

**MULTIPLE LISTING SERVICE  
HILTON HEAD ISLAND**



**BYLAWS**

**JANUARY 1, 2018  
BY THE GENERAL ASSEMBLY**

**TABLE OF CONTENTS**

**ARTICLE I - NAME AND LOCATION ..... 1**  
    **Section 1. Name and Place of Business..... 1**  
    **Section 2. Bylaws..... 1**

**ARTICLE II - ESTABLISHMENT AND PARTICIPATION ..... 1**  
    **Section 1. Status of Corporation. .... 1**  
    **Section 2. Definition of Membership in HHIMLS: Full, Affiliate, and Associate Membership.**  
    **..... 1**

**ARTICLE III - FISCAL YEAR ..... 2**

**ARTICLE IV - MEMBERSHIP MEETINGS..... 2**  
    **Section 1. Time for Annual Meetings. .... 2**  
    **Section 2. Annual Meetings ..... 2**  
    **Section 3. Special Meetings..... 2**  
    **Section 4. Notice of Meetings. .... 2**  
    **Section 5. Other Meetings. .... 2**  
    **Section 6. Proposed Amendments of Bylaws ..... 3**

**ARTICLE V - VOTING ..... 3**  
    **Section 1. Voting..... 3**  
    **Section 2. Election of Board of Trustees..... 3**  
    **Section 3. Electronic Voting..... 3**  
    **Section 4. Future Voting Procedures. .... 3**

**ARTICLE VI – TRUSTEES..... 3**  
    **Section 1. Board of Trustees ..... 3**  
    **Section 2. Qualifications. .... 3**  
    **Section 3. Authority and Duties of Trustees..... 4**  
    **Section 4. Term of Office..... 4**  
    **Section 5. Vacancies. .... 4**  
    **Section 6. Location of Meetings..... 4**  
    **Section 7. Annual Board Meeting ..... 4**  
    **Section 8. Regular Board Meetings..... 4**  
    **Section 9. Special Board Meetings. .... 4**  
    **Section 10. Action Without Meeting..... 5**  
    **Section 11. Indemnification of Officers and Trustees..... 5**  
    **Section 12. Attendance..... 5**  
    **Section 13. Removal of Trustees. .... 5**

**ARTICLE VII - COMMITTEES..... 6**  
    **Section 1. Executive Committee..... 6**  
    **Section 2. Meetings of Executive Committee..... 6**  
    **Section 3. Nominating Committee. .... 6**  
    **Section 4. Other Committees..... 6**

<b>ARTICLE VIII - OFFICERS, MANAGERS, AND EMPLOYEES .....</b>	<b>7</b>
Section 1. Officers.....	7
Section 2. President.....	7
Section 3. Vice-President.....	7
Section 4. Secretary.....	7
Section 5. Treasurer.....	7
Section 6. Immediate Past President.....	7
Section 7. Manager.....	7
Section 8. Qualifications of Officers.....	8
Section 9. Term of Office; Election of Successors.....	8
<b>ARTICLE IX – MEMBERSHIP .....</b>	<b>8</b>
Section 1. Classes of Membership.....	8
Section 2. Full Members.....	8
Section 3. Associate Members.....	9
Section 4. Affiliate Members.....	9
Section 5. Membership Applications.....	9
Section 6. Definition of "Real Estate Brokerage" ("REB").....	9
Section 7. Definition of "Membership.".....	10
Section 8. Definition of a "Referral Company.".....	10
Section 9. Definition of "Real Property Management Company.".....	11
Section 10. Definition of "REALTOR® Code".....	11
Section 11. Definition of "Assistant.".....	11
Section 12. Definition of Appraisal Firm and Appraiser.....	11
Section 13. Application Fees and Service Fees.....	11
Section 14. Discipline.....	11
Section 15. Compliance with Bylaws and Rules.....	11
Section 16. Current Member Information.....	11
<b>ARTICLE X - LISTING PROCEDURES.....</b>	<b>12</b>
Section 1. Listings.....	12
Section 2. Office Exclusive Listings.....	12
<b>ARTICLE XI - TYPES OF LISTINGS.....</b>	<b>12</b>
Section 1. Property Types.....	12
Section 2. Rules and Regulations.....	12
Section 3. Completed Information.....	12
<b>ARTICLE XII - SELLING PROCEDURES.....</b>	<b>12</b>
Section 1. Listing Member Duties.....	12
Section 2. Negotiation with Owner.....	12
Section 3. Presentation of Offers to Listing Member.....	13
Section 4. Presentation of Offers to Owner.....	13
Section 5. Notification to HHIMLS of Sales and Cancellations.....	13
Section 6. Advertising of Listings by Listing Member Only.....	13
Section 7. Refusal of Owner to Sell on Listed Terms.....	13
Section 8. Prohibition Against Providing Information to Non-Members.....	13
Section 9. Signs.....	13

Section 10. No Solicitation of Current Listings.....	13
Section 11. Conflicts With Other Laws or Regulations. ....	13
<b>ARTICLE XIII - COMMISSIONS.....</b>	<b>14</b>
Section 1. No Control of Commission Rates or Fees Charged.....	14
Section 2. Amended Compensation.....	14
Section 3. Disclosure of Interests in Listed Property.....	14
<b>ARTICLE XIV - SERVICE CHARGES .....</b>	<b>14</b>
<b>ARTICLE XV – COMPLIANCE WITH RULES .....</b>	<b>14</b>
<b>ARTICLE XVI - ENFORCEMENT OF RULES OR DISPUTES .....</b>	<b>15</b>
<b>ARTICLE XVII - AMENDMENTS .....</b>	<b>15</b>
<b>ARTICLE XVIII - DISSOLUTION .....</b>	<b>15</b>
<b>ARTICLE XIX - CONFLICT OF INTEREST .....</b>	<b>15</b>
<b>ARTICLE XX - GENERAL .....</b>	<b>16</b>
Section 1. Severability.....	16

## **ARTICLE I - NAME AND LOCATION**

### **Section 1. Name and Place of Business.**

The name of the Corporation shall be Multiple Listing Service of Hilton Head Island, Inc., hereinafter referred to as "HHIMLS" and its principal place of business shall be on Hilton Head Island, Beaufort County, South Carolina, or at such other location or locations as may be designated by the Board of Trustees.

### **Section 2. Bylaws.**

These Bylaws, as revised and amended and as may be further hereafter amended, are the only Bylaws of HHIMLS. In accordance with the terms and procedures set forth in these Bylaws, the Board of Trustees shall enact such additional rules and regulations, as they deem advisable in connection with the benefits and services provided by HHIMLS to its members.

## **ARTICLE II - ESTABLISHMENT AND PARTICIPATION**

### **Section 1. Status of Corporation.**

HHIMLS has been formed and is operated as a corporation under the laws of the State of South Carolina, the objectives of which are as follows:

- (a) to distribute statistical data of market trends;
- (b) to establish a mechanism for real estate brokerages to share listings of real property for sale, rent, lease, etc. by establishing a means by which blanket unilateral offers of subagency to other real estate brokerages may be made;
- (c) to create a facility for the orderly correlation and dissemination of listing information among the members and other third parties as approved by the Board of Trustees so that the members' clients and the public are better served;
- (d) to provide services and products and a means by which non-real estate brokerages can, through a limited classification of membership, have limited access to information and statistical data generated within HHIMLS;
- (e) to convert extra revenues to additional services for the membership and to distribute all profits to the then Full Members should dissolution occur.

### **Section 2. Definition of Membership in HHIMLS: Full, Affiliate, and Associate Membership.**

Any active Real Estate Brokerage (REB) or appraisal firm shall be eligible to participate in HHIMLS as "Full Members," as provided herein. Whenever reference is made herein to Full Members, such reference is meant to refer to real estate brokerages and Broker-In-Charge, or appraisal firms and Head Appraiser.

Licenses associated with a Full Member or a Broker-In-Charge of a Full Member or a certified appraiser who is licensed by the South Carolina Real Estate Commission or Appraisers Board who is associated with an appraisal firm shall be eligible to participate in HHIMLS as "Associate Members." Whenever reference is made to Associate Members, such reference is meant to refer to licensees or certified appraisers of a Full Member.

Firms other than REB or appraisal firms that are engaged in banking, mortgage lending, mortgage brokering, real property insurance providers, and similarly related fields shall be eligible to participate in HHIMLS as "Affiliate Members." Whenever reference is made herein to Affiliate Members then such reference is meant to refer to non-realty firms, which shall through their membership, be entitled to limited

access to information and statistical data generated within HHIMLS.

Whenever reference is made herein to Members, such reference is meant to refer to Full Members, Associate Members, and Affiliate Members individually or collectively. Any eligible party, either as Full Member, Associate Member or Affiliate Member, shall be admitted to participate in HHIMLS upon approval of a proper application and agreement, which shall be in writing and conform to these Bylaws and the current operating Rules and Regulations promulgated by the Board of Trustees (the "Rules and Regulations"); and upon payment of the established application and service fees.

### **ARTICLE III - FISCAL YEAR**

The fiscal year of HHIMLS shall begin on the first day of January of each year and end on the last day of December in the same year.

### **ARTICLE IV - MEMBERSHIP MEETINGS**

#### **Section 1. Time for Annual Meetings.**

The annual General Assembly membership meeting shall be held in the first quarter of each year as scheduled by the Board of Trustees. This meeting shall be held for the purpose of electing Trustees for the ensuing corporate year and to conduct such other corporate business as may be pertinent and required.

#### **Section 2. Annual Meetings**

General Assembly meetings of the Full Members, as defined in Article II, Section 2 above, shall be held annually. Attendance at all meetings is required by the Broker-In-Charge, Head Appraiser, or Designated Person to maintain membership. Absent good cause, attendance is required at all General Assembly meetings. A Fifty Dollar (\$50.00) fee will be assessed for non-excused absences. Only one person from each Full Member can attend the General Assembly with one (1) vote for each Full Member.

HHIMLS may allow remote attendance. In order to be granted the right to attend remotely, the Full Member must submit a written request to HHIMLS setting forth with specificity the reasons that remote attendance is necessary. HHIMLS shall waive assessment if a Full Member is unable to attend the scheduled meeting in person or remotely, and they provide notice to HHIMLS in writing prior to the meeting. If HHIMLS is incapable of providing remote attendance or remote attendance is temporarily unavailable, HHIMLS shall excuse attendance for the Full Member with long distance travel needs and waive any assessment. Minutes will be provided for all absentees upon written request.

#### **Section 3. Special Meetings.**

Special meetings may be called at any time by the Board of Trustees or the President, and the President shall call a special meeting of the Full Members whenever requested in writing by at least four (4) Full Members of HHIMLS. Such request shall specify the object of the proposed special meeting.

#### **Section 4. Notice of Meetings.**

Notice of the time and place of all annual and special meetings shall be sent by email, or other verifiable means, by the Secretary to each Full Member no more than sixty (60) nor less than ten (10) days prior to the date thereof. Notice of any meeting of Full Members may be waived in writing at any time before or after such meeting.

#### **Section 5. Other Meetings.**

Meetings of the Full Members may be held at other times as the President or the Board of Trustees may determine or upon the written request to the Board of Trustees by at least thirty-five percent (35%) of the

Full Members eligible to vote.

Section 6. Proposed Amendments of Bylaws.

Written notice containing any proposed amendment of these Bylaws must be given at least ten (10) days prior to any Membership meeting at which the proposed amendment is to be brought before the Full Members for approval.

**ARTICLE V - VOTING**

Section 1. Voting.

Voting shall be in accordance with the provisions of this Article V of these Bylaws. Only Full Members shall be entitled to vote at any meeting of Full Members. Each Full Member shall be entitled to exercise one (1) vote. At all meetings, whether in person or online, thirty-five percent (35%) of of Full Members in attendance shall constitute a quorum. Any party entitled to vote may vote in person or via the Internet.

Section 2. Election of Board of Trustees.

At each annual meeting of the voting membership, or at a special meeting of the voting membership called for that purpose, the voting membership of HHIMLS shall elect, by majority vote, not less than five (5) nor more than nine (9) qualified persons who are Members in good standing and whose monetary obligations to HHIMLS are paid, to the Board of Trustees for HHIMLS in accordance with this Article VI and these Bylaws.

The ballot shall contain the names of all candidates and the positions and terms for which they are seeking election. The procedure for conducting the elections will depend on the number of candidates for each position.

Section 3. Electronic Voting.

Each Full Member shall be entitled to one (1) vote, either in person, or remotely/electronically. To accommodate for the remote/electronic method of voting, any and all available technology should be considered. The vote upon any question presented for the meeting shall be decided by majority vote except as otherwise provided by these Bylaws or the laws of the State of South Carolina. Nothing contained in these Bylaws shall preclude the Board of Trustees, or their designees, from altering or adopting additional electronic voting procedures that otherwise comply with South Carolina law.

Section 4. Future Voting Procedures.

HHIMLS' geographic area may broaden in the future. Technological advances may allow for other more advanced forms of voting procedures in the future. Such procedures may provide for greater Full Member participation in the voting process described above. The Board of Trustees may provide in the HHIMLS Rules and Regulations and the HHIMLS Policies and Procedures for such procedures that will supersede provisions of this Article and these Bylaws so long as they are consistent with South Carolina laws.

**ARTICLE VI – TRUSTEES**

Section 1. Board of Trustees.

The Board of Trustees of HHIMLS shall be elected at a meeting of the voting Full Members of HHIMLS or by electronic ballot voting of the voting Full Members of HHIMLS. Such Board shall serve until re-election or replacement in accordance with the provisions of these Bylaws.

Section 2. Qualifications.

To qualify to serve on the Board of Trustees, a Trustee must be a Broker-In-Charge, Head Appraiser or

designated broker of a Full Member who is licensed by the South Carolina Department of Labor, Licensing and Regulation (SCLLR) as an agent or broker and is a licensee of that Full Member, and that Full Member must be in good standing. No two (2) Trustees may be members of or employed by the same firm while serving on the Board of Trustees.

All Trustees must have been HHIMLS Member for the past three (3) consecutive years. Members with findings of code of ethics violations in HHIMLS Code or any other Associations within the three (3) prior years will not be eligible for Trustee positions. Members that have received SCLLR Reprimands within the three (3) prior years will not be eligible for Trustee positions

### Section 3. Authority and Duties of Trustees.

The Board of Trustees shall have such powers and authorities generally granted by law to corporate directors, shall manage the business and financial affairs of HHIMLS and shall be responsible for and empowered to promulgate the Rules and Regulations associated with participating in HHIMLS or utilizing the services provided by HHIMLS. Any and all requests for financial information regarding HHIMLS will be submitted in writing to the Board of Trustees. Within the range specified in Section 3 below, the Board of Trustees shall have the power to increase the number of Trustees between annual meetings of the Full Members upon the affirmative vote of two-thirds (2/3rds) of the existing Full Members of the Board of Trustees and shall at that time elect new trustees to fill said increase as set forth in this Section 2 of this Article V. The Board of Trustees shall have the same fiduciary duties and standards of conduct generally granted by law to corporate directors.

### Section 4. Term of Office.

Each member of the Board of Trustees of HHIMLS, elected by the voting Full Members, shall hold office until the latter of the date of the next annual meeting of the voting Full Members or until their successor shall have been elected and shall have qualified.

### Section 5. Vacancies.

Any vacancy occurring in the Board of Trustees may be filled by the President of the Board of Trustees or by a majority vote of the remaining members of the Board of Trustees even though less than a quorum or by the sole remaining member of the Board of Trustees. Any vacancy created by an increase in the number of members of the Board of Trustees may be filled by the President of the Board of Trustees or the Board of Trustees until the next annual meeting of the voting Full Members or any special meeting of the voting Members called earlier for the purpose of election of such Trustees.

### Section 6. Location of Meetings.

The meetings of the Board of Trustees may be held at the offices of HHIMLS on Hilton Head Island, Beaufort County, South Carolina, or at any other place agreed upon by a majority vote of the Trustees, either within or outside the State of South Carolina.

### Section 7. Annual Board Meeting.

The annual meeting of the Board of Trustees for the transaction of the general business of HHIMLS shall be held as soon as practicable but not later than sixty (60) days prior to the annual meeting of the voting Membership.

### Section 8. Regular Board Meetings.

Regular meetings of the Board of Trustees shall be held at such times and places as shall be determined by the Board of Trustees. No notice of the date, time, place or purpose of a regular meeting of the Board of Trustees shall be required.

### Section 9. Special Board Meetings.

Special meetings of the Board of Trustees may be called by the President of the Board or upon the written request of two (2) or more Trustees. Special meeting notices will specify the date, time, place and

purpose of the meeting and shall be given at least two (2) days prior to the date of such meeting.

Section 10. Action Without Meeting.

Any action which may be taken at a meeting of the Board of Trustees may be taken without a meeting if one (1) or more consent(s), setting forth in writing the actions so taken or to be taken, are signed by all of the Trustees who would have been entitled to vote upon such action at a meeting and filed with the Secretary of HHIMLS to be kept in the corporate minute book whether done before or after the action so taken. The Board of Trustees may permit any and all Board of Trustee members to participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all board members participating may simultaneously hear each other during the meeting and a Board member participating in a meeting by this means shall be considered to be present in person at the meeting.

Section 11. Indemnification of Officers and Trustees.

To the fullest extent allowed by South Carolina law, HHIMLS operating through its Board of Trustees, shall indemnify any Officer or Trustee, or former Officer or Trustee, any member of any HHIMLS committee, or former member of an HHIMLS committee, that person's heirs, executors and administrators, from and against any judgments, losses, or expenses, including reasonable attorney's fees, which are reasonably incurred by such individual operating within the scope of such person's employment or office and in connection with the defense or liability of any action, suit or proceeding in which that person is made a party as a result of serving or acting on behalf of HHIMLS. No such reimbursement or indemnification shall be provided to any person who acted with gross negligence or was guilty of gross misconduct or illegal conduct in the performance of that person's duties as an Officer or Trustee. This indemnification shall include reasonable expenses incurred by such Trustee and/or officer and any judgment by court of competent jurisdiction or settlement of any such claim, action, suit, or proceeding, provided that the Board of Trustees of HHIMLS decides, in its sole discretion, that it is the best interest of the HHIMLS to approve such settlement and termination of such legal action. The foregoing right to indemnification shall not be deemed exclusive of any other right to which such Trustee or Officer may be entitled under any bylaws, agreements, votes or otherwise.

Section 12. Attendance

Absence of a Trustee from three (3) regular or special meetings during a calendar year may be construed by the Board of Trustees as a resignation by such Trustee subject to a vote in accordance with the procedures defined below in this Article VI, Section 14.

Section 13. Removal of Trustees.

In the event that a Trustee is deemed incapable, for any reason, of fulfilling the duties for which they were elected, but will not resign from office voluntarily, the Trustee may be removed from office under the following procedure:

(a) A petition requiring the removal of a Trustee, signed by a majority of the Board of Trustees, and 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 to be 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 Board of Trustees of HHIMLS shall be held. The sole business of the meeting shall be to consider the charge against the Trustee, and to render a decision on such petition.

(d) The special meeting shall be noticed, including the general nature of the meeting, to all members of the Board of Trustees at least ten (10) days prior to the meeting, and shall be conducted by the President 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. Provided a quorum is present, a three-fourths (3/4) vote of the Board of Trustees present and voting shall be required for removal from office.

## **ARTICLE VII - COMMITTEES**

### **Section 1. Executive Committee.**

The Board of Trustees may from time to time, by a majority vote of the Trustees entitled to vote, create an Executive Committee, which shall consist of the President, Vice President/President Elect, Secretary, Treasurer, and the Immediate Past President, if available. The President of the HHIMLS shall Chair the Executive Committee. The Executive Committee shall possess and may exercise such powers of the Board of Trustees in the management of the business and affairs of HHIMLS other than that of filling vacancies among the Trustees or in any committee of the Trustees, and the Executive Committee shall keep full records and accounts of its proceedings and transactions. All action by the Executive Committee shall be reported to the Board of Trustees at its meeting next succeeding such action and shall be subject to control, revision, and alteration by the Board of Trustees, provided that no rights of third persons shall be prejudicially affected thereby. Vacancies in the Executive Committee shall be filled by the President or by the majority of the remaining Board of Trustees.

### **Section 2. Meetings of Executive Committee.**

Subject to the provisions of these Bylaws, the Executive Committee shall fix its own rules of procedure. The Executive Committee shall meet at the call of the Chief Executive Officer, President or any two (2) members of the Executive Committee. Unless otherwise provided by such rules of procedure or resolutions, the provisions of Article IV of these Bylaws relating to the notice required to be given of meetings of the Board of Trustees shall also apply to meetings of the Executive Committee. A majority of the Executive Committee shall be necessary to constitute a quorum. The Executive Committee may act in writing without a meeting, by email or by telephone with written confirmation, but no such action taken without a meeting of the Executive Committee shall be effective unless approved by a vote of two thirds (2/3rds) of the members of the Executive Committee.

### **Section 3. Nominating Committee.**

At least forty-five (45) days before the Annual Meeting, the President, with approval of the Board of Trustees, shall appoint a Nominating Committee consisting of two (2) or more Trustees in good standing. To be eligible, any candidate for an appointment to the Nominating Committee must have completed a minimum of one (1) term as an Officer on the HHIMLS Board of Trustees.

At least thirty (30) days prior to the Annual Meeting, the Nominating Committee shall submit to the President and the Board of Trustees a written list of nominees for the Trustee positions to be filled. The list of nominees shall contain the names of Broker-In-Charge or Designated Person acting on behalf of such Full Member who are in good standing.

At least fourteen (14) days prior to the Annual Meeting, the written list of nominees prepared by the Nominating Committee, shall be distributed by mail, facsimile or other electronic transmission.

### **Section 4. Other Committees.**

The Board of Trustees may, from time to time, by a resolution adopted by a majority of the full Board of Trustees, designate from among its members other committees, each consisting of two (2) or more Trustees, and may delegate to such committee or committees all or a portion of the authority of the full Board of Trustees to the extent permitted by the corporate laws of the State of South Carolina; provided, however, that the designation of any such committee and the delegation to it of authority and power shall not relieve the Board of Trustees or any member thereof of any responsibility imposed by law on directors. Special meetings of any such committee may be called at any time by any member of the

Board of Trustees who is a member of the committee or by one or more of the persons entitled to call a special meeting of the full Board of Trustees. The notice requirements, the method of participation and the ability to utilize consents shall be the same for any such committee as is permissible for the full Board of Trustees.

## **ARTICLE VIII - OFFICERS, MANAGERS, AND EMPLOYEES**

### Section 1. Officers.

The Officers of HHIMLS shall be a president, vice-president, immediate past-president, secretary, and treasurer. Each officer shall hold office for three (3) years after their election by the Board of Trustees or until their successors in accordance with these Bylaws.

### Section 2. President.

The President shall preside at all the Board of Trustees and Membership meetings, shall have the general supervision over the affairs of HHIMLS and over other Officers, shall perform all such duties as are incident to the office and which customarily evolve upon a presiding Officer and shall perform such other duties as these Bylaws provide or the Board of Trustees may prescribe. The President, with approval from the majority of the Board of Trustees, shall be responsible for appointing an Executive Committee charged with hiring the Executive Officer, but the selection and appointment of said Executive Officer is specifically reserved to the Board of Trustees until such time as said Board may delegate such authority to the President.

### Section 3. Vice-President.

The Vice-President shall preside at all Board of Trustees and Full Membership meetings in the absence of the President and shall perform all other such duties as are incident to the office or as may be required by the Board of Trustees.

### Section 4. Secretary.

The Secretary shall issue notices of all Board of Trustees and Membership meetings; shall attend and keep minutes of the same, shall have charge of all corporate books, records and paper; shall be custodian of the corporate seal; and shall perform all other such duties as are incident to the office or as may be prescribed by the Board of Trustees.

### Section 5. Treasurer.

The Treasurer shall have the custody of all money and securities of HHIMLS. The Treasurer shall keep regular books of accounts and shall submit them together with all vouchers, receipts, records and other papers of the Trustees for their examination and approval as often as they may require and shall perform other such duties as are incident to the office or as may be required by the Board of Trustees. The Treasurer may be required to furnish, at HHIMLS' expense, a fidelity bond in such reasonable amount as shall be determined by the Board of Trustees.

### Section 6. Immediate Past President.

The Immediate Past President shall perform all such duties as are incident to the office or as may be required by the Board of Trustees, when applicable.

### Section 7. Manager.

The President may from time to time designate a manager, Executive Officer, Chief Executive Officer, etc., who may, upon obtaining approval of the Board of Trustees and in accordance with the provisions hereof, employ such other persons to assist in the management of HHIMLS as may from time to time be necessary. The manager, Executive Director, Chief Executive Officer, etc., shall be responsible for the day-to-day operation of HHIMLS as directed by the Board of Trustees and the Officers of HHIMLS.

Section 8. Qualifications of Officers.

All Officers must have been HHIMLS Member for the past three (3) consecutive years in good standing. Any candidate for an Officer position at HHIMLS must have served on the HHIMLS Board of Trustees or on a HHIMLS Committee or a Board work group in the last three (3) years. Members with findings of code of ethics violations in HHIMLS Code or any other Associations within the three (3) prior years will not be eligible for Officer positions. Members that have received SCLLR Reprimands within the three (3) prior years will not be eligible for Officer positions.

Section 9. Term of Office; Election of Successors.

At the first annual meeting, the Officers shall be divided into three (3) approximately equal groups and designated by the Board to serve one, two, or three (3) year terms. Thereafter, the term of office of each Officer shall be three (3) years. Each Officer, including any Officer elected to fill a vacancy, shall hold office until the expiration of the term for which he or she was elected and until the election and qualification of a successor, or until that Officer's earlier resignation or removal in accordance with these Bylaws and South Carolina Corporation Law.

The Vice President and President Officer positions automatically ascend to the positions of President and Past President respectively:

(a) The current Vice President shall be the sole uncontested candidate for election to the office of President unless the current Vice President is unable or unwilling to serve as President, and then the candidate or candidates for President shall be determined pursuant to Article V, Section 7.

(b) The current President shall be the sole and uncontested candidate for election to the office of immediate Past President unless the current President is unable or unwilling to serve, if unwilling or unable to serve as Immediate Past President, then the office may be filled by any previous President pursuant to Article V, Section 7.

**ARTICLE IX – MEMBERSHIP**

Section 1. Classes of Membership.

The membership of HHIMLS shall consist of three (3) different classes of members:

- (a) Full Members;
- (b) Associate Members; and
- (c) Affiliate Members.

Section 2. Full Members.

Only Full Members shall be entitled to voting rights in HHIMLS after the REB or appraisal firm has submitted a complete membership application, paid all required fees, and executed a Full Member Agreement. Full Members shall be entitled to all benefits associated with membership within HHIMLS, including, without limitation, the right to vote at Membership meetings, distributions upon liquidation of HHIMLS, the ability to access tax base records maintained by HHIMLS, and the ability to participate in the subagency program maintained by HHIMLS. The Board of Trustees shall:

- (a) have complete control over the nature and type of information that will be made available to Full Members; and
- (b) be entitled to change the type and nature of information that shall be available to Full Members at any time and without advance notice to Full Members.

### Section 3. Associate Members.

Associate Members shall consist of persons who are an associated licensee as the term is defined in the South Carolina Code §40-57-30 (2005) or any recodification thereof and/or is associated with a Full Member or a Broker-In-Charge of a Full Member or is a certified Appraiser who is licensed by the South Carolina Appraisers Board who is associated with an appraisal firm and who has executed an Associate Member Agreement. Associate Members shall have access to HHIMLS services and systems and information as shall be maintained by HHIMLS and which is approved for distribution to Members by the Board of Trustees.

### Section 4. Affiliate Members.

Affiliate Members shall consist of firms which are engaged in banking, mortgage lending, mortgage brokering, real property insurance providers, real property management companies or real estate management individuals, as defined in Section 9 below, and similarly related fields, which are approved by the Board of Trustees upon review of submitted applications and payments of all required fees. Affiliate Members shall be entitled to access information with regard to listings and comparables as shall be maintained by HHIMLS and which are approved for distribution to Affiliate Members by the Board of Trustees. The Board of Trustees shall:

(a) have complete control over the nature and type of information that will be made available to Affiliate Members;

(b) be entitled to change the type and nature of information that shall be available to Affiliate Members at any time and without advance notice to Affiliate Members; and

(c) at its discretion, be entitled to discontinue the Affiliate Membership program at any time.

Affiliate Members shall not be entitled to any voting rights, to any distributions upon liquidation of HHIMLS, or the ability to participate in the HHIMLS subagency program.

### Section 5. Membership Applications.

Submitting an application authorizes the Board of Trustees, in the case of Full Members, to obtain all records concerning the applicant from any association of REALTORS® to which the applicant belongs, the South Carolina Real Estate Commission, the South Carolina Secretary of State, and similar public agencies. Applications for membership shall be in the manner and form as required by the Board of Trustees.

If the applicant does not submit the requisite information for the application or the Board of Trustees does not approve the application, the membership of the REB shall be automatically suspended and the REB must make a complete reapplication for membership. A vote of seventy-five (75%) percent of the Board of Trustees and payment of a re-application fee established by the Board of Trustees is required to remove a Full Member from suspension.

### Section 6. Definition of "Real Estate Brokerage" ("REB").

For purpose of this Article, a REB firm means a firm with a separate, current, valid South Carolina real estate license identification and REB Office Code Number organized for the purpose of brokering the purchase or sale of properties in the state of South Carolina, actively endeavors to offer and accept compensation to and from other REBs, has a Broker-In-Charge, is the financially responsible party to HHIMLS and shall be eligible to participate in the HHIMLS upon agreeing in writing to conform to the Rules and Regulations thereof and to pay the costs incidental thereto. An applicant for Full Member REB status shall appoint, at the time of application for membership, a Registered Person who will be the person who assumes all responsibilities of the Broker-In-Charge in the event the named Broker-In-Charge leaves the REB or fails to fulfill its duties, including financial, as required by REB Full Membership in HHIMLS. An applicant for REB Full Membership status shall be an established REB able to offer and

accept compensation from other REBs in a manner which complies with the highest standard of practices and ethics of the real estate profession and which would not violate any covenants or restrictions pertaining to the use of property or any state or local laws or zoning restrictions. Use of information developed by or published by HHIMLS is strictly limited to the activities authorized under an REB licensure 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 HHIMLS where access to such information is prohibited by law.

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

The key is that the REB Full Member or potential REB Full Member actively endeavors to make or accept offers of cooperation and compensation with respect to properties of the type that are listed in the HHIMLS Compilation in which membership is sought. This requirement does not permit HHIMLS to deny membership to a REB Full Member or potential REB Full Member that operates a Virtual Office Website ("VOW") (including a VOW that the REB Full Member uses to refer customers to other Members) if the REB Full Member or potential REB Full Member actively endeavors to make or accept offers of cooperation and compensation. HHIMLS may evaluate whether a REB Full Member "actively endeavors during the operation of its real estate business" to "offer or accept cooperation and compensation" only if HHIMLS has a reasonable basis to believe that the REB Full Member is in fact not doing so. The membership requirement shall be applied on a nondiscriminatory manner to all REB Full Members and potential REB Full Members.

#### Section 7. Definition of "Membership."

Upon election to membership and a payment of the prescribed fees, each new Member shall receive written notification of membership. Only one (1) Full Membership may be held by a REB or appraisal firm, and only one (1) Affiliate Membership may be held by a banking, mortgage lending, mortgage brokering, real property management or similar firm. A Full Member may have an ownership interest in a Referral Company, as defined hereinafter, and such Referral Company shall not be required to join HHIMLS or have its licensees counted as employees or agents of the Member, so long as each Referral Company and its licensees execute a Disclosure and Disclaimer Statement as created and required by the Board of Trustees.

#### Section 8. Definition of a "Referral Company."

For the purposes of this Article and these Bylaws and the Rules and Regulations, Referral Company means a corporation or limited liability company established for the purposes of allowing individuals holding a sales or a broker's license issued by the South Carolina Real Estate Commission to maintain the license during a period of inactivity and has, as its sole purpose, the referral of potential clients to Full Members. Neither the Broker-In-Charge nor any Appraiser employed by or working with a Full Member Appraisal Firm or Full Member Appraiser nor any real estate licensee, also known as a referral agent, of a Referral Company shall perform any activity that defines a "Broker" or a "Salesman" under South Carolina Code Section 40-57-30 (1976, as amended). The licensee of a Referral Company, or referral agent,

receives a referral fee. A HHIMLS Member shall fully disclose to HHIMLS its affiliation with a Referral Company as adopted based on guidance from the NAR Bylaws Article II Section 1. (C).

Section 9. Definition of “Real Property Management Company.”

For the purpose of this Article and these Bylaws, Real Property Management Company means a company or individual licensed by the State of South Carolina and engaged in the management of real estate rentals and leases, and does not engage in the sale of real estate.

Section 10. Definition of “REALTOR® Code”

For the purpose of these Bylaws, REALTOR® Code means authorized and promulgated by the National Association of REALTORS®.

Section 11. Definition of “Assistant.”

For the purpose of this Article and these Bylaws, Assistant means a Licensed Assistant, Non-Licensed Sales Assistant, or Virtual Assistant. (a) A Licensed Assistant is an individual that holds an active South Carolina real estate license and is employed by or under contract with and authorized by a Broker-In-Charge to access the HHIMLS Database, but does not actively endeavor to list real property. A Licensed Assistant must be registered with HHIMLS and cannot be an associated licensee of a non-member firm; (b) A Non-Licensed Sales Assistant means a person employed by or under contract with and authorized by a Broker-In-Charge to access the HHIMLS Database and who complies with all state laws regarding activities under South Carolina Real Estate license law for a REB. The Non-Licensed Sales Assistant is registered with HHIMLS, does not hold an active real estate license; (c) A Virtual Assistant means an individual or company that is an employee or independent contractor to a REB who assists with managing the listings and other matters for the REB and may or may not have access to HHIMLS as requested by the REB and approved by HHIMLS.

Section 12. Definition of Appraisal Firm and Appraiser.

For all purposes of these Bylaws in general and the provisions of this Article in particular, an “appraisal firm” means a firm owned by or employing an appraiser. It shall be deemed to mean any entity, which pools resources in one or more facilities with appraisers who work under that entity’s name for the purpose of appraising real property. “Appraisers” shall be deemed to mean any person who is licensed under Title 40 Chapter 60 of the South Carolina Revised Statutes or any future recodification thereof and legally can perform real estate appraisals.

Section 13. Application Fees and Service Fees.

Each new Member (Full, Associate and Affiliate) shall pay an application fee in an amount and method set by the Board of Trustees. Such fee shall be established by the Board of Trustees upon consideration of the costs incurred by HHIMLS in serving its Members. Members shall also pay monthly service fees in amounts, which shall be established by the Board of Trustees and which shall vary depending upon whether such Member is a Full Member, Associate Member, or Affiliate Member. In the event that a Broker-In-Charge of a Full Member also serves as Broker-In-Charge of a non-member or Referral Company, said Broker-in-Charge shall complete the appropriate Disclosure and Disclaimer Documentation pursuant to HHIMLS Rules and Regulations.

Section 14. Discipline.

Any and all Members are subject to expulsion, discipline, or processing and/or correction fees as provided in the Rules and Regulations.

Section 15. Compliance with Bylaws and Rules.

All Members may be required to agree in writing that they have read and understood and will abide by the Bylaws and Rules and Regulations of HHIMLS, among other things.

Section 16. Current Member Information.

Multiple Listing Service of Hilton Head Island, Inc.  
Bylaws Drafted in Accord with DOJ and Amended June, 2015 and January 2018.  
M100

After admission as Members in HHIMLS, Members may be required by the Board of Trustees or by the Officers of HHIMLS acting in their official capacity to submit updated, current information required by HHIMLS for any reasonable purpose including, but not limited to, information similar to that required for admission to Membership.

## **ARTICLE X - LISTING PROCEDURES**

### **Section 1. Listings.**

In accordance with the provisions contained within these Bylaws and pursuant to the HHIMLS Rules and Regulations, Full Members shall make offers of subagency to other Full Members in connection with exclusive right to sell or exclusive agency listings entered into between the Full Member and owners of real estate. Such listing agreements shall be made available to HHIMLS in accordance with the Rules and Regulations.

### **Section 2. Office Exclusive Listings.**

Nothing herein shall prohibit a Full Member from accepting a listing from an owner preferring to give the Member an "Office Exclusive Listing" (which is defined in the Rules and Regulations), provided the Full Member gives HHIMLS notice of such listing in accordance with these Bylaws and the Rules and Regulations. HHIMLS reserves the right to contact the owner directly to ascertain that the "Office Exclusive Listing" was voluntary and not suggested by the Full Member, and HHIMLS further reserves the right to adopt additional rules and regulations as deemed necessary to assure that a Full Member is not consistently soliciting "Office Exclusive Listings".

## **ARTICLE XI - TYPES OF LISTINGS**

### **Section 1. Property Types.**

The following are some of the types of properties that may be listed for sale through HHIMLS: homes, villas, lots, residential rentals, subdivided vacant lots, business opportunities, motels, hotels, trailer parks, commercial leases, commercial buildings, industrial, resorts, boat slips, equities, shares, timeshares, fraction shares, etc.

### **Section 2. Rules and Regulations.**

Any listing taken on a contract to be referred to HHIMLS is subject to these Bylaws and the Rules and Regulations.

### **Section 3. Completed Information.**

A listing when entered into the HHIMLS Database must be complete in every detail.

## **ARTICLE XII - SELLING PROCEDURES**

### **Section 1. Listing Member Duties.**

The listing Full Member is obligated to promote the best interest of the owner through every step of the sales process, in accordance with these Bylaws and South Carolina Law, Title 40 - Professions and Occupations, Chapter 57, Real Estate Brokers, Brokers-in-Charge, Salespersons, and Property Managers. This obligation includes but is not limited to depositing of the earnest money in an escrow account, writing the sales contract, being responsible for the disbursement of funds, and furnishing closing statements.

### **Section 2. Negotiation with Owner.**

Negotiations with the owner for the showing and/or the purchase of the listed property shall be conducted through the listing Full Member, except under the following circumstances:

Multiple Listing Service of Hilton Head Island, Inc.  
Bylaws Drafted in Accord with DOJ and Amended June, 2015 and January 2018.  
M100

- (a) The listing Full Member gives the cooperating Member specific authority to show directly or;
- (b) After reasonable effort, the cooperating Full Member cannot contact the listing Full Member or its representative. The Listing Full Member, at its option, may preclude direct negotiation by cooperating Full Member.

Section 3. Presentation of Offers to Listing Member.

Whenever an offer is received, and in accordance with the Rules and Regulations, the selling Full Member receiving the offer must make arrangements to present the offer as soon as possible to the listing Full Member or provide the listing Full Member a satisfactory reason for not having done so.

Section 4. Presentation of Offers to Owner.

The listing Full Member must, as soon as possible, and in accordance with the Rules and Regulations, submit to the owner all written offers received prior to the time of the closing of the transaction. All offers received by the listing Full Member must be submitted to the owner in the order received by the listing Full Member. If practical, a representative of the cooperating Full Member shall have the right to be present when the offer is presented by the listing Full Member to the principal. A copy of any letter of transmittal or other communication by the cooperating Full Member to the owner shall be sent to the selling Full Member.

Section 5. Notification to HHIMLS of Sales and Cancellations.

All sales of listed property and of property as to which HHIMLS has been notified that the Member has an "Exclusive Office Listing" shall be reported to HHIMLS by the listing Full Member within forty-eight (48) hours of status change, unless negotiations of the sale were carried on under Section 2 (a) or (b) hereof, in which event the cooperating Full Member may report to HHIMLS within forty-eight (48) hours of status change. The listing Full Member shall report within forty-eight (48) hours to HHIMLS that any pending sale is cancelled and that the listing shall be reinstated immediately.

Section 6. Advertising of Listings by Listing Member Only.

Advertising of any listing by a Member, other than the listing Full Member, is permissible only with the consent of the listing Full Member.

Section 7. Refusal of Owner to Sell on Listed Terms.

If the owner of any listed property filed with HHIMLS refuses to accept a written offer on the terms and conditions stated in the listing agreement, such information shall be transmitted to HHIMLS regarding the status of the listing, and if permitted by the Rules and Regulations, such information may be transmitted to the other Full Members.

Section 8. Prohibition Against Providing Information to Non-Members.

Any information regarding a listing filed with HHIMLS shall not be made available by any Member to any non-member without the consent of the listing Member.

Section 9. Signs.

Only "For Sale" and "Sold" signs of the listing Full Member may be placed on the listed property, unless the listing Full Member and the owner agree that signs of other Members may be placed on the property.

Section 10. No Solicitation of Current Listings.

Members other than the Member having a current listing agreement shall not engage in solicitation to obtain a listing agreement with an owner who has a current listing agreement covering property listed with HHIMLS, except as set forth in the Rules and Regulations.

Section 11. Conflicts With Other Laws or Regulations.

Multiple Listing Service of Hilton Head Island, Inc.  
Bylaws Drafted in Accord with DOJ and Amended June, 2015 and January 2018.  
M100

In the event of a conflict between: (a) the rules, regulations or procedures contained herein and in the Rules and Regulations collectively referred to as the "HHIMLS Rules", and (b) the rules, regulations, procedures, codes of ethics, standards of practice, or laws adopted by the South Carolina Real Estate Commission, then the rules, regulations, etc. of the South Carolina Real Estate Commission shall supersede the HHIMLS Rules, and said Real Estate Commission rules, etc. shall be applied.

### **ARTICLE XIII - COMMISSIONS**

#### **Section 1. No Control of Commission Rates or Fees Charged.**

HHIMLS shall not fix, control, recommend, suggest, or maintain commission rates or fees for services to be rendered by Members. Further, HHIMLS shall not fix, control, recommend, suggest, or maintain the division of commissions or fees between cooperating Members or between Members and non-members.

#### **Section 2. Amended Compensation.**

The listing Full Member may offer to other Full Members compensation other than that indicated on the listing document and published by HHIMLS. Such amended compensation shall be accompanied by advance notification to the other Full Member and a copy of said notification shall be provided to HHIMLS.

#### **Section 3. Disclosure of Interests in Listed Property.**

If a Member has any interest in a property, the listing of which is to be disseminated through HHIMLS, that person shall disclose that interest when the listing is entered into the HHIMLS Database in the public remarks section and such information shall be disseminated to all Members. If a Member wishes or intends to acquire an interest in property listed with another Member, such contemplated interest or intent shall be disclosed, in writing, to the listing Member, including agency disclosure, not later than the time an offer to purchase is submitted.

### **ARTICLE XIV - SERVICE CHARGES**

#### **Section 1. Fees and Charges.**

Subject to the Rules and Regulations, service charges for operation of HHIMLS are established to defray the cost of HHIMLS, including the following charges, which are subject to change from time to time:

a) Application fees, which shall be in such amount as, may be from time to time determined and established by the Board of Trustees.

(b) A monthly service fee established by the Board of Trustees.

#### **Section 2. Collection of Processing and Correction Fees.**

All Processing and Correction fees shall be levied in accordance with the Rules and Regulations and the Compliance Guidelines. Furthermore, the Board of Trustees shall be entitled to impose such penalties as it deems necessary to enforce payment of such fees, including, without limitation, having a delinquent Member's HHIMLS access suspended, requiring delinquent Members to return all key lockboxes, removing listings from the HHIMLS Database, and to otherwise suspend, terminate or cancel such Members' membership in HHIMLS pursuant to the Rules and Regulations and Compliance Guidelines. During the period of suspension, all dues continue to accrue. All appeals must be pursuant to the Rules and Regulations and Compliance Guidelines.

### **ARTICLE XV – COMPLIANCE WITH RULES**

#### **Section 1.**

Multiple Listing Service of Hilton Head Island, Inc.  
Bylaws Drafted in Accord with DOJ and Amended June, 2015 and January 2018.  
M100

The following action may be taken by the Board of Trustees for non-compliance with any of the Rules and Regulations:

(a) For failure to pay any service charge or fee to HHIMLS by the fifth (5<sup>th</sup>) day of month of the date due, and provided that at least ten (10) days notice has been given, HHIMLS shall suspend service to the Full Member until such charges are paid in full. Any and all costs associated with the collection of any debts owed by a Full Member, including attorney fees incurred and associated costs, shall be paid by the Full Member who owes the debt. Interest shall accrue upon any debt due at the rate of eighteen percent (18%) per annum compounded from the date of notice to the Full Member.

(b) For failure to comply with any other Rule of HHIMLS, or, in the case of Full Members, any rule, or regulation of the Real Estate Commission or with the Code of Ethics and Standards of Practice of the NAR (as amended from time to time), then the provisions of Article XIV shall apply.

## **ARTICLE XVI - ENFORCEMENT OF RULES OR DISPUTES**

### **Section 1.**

HHIMLS shall give prompt consideration to all written complaints from a Broker-In-Charge or a Head Appraiser of a Full Member alleging violations of the Rules and Regulations or of the Bylaws or of any violation of the ethical disputes regarding HHIMLS Service Fees or Processing and Corrections Fees and financial complaints between non-REALTORS® members. The Board of Trustees may, in its sole discretion, suspend, pending investigation and notification of the Broker-In-Charge or Head Appraiser of the Full Member, the violating Member from membership in HHIMLS either permanently or for a certain specified period of time or may, if the violator is an Associate Member, assess a Processing or Correction Fee against the Member to be paid by the Full Member.

### **Section 2.**

Any action of HHIMLS of a disciplinary nature against a Full Member for Rules violations may be appealed by the Full Member to the Board of Trustees Appeals Committee in accordance with the Rules and Regulations.

## **ARTICLE XVII - AMENDMENTS**

### **Section 1.**

Changes in these Bylaws may be made by a two-thirds (2/3) vote of the Full Members in attendance at:

- (a) the annual meeting of the membership,
- (b) any regularly scheduled meeting of the membership, or
- (c) any special meeting called for the purpose of considering and voting on proposed amendments.

## **ARTICLE XVIII - DISSOLUTION**

In the event the dissolution of HHIMLS, its assets, after satisfying all corporate indebtedness, shall be equally divided among and remitted to the voting Full Members of HHIMLS at the time of dissolution as a return of capital.

## **ARTICLE XIX - CONFLICT OF INTEREST**

A Full Member REB may not have a fiduciary relationship with or an ownership participation in any company that provides services to HHIMLS, unless such relationship is disclosed in advance to the Board of Trustees and is approved by a three-fourths (3/4) vote of the Board.

**ARTICLE XX - GENERAL**

**Section 1. Severability.**

Should any provision of these Bylaws be determined by a Court of competent jurisdiction to be illegal or void, then that provision shall be considered severable and of no force or effect and the balance of these Bylaws shall remain in full force and effect.

The within document has been approved by electronic ballot by not less than two-thirds (2/3) of the voting Full Members at the membership meeting held on January 30, 2018, has been executed by the undersigned Officers of the HHIMLS, and shall be deemed to totally supersede and replace any and all Bylaws previously adopted.

WITNESSES:

MULTIPLE LISTING SERVICE OF  
HILTON HEAD ISLAND, INC.

\_\_\_\_\_

Name: \_\_\_\_\_

\_\_\_\_\_

Name: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_  
Its: President

Attest: \_\_\_\_\_

Name: \_\_\_\_\_  
Its: Secretary/Treasurer