concerning the matter in question that makes reliance otherwise permitted by subsection (b) unwarranted.

(d) A director is not liable to the Association, a member, or any other person for any action taken or not taken as a director, if the director acted in compliance with this section.

(e) A director shall not be deemed to be a trustee with respect to the Association or with respect to any property held or administered by the Association, including without limit, property that may be subject to restrictions imposed by the donor or transferrer of the property.

(f) Subject to applicable statutes, an action against a director asserting the director's failure to act in compliance with this section and consequent liability must be commenced before the sooner of (i) three (3) years after the failure complained of or (ii) two (2) years after the harm complained of is, or reasonably should have been, discovered. This limitations period does not apply if the failure to act in compliance with this section has been fraudulently concealed.

Section 3. Director Conflict of Interest.

(a) A conflict of interest transaction is a transaction with the Association in which a director of the corporation has a direct or indirect interest. A conflict of interest transaction is not voidable or the basis for imposing liability on the director if the transaction was fair to the Association at the time it was entered into or is approved as provided in subsections (b) or (c).

(b) A transaction in which a director has a conflict of interest may be authorized, approved, or ratified by the vote of the Board of Directors or a committee of the board if:

- (i) the material facts of the transaction and the director's interest are disclosed or known to the board or committee of the board; and

(ii) the directors approving the transaction in good faith reasonably believe that the transaction is fair to the Association.

(c) For purposes of this section, a director of the Association has an indirect interest in a transaction if:

(1) another entity in which the director has a material interest or in which the director is a general partner is a party to the transaction; or

(2) another entity of which the director is a director, officer, or trustee is a party to the transaction.

(d) For purposes of subsections (b) a conflict of interest transaction is authorized, approved, or ratified if it receives the affirmative vote of a majority of the directors on the board or on the committee who have no direct or indirect interest in the transaction, but a transaction may not be authorized, approved, or ratified under this section by a single director. If a majority of the directors on the board who have no direct or indirect interest in the transaction vote to authorize, approve, or ratify the transaction, a quorum is present for the purpose of taking action under this section. The presence of, or a vote cast by, a director with a direct or indirect interest in the transaction does not affect the validity of any action taken under subsections (b)(1) if the transaction is otherwise approved as provided in subsection (b).

(e) The articles, bylaws, or a resolution of the board may impose additional requirements on conflict of interest transactions.

Section 4. Authority to Indemnify.

(a) Except as provided in subsection (d), the Association may indemnify an individual made a party to a proceeding because the individual is or was a director against liability incurred in the proceeding if the individual:

(1) conducted himself in good faith; and

(2) reasonably believed:

(i) in the case of conduct in his official capacity with the Association, that his conduct was in its best interests; and

(ii) in all other cases, that his conduct was at least not opposed to its best interests; and

(3) in the case of a criminal proceeding, had no reasonable cause to believe his conduct was unlawful.

(b) A director's conduct with respect to an employee benefit plan for a purpose the director reasonably believed to be in the interests of the participants in and beneficiaries of the plan is conduct that satisfies the requirements of subsection (a)(2)(ii).

(c) The termination of a proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent is not, of itself, determinative that the director did not meet the standard of conduct described in this section.

(d) The Association may not indemnify a director under this section:

- (1) in connection with a proceeding by or in the right of the Association in which the director was adjudged liable to the Association; or
- (2) in connection with any other proceeding charging improper personal benefit to the director, whether or not involving action in his official capacity, in which the director was adjudged liable on the basis that personal benefit was improperly received by the director.

(e) Indemnification permitted under this section in connection with a proceeding by or in the right of the Association is limited to reasonable expenses incurred in connection with the proceeding.

Section 5. Mandatory Indemnification. Unless limited by its Articles of Incorporation, the Association shall indemnify a director who was wholly successful, on the merits or otherwise, in the defense of a proceeding to which the director was a party because he is or was a director of the Association against reasonable expenses actually incurred by the director in connection with the proceeding.

Section 6. Advances for Expenses.

(a) The Association may pay for or reimburse the reasonable expenses incurred by a director who is a party to a proceeding in advance of final disposition of the proceeding if:

- (1) the director furnishes the Association a written affirmation of his good faith belief that he has met the standards of conduct described in Section 33-31-851;
- (2) the director furnishes the Association a written undertaking, executed personally or on the director's behalf, to repay the advance if it is ultimately determined that the director did not meet the standard of conduct; and

(3) a determination is made that the facts then known to those making the determination would not preclude indemnification under this chapter.

(b) The undertaking required by subsection (a)(2) must be an unlimited general obligation of the director but need not be secured and may be accepted without reference to financial ability to make repayment.

(c) Determinations and authorizations of payments under this section must be made in the manner specified in S.C. Code Section 33-31-855.

ARTICLE XXII – Financial Disclosures and Requests for Information

The Association is required to provide copies of their Tax Exempt Application (including all Schedules and attachments and other material submitted with the Application) and any letter or other document issued by the IRS, with respect to the Application, and copies of its annual information returns (IRS Form 990) for the past three (3) years upon request by a member of the Association. Documents will be provided promptly in response to any in-person request and within thirty (30) days of a written request. The Association may require payment in advance for actual postage costs and a copying fee of One Dollar (\$1.00) for the first page and fifteen cents (\$0.15) for each page thereafter. However, the Association does not have to provide copies if the materials are posted on its website or widely available on the internet. (See IRS Exempt Organization Public Disclosure and Availability Requirements).

Financial reviews of the Association's financial statements are required annually by applicable IRS rules. A financial audit will be obtained when deemed necessary by the Board of Directors.

The Board has the fiduciary responsibility to ensure that its budgets, accounts and spending are monitored with the appropriate Internal Controls. These Internal Controls shall be reviewed each year by the Association's accountants during their annual review or audit. Financial statements will be reviewed by the Board of Directors on a monthly basis. A member of the Association may request a copy of the annual review or audit for the prior year. Their written request will be honored within thirty (30) days.

Requests for other accounting and financial records, organizational documents, minutes and other information, of the Association, will be considered by the Board in accordance with SC Code §33-31-1601 et. seq.