

COASTAL CAROLINAS MULTIPLE LISTING SERVICES, INC.

BYLAWS

1. Name. The name of this organization shall be the Coastal Carolinas Multiple Listing Services, Inc., (the "**Corporation**"). The Corporation shall be governed by these bylaws (the "**MLS Bylaws**").

2. Seal. The seal of the Corporation shall be circular in form and mounted upon a metal die suitable for impressing same upon paper. About the periphery of the seal shall appear the words "Coastal Carolinas Multiple Listing Services, Inc.," and in the center of the seal shall appear the word "Seal".

3. Stock. There shall be one class of "voting" stock of equal to one dollar (\$1.00) par value. This stock is to be owned and held by the Coastal Carolinas Association of REALTORS®, Inc. (the "**Association**") and its successors.

4. Definitions. "**Participant**" shall be taken to mean an individual who meets the criteria outlined in Section 7.4 of these MLS Bylaws. "**Nonparticipants**" shall be taken to mean individuals who are licensed to sell real estate but do not participate in the Service (as hereinafter defined). "**Subscriber**" shall be taken to mean an individual as identified in Section 7.4.3 of these MLS Bylaws.

5. Purpose. The primary purpose of the Corporation is to own and operate a multiple listing service in the jurisdiction governed by the Association (the "**Service**") and to pursue any other lawful business purpose, including but not limited to offering additional tools and services to participants and subscribers.

5.1. Dissemination of Information. The Service is (i) a facility for the orderly correlation and dissemination of listing information so authorized Participants may better serve their clients and customers and the public; (ii) a means of enhancing cooperation among Participants; (iii) a means by which information is accumulated and disseminated to enable authorized Participants to prepare appraisals, analysis, and other valuations of real property for bona fide clients and customers; and, (iv) a means by which Participants engaging in real estate appraisal contribute to common databases.

5.2. Exclusive Agency Listings. The Service shall not establish or maintain any rule or policy prohibiting inclusion of exclusive agency listings that would be otherwise acceptable for inclusion in the compilation of current listing information. These MLS Bylaws shall not be construed as requiring Participants to accept exclusive agency listings if they determine acceptance is not in their best interest or the best interest of clients or customers. However, this policy does preclude collective agreements between Participants affiliated with different firms or others to refuse to accept exclusive agency listings. This policy contemplates the Service will clearly distinguish between exclusive right-to-sell and exclusive agency listings in multiple listing compilations and databases to prevent confusion about the rights and obligations of brokers who cooperate in the sale of such listings.

5.3. No Compensation Offers in MLS. Use of Service data or data feeds to directly or indirectly establish or maintain a platform of offers of compensation from multiple brokers to buyer brokers or other buyer representatives is prohibited and must result in the Service terminating that Participant's access to any Service data and data feeds. The Service must not have a rule requiring the listing broker to disclose the amount of the negotiated commission in his listing contract, and the Service shall not publish the total negotiated commission on a listing which has been submitted to the Service by a Participant. The Service must prohibit disclosing in any way the total commission negotiated between the seller and the listing broker, or total broker compensation (ie, combined compensation to both listing brokers and buyer brokers). The Service must give Participants the ability to disclose to other Participants any potential for a short sale.

6. Jurisdiction. The area within which the Service shall function shall all times be the service area designated by the MLS Directors (as hereinafter defined).

7. Participation.

7.1. Participation Defined. Any REALTOR® of the Association or any other association of REALTORS® who is a principal, partner, corporate officer, branch manager, or broker-in-charge acting on behalf of a principal, without further qualification except as otherwise stipulated in these MLS Bylaws, shall be eligible to participate upon agreeing, in writing, to conform to the rules and regulations thereof and to pay the costs incidental thereto. Where the term REALTOR® is used in these MLS Bylaws with the word "member" or the word "Participant," it shall be construed to mean the REALTOR® principal or principals, of this or any other association, or a firm comprised of REALTOR® principals participating in a multiple listing service owned and operated by the Board of Directors. Participatory rights shall be held by an individual principal broker unless determined by the Association or the Service to be held by a firm. It shall not be construed to include individuals other than a principal or principals who are REALTOR® members of this or any other association, or who are legally entitled to participate without association membership. However, under no circumstances is any individual or firm, regardless of membership status, entitled to participate unless (i) such individual or firm holds a current, valid real estate broker's or property manager in charge license, or (ii) are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property. Use of information developed by or published by the Service or another multiple listing service is strictly limited to the activities authorized under a Participant's licensure(s) or certification and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey participating rights or any right of access to information developed by or published by another multiple listing service where access to such information is prohibited by law.

7.2. Availability. Participation shall be available to any REALTOR® principal or any firm comprised of REALTOR® principals irrespective of where they hold primary membership, subject only to (i) such REALTOR'S® agreement to abide by any rules and regulations adopted by the Corporation, (ii) agreement to arbitrate disputes with other Participants; and (iii) payment of any fees and charges adopted by the Corporation.

7.3. Participant Benefits. The REALTOR® principal of any firm, partnership or corporation or the branch office manager designated by said firm, partnership or corporation as the "participant" shall have all rights, benefits and privileges of the Service, and shall accept all obligations to the Service for the Participant's firm, partnership or corporation and for compliance with these MLS Bylaws and any rules and regulations adopted by the Corporation.

7.4. Participant Qualification. Mere possession of a broker's license is not sufficient to qualify for participation in the Service. Rather, the requirement that an individual or firm cooperates means that the Participant actively endeavors during the operation of its real estate business to list real property of the type listed on the Service, shares information on listed property, and makes property available to other brokers for showing to prospective purchasers and tenants when it is in the best interests of their clients, and to cooperate. "Actively" means on a continual and ongoing basis during the operation of the Participant's real estate business. The "actively" requirement is not intended to preclude Service participation by a Participant or potential Participant that operates a real estate business on a part-time, seasonal, or similarly time-limited basis or that has its business interrupted by periods of relative inactivity occasioned by market conditions. Similarly, the requirement is not intended to deny Service participation to a Participant or potential Participant who has not achieved a minimum number of transactions despite good faith efforts. Nor is it intended to permit a multiple listing service to deny participation based on the level of service provided by the Participant or potential Participant as long as the level of service satisfies state law. The key is that the Participant or potential Participant cooperates with respect to properties of the type that are listed on the Service in which participation is sought. Cooperation is the obligation to share information on listed property and to make property available to other brokers for showing to prospective purchasers and tenants when it is in the best interests of their client(s). This requirement does not permit a multiple listing service to deny participation to a Participant or potential Participant that operates a Virtual Office Website ("VOW") (including a VOW that the Participant uses to refer customers to other

Participants) if the Participant or potential Participant actively endeavors to cooperate. The Corporation may evaluate whether a Participant or potential Participant actively endeavors during the operation of its real estate business to cooperate only if the Corporation has a reasonable basis to believe that the Participant or potential Participant is in fact not doing so. The membership requirement shall be applied on a nondiscriminatory manner to all Participants and potential Participants.

7.4.1. Application for Participation. Application for participation shall be made in such manner and form as may be prescribed by the MLS Directors and made available to any REALTOR® principal from the Association or another association requesting it. The application form shall contain a signed statement agreeing to abide by these MLS Bylaws and any other applicable rules and regulations of the service as from time to time amended or adopted.

7.4.2. Discontinuance of Service. Participants may discontinue the service by giving the service thirty (30) days written notice and may reapply to the service any time by making formal application in the manner prescribed for new applicants for participation provided all past fees are fully paid and provided that said applicant is in good standing with the Association. A Participant who requests reinstatement after submitting notice of discontinuance and whose resignation was submitted for a period of less than one (1) year prior to requesting reinstatement may have services restored by paying the lesser of (i) all MLS fees times the number of months the resignation was in effect dating back to the date of resignation within the current calendar year, or (ii) by paying an application fee adopted by the Corporation.

7.4.3. Subscriber. The term "**Subscriber**" refers to all non-principal brokers, sales licensees, and licensed and certified real estate appraisers affiliated with a Participant, except those subject to fee waiver under the Service's policies. Subscribers also include affiliated unlicensed administrative and clerical staff, personal assistants, and individuals seeking licensure or certification as real estate appraisers who are under the direct supervision of a Participant or a Participant's licensed designee.

7.4.4. Orientation. Any applicant for Service participation and any licensee (including licensed or certified appraisers) affiliated with an Participant who desires access to and use of the Service shall complete an orientation program approved by the MLS Directors, of no more than eight (8) hours devoted to the rules and regulations adopted by the Corporation and computer training related to data entry and retrieval. Such orientation must be completed within thirty (30) days after an applicant licensee is affiliated with Participant.

8. Service Charges. The charges made for participation in the Service shall be as determined, and amended from time to time, by the MLS Directors, and specified in any rules and regulations adopted by the Corporation.

9. Government. The government of the Corporation shall be vested in the Corporation's Board of Directors hereinafter referred to as the "**MLS Directors**", and carried out via the "**MLS Officers**" upon the terms and restrictions as described in these MLS Bylaws.

9.1. Officers. The MLS Officers consist only of MLS Directors. The MLS Officers shall consist of an MLS President, MLS Vice President, MLS Secretary and MLS Treasurer, and shall have such duties as described herein. At the option of the MLS Directors, the MLS Secretary and MLS Treasurer may be the same person and in such case shall be referred to herein as the MLS Secretary -Treasurer.

9.2. Directors. There shall be a total of eleven (13) MLS Directors, including the MLS President, MLS Vice President, MLS Secretary and MLS Treasurer. MLS Directors shall be appointed from among the Participants and Subscribers, except that not more than six (6) MLS Directors may be members other than Participants, who are affiliated with Participants and serve with consent of the Participants as their representatives. In addition to the appointed MLS Directors, the immediate past MLS President and the President elect of the Association shall serve as MLS Directors, ex-officio, with full voting privileges. The Chief Executive Officer shall serve as a non-voting member on the MLS Board of Directors. No less

than two (2) MLS Directors shall be Subscribers. No more than two (2) MLS Directors may consist of individuals whom are not either participants or subscribers, however there is no requirement to appoint individuals whom are not either participants or subscribers. The number of MLS Directors or lengthening the terms described herein may be increased or decreased from time to time by amendment of these MLS Bylaws.

9.3. Nomination and Appointment of Officers and Directors. The MLS Officers and MLS Directors shall be nominated and appointed as follows:

9.3.1. MLS Nominating Committee. There shall be an MLS Nominating Committee, which shall consist of the MLS President, the President and President-Elect of the Association and the chair of the Association's Nominating Committee. The MLS Nominating Committee shall meet to prepare a slate of suggested MLS Officers and MLS Directors on an annual basis as determined by the MLS Nominating Committee (the "**MLS Candidate Slate**"). The MLS Candidate Slate shall be reviewed and approved by the MLS Directors. Upon approval by the MLS Directors, the MLS Directors shall submit the MLS Candidate Slate to the Association's Board of Directors (the "**Association Directors**").

9.3.2. Appointment. No later than the annual meeting of the Association's Board of Directors, the President of the Association shall appoint the MLS Candidate Slate and Directors, subject to the approval of the Association Board of Directors.

9.3.2.1. If any candidates identified on the MLS Candidate Slate are not approved by the Association Board of Directors, the MLS Nominating Committee shall select alternate nominees subject to the nomination process described in Section 9.3.1 above.

9.3.2.2. In the event nominees are not duly or timely provided by the MLS Directors to the Association Directors as provided Section 9.3.1 above, then the Association Directors may, at their option, exercise rights as the sole and exclusive shareholder to fill any existing MLS Officer or MLS Director vacancies.

9.3.3. Terms. The MLS Officers shall serve for a term of one (1) year. MLS Directors shall serve for terms of staggered three (3) years. The elective year for MLS Officers and MLS Directors shall be the same as that of the officers and directors of the Association. No MLS Officer or MLS Director shall be nominated and elected to the same office for more than two (2) consecutive terms.

9.4. Duties of MLS Officers. The duties of the MLS Officers shall be as follows

9.4.1. MLS President. The MLS President shall preside at all meetings of the Corporation and the MLS Directors, and shall perform all the duties of the MLS President subject to declared policies and, as required, subject to confirmation of the MLS Directors. The MLS President shall be an ex officio member of the Association Directors, with the right to vote, and shall attend the regular meetings of the Association Directors.

9.4.2. MLS Vice President. The MLS Vice President shall, in the absence of the MLS President, perform all of the duties of the MLS President or such other duties as these MLS Bylaws may require or that the MLS Directors may prescribe. The MLS Vice President shall be an ex officio member of the Association Directors without voting rights.

9.4.3. MLS Secretary. The MLS Secretary (or MLS Secretary - Treasurer as the case may be) shall attend all meetings of the Corporation and of the MLS Directors and shall keep or cause to be kept a true and complete record of the proceeding of such meetings, and shall perform, as required, like duty for all standing committees appointed by the MLS Directors. The MLS Secretary shall perform such other duties as these MLS Bylaws may require or that the MLS Directors may prescribe.

9.4.4. MLS Treasurer. The MLS Treasurer (or MLS Secretary - Treasurer as the case may be) shall monitor the records of account and financial statements prepared or maintained by Chief

Executive Officer. The MLS Treasurer shall furnish these statements of financial condition at meetings of the MLS Directors or upon the request of the MLS President or a duly appointed representative. The MLS Treasurer shall also be responsible for overseeing the annual audit required at the end of the Corporation's fiscal year. The MLS Treasurer shall also perform such duties as these MLS Bylaws may require or that the MLS Directors may prescribe.

9.4.5. MLS Directors. The MLS Directors shall be the governing body of the Corporation and shall have control of all the affairs of the Corporation and shall authorize all expenditures of funds. The MLS Directors shall, prior to the end of each fiscal year, prepare a budget reflecting projected costs and expenses of the service for the next fiscal year, indicating projected income from all sources. This budget shall be submitted to the Association Directors for approval. The MLS Directors shall not incur an obligation in excess of Seven Thousand Five Hundred Dollars (\$7,500) over the total budget without the authorization by vote of a two thirds majority of the MLS Directors present and voting unless such excess is the result of an increase in the number of users of the Service or the volume of listings processed by the Service over that projected in preparing the annual budget. The MLS Directors shall employ such executive, legal, and staff personnel it deems necessary to care for and maintain the properties of the Corporation and otherwise conduct the administrative business of the service. The MLS Directors shall have the right to authorize a certified public accountant to perform an audit of all books and accounts at any time, subject to final approval of the Association Directors. The MLS Directors shall adopt rules and regulations governing Participants usage of the Service, including participation charges and shall have full power and authority to add to or to amend such rules and regulations at any time, provided said amendments and changes are not retroactive in effect. All actions so taken are subject to approval by the Association Directors. Except as otherwise provided in these MLS Bylaws and/or as restricted by the Association, the action of the MLS Directors shall be final.

9.5. Removal of MLS Officers and MLS Directors. In the event that an MLS Officer or MLS Director is deemed to be incapable of fulfilling the duties for which elected, but will not resign from office voluntarily, such MLS Officer or MLS Director may be removed from office under the following procedure.

9.5.1. A petition requiring the removal of an MLS Officer or MLS Director and signed by not less than a majority of all MLS Directors shall be filed with the MLS President, or if the MLS 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.

9.5.2. 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 MLS Directors shall be held, and the sole business of the meeting shall be to consider the charge against the MLS Officer or MLS Director, and to render a decision on such petition.

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

9.5.4. The Association Directors may remove an MLS Officer or MLS Director by a majority vote of the Association Directors.

9.6. Vacancies. Vacancies in unexpired terms shall be filled as in the case of original appointees. MLS Directors appointed to fill vacancies shall complete the unexpired terms of such appointee's predecessors.

9.7. MLS Executive Committee. There shall be an MLS Executive Committee consisting of the MLS President, MLS Vice President, MLS Secretary, MLS Treasurer, Immediate Past President of the Association, President Elect of the Association, the Chief Executive Officer (as hereinafter defined) and the

MLS Executive Director (as hereinafter defined). The Chief Executive Officer and MLS Executive Director shall serve in an advisory capacity without the right to vote.

9.7.1. The MLS Executive Committee is to meet only for the purpose of making recommendations to the MLS Directors.

9.7.2. Minutes of all MLS Executive Committee meetings shall be kept and shall become part of the minutes of the next MLS Directors' meeting.

9.7.3. Meetings of the MLS Executive Committee shall be set by the MLS President.

9.8. Chief Executive Officer. The Chief Executive Officer overseeing the operations of the Association shall also serve as the Chief Executive Officer of the Corporation to (i) fulfill the mission and strategic initiatives of both the Association and Corporation, and (ii) to ensure cooperation and coordination between the Association and the Corporation. The Chief Executive Officer shall serve as a non-voting member on the MLS Board of Directors.

9.9. MLS Executive Director. The MLS Executive Director is responsible for the day to day operation and administration of the Service and shall, unless excused from attendance by the MLS President or Chief Executive Officer, attend all meetings of the Corporation and of the MLS Directors as a non-voting member and shall render such reports as deemed necessary by the MLS Directors. The MLS Executive Director shall assist the MLS Secretary in the preparation of the various minutes and the MLS Treasurer in the preparation of the annual budget. MLS Executive Director shall also perform such other duties as required by these MLS Bylaws, the MLS Directors, or the Chief Executive Officer.

9.10. Delegation of Authority. In the case of the absence of any MLS Officer or for any other reason that the MLS Directors may deem sufficient, the MLS Directors may temporarily delegate the powers or duties of such MLS Officer to any MLS Director or employee of the Corporation, upon a majority approval of the MLS Directors.

10. Meetings.

10.1. Annual Meeting. The annual meeting of the Participants shall be held at such time, place and hour designated by the MLS Directors. The Association shall determine the manner in which its vote is to be cast on matters arising at said meeting.

10.2. Special Meetings. Special meetings of Participants may be called from time to time by the MLS President, the MLS Directors, the President of the Association, or by ten percent (10%) referendum of the Participants. Written notice stating the day, place, and hour of the meeting, and the purpose or purposes for which the meeting is called, shall be sent to all Participants no less than seven (7) days prior to said meeting.

10.3. Quorum and Voting. For the transaction of business of a meeting of the Participants, a quorum for the transaction of business shall consist of those Participants present of the Participants eligible to vote. A majority vote by such Participants present and voting at a meeting shall be required for passage of motions.

10.4. Meetings of the Directors. Meetings of the MLS Directors, regular or special, may be held at any place designated by the Corporation.

10.4.1. Regular Meetings. The MLS Directors will designate the time and place of the regular meeting.

10.4.2. Other Meetings. Other meetings of the MLS Directors may be held at the discretion of the MLS President or by a majority vote of the MLS Directors.

10.4.3. Notification of Meetings. Notification of meetings shall be by letter, telephone, email, fax or otherwise, to be received not later than two (2) days preceding the day of such meeting.

10.4.4. Quorum. A two-thirds (2/3) majority of the number of MLS Directors, as appointed, shall constitute a quorum for the transaction of business. The act of the majority of the MLS Directors present at a meeting, at which a quorum is present, shall be the act of the MLS Directors.

10.4.5. Attendance. Any MLS Director, who after having been properly notified, fails to attend three (3) regular and/or special meetings, without an excuse acceptable to the MLS Officers, shall be deemed to have resigned as a MLS Director. The vacancy shall be filled as herein provided for original appointments.

10.5. Presiding Officer. At all meetings of the Participants or of the MLS Directors, the MLS President or, in the absence of the MLS President, the MLS Vice President shall serve as presiding officer. In the absence of the MLS President and MLS Vice President, the MLS President shall name a temporary chairperson or, upon the MLS President's failure to do so, the MLS Directors shall appoint a temporary chairperson.

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

10.7. Consent Agenda. The MLS President may place on a consent agenda those items which will not require discussion or explanation prior to board action, such as routine or non-controversial matters, or are those items which have already been discussed and/or explained and do not require further discussion or explanation. Any item on the consent agenda may be moved to the regular agenda upon the timely request of the MLS President by any MLS Director. A request is timely if made prior to the vote on the consent agenda. The request does not require a second or a vote by the MLS Directors. An item removed from the consent agenda will then be discussed and acted on separately immediately following the consideration of the consent agenda. Consent agenda items are collectively approved by one vote of the MLS Directors. The consent agenda items shall be separately recorded in the minutes.

10.8. Association Board of Directors Review. The minutes of every meeting of the MLS Directors shall be submitted to the Association Directors for review within seven (7) days of such meeting minutes' approval by the MLS Directors. Within thirty (30) days of delivery of the minutes, the Association Directors may veto any actions of the MLS Directors by a majority vote of the Association Directors.

11. Committees. In carrying out its governing function, the MLS President, with the approval of the MLS Directors, may appoint committees, work groups and/or task forces consisting of Participants and Subscribers, call meetings of Participants and in other ways coordinate its governing with the desires and wishes of the Participants, insofar as these desires and wishes do not conflict with the purpose or principles of this Corporation, the Code of Ethics and Standards of Practice of the National Association of REALTORS®, or Association Bylaws. All actions taken by such committees, work groups and/or task forces shall be subject to approval by the Association Directors.

12. Fiscal Year. The fiscal year of the service shall commence on January 1 and shall end on December 31.

13. Annual Audit. At the end of each fiscal year, a certified public accountant shall perform an annual audit of all books and accounts of the Corporation. This audit will be completed in a timely manner and presented to the MLS Directors at their next regular meeting after the completion of the audit.

14. Amendment.

14.1. The MLS Bylaws contained herein may be altered, amended or repealed by an affirmative vote of not less than two thirds in number of the MLS Directors being necessary to exercise such power. All actions so taken are subject to approval by the Association Directors.

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

15. Indemnification of Directors and Officers. The Corporation shall indemnify any MLS Officer, MLS Director or former MLS Officer or MLS Director, his or her heirs, executors and administrators for all reasonable expenses incurred by such MLS Officer or MLS Director in connection with the defense of any action, suit or proceeding in which he or she is made a part by reason of being or having been such MLS Officer or MLS Director, except in relation to matters as to which he or she shall be adjudged in such misconduct in the performance of duty. The Corporation may also reimburse any MLS Officer or MLS Director for all reasonable expenses actually necessarily incurred by said MLS Officer or MLS Director in settling said action, suit or proceeding should the service decide that it was to the best interests of the service that such settlement be made. The foregoing right of indemnification shall not be deemed exclusive of any other rights to which such MLS Officer or MLS Director may be entitled.

16. Dissolution. In the event this service shall at any time terminate its activities, the MLS Directors shall consider and adopt a plan of liquidation and dissolution with the approval of the Participants and of the Association Directors. Said plan shall provide for the collection of all assets, the payment of all liabilities, and the remaining portions thereof be assigned to the Association, its successors and/or assigns assigns.