

BYLAWS OF
CHARLOTTESVILLE AREA ASSOCIATION OF REALTORS®

A Virginia non-stock Corporation

ARTICLE I - NAME

Section 1. Name. The name of this organization is the Charlottesville Area Association of REALTORS®, hereinafter 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 Bylaws of the NATIONAL ASSOCIATION OF REALTORS® as from time to time amended.

ARTICLE II - OBJECTIVES

The objectives of the Association are:

Section 1. To unite those engaged in the recognized branches of the real estate profession for the purpose of exerting a beneficial influence upon the profession and related interests.

Section 2. To promote and maintain high standards of conduct in the real estate profession as expressed in the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®.

Section 3. To provide a unified medium for real estate owners and those engaged in the real estate profession whereby their interests may be safeguarded and advanced.

Section 4. To further the interests of home and other real property ownership.

Section 5. To unite those engaged in the real estate profession in this community with the VIRGINIA ASSOCIATION OF REALTORS® and the NATIONAL ASSOCIATION OF REALTORS®, thereby furthering their own objectives throughout the state and nation, and obtaining the benefits and privileges of membership therein.

Section 6. To designate, for the benefit of the public, those individuals within its jurisdiction authorized to use the terms REALTOR® and REALTORS® as licensed, prescribed, and controlled by the NATIONAL ASSOCIATION OF REALTORS®.

ARTICLE III - JURISDICTION

Section 1. The territorial jurisdiction of the Association as a Member of the NATIONAL ASSOCIATION OF REALTORS® is the City of Charlottesville, and the counties of Albemarle, Fluvanna, Greene, Louisa, and Nelson.

Section 2. Territorial jurisdiction is defined to mean:

(a) The right and duty to control the use of the terms REALTOR® and REALTORS® in the above-described territories subject to the conditions set forth in these Bylaws and those of the NATIONAL ASSOCIATION OF REALTORS®, in return for which the Association agrees to protect and safeguard the property rights of the National Association in the terms.

ARTICLE IV - MEMBERSHIP

Section 1. There shall be six classes of Members as follows:

(a) REALTOR[®] Members. REALTOR[®] Members, whether primary or secondary, shall be:

(1) Individuals who, as sole proprietors, partners, or corporate officers, or branch office managers, are actively engaged in the real estate profession, including buying, selling, exchanging, renting, appraising, counseling, building, developing or subdividing real estate, and who maintain or are associated with an established real estate office located in the state of Virginia 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 of Virginia or a state contiguous thereto shall qualify for REALTOR[®] Membership only, and each is required to hold REALTOR[®] Membership (except as provided in the following paragraph) in an Association of REALTORS[®] within the State or a state contiguous thereto unless otherwise qualified for Institute Affiliate Membership as described in Section 1 (b) of Article IV. In order to qualify as a REALTOR[®] Member of the Association, the person must have a current, active license or certification issued by the appropriate governmental agency in the Commonwealth of Virginia, and must meet all other qualifications for REALTOR[®] membership established in Article V, Section 2, of the Bylaws.

In the case of a real estate firm, partnership, or corporation, whose business activity is primarily limited to commercial real estate, 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 as described in Section 1 (b) of Article IV.

(2) Individuals who are engaged in the real estate profession other than as sole proprietors, partners, corporate officers, or branch office managers, and are associated with a REALTOR[®] member as defined in (1) above and meet the qualifications set out in Article V, Section 2.

(3) An individual is a primary REALTOR[®] Member if the Association pays state and National dues based on such Member. An individual is a secondary REALTOR[®] member if state and National 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.

(4) Designated REALTOR[®] Members. Each firm who has REALTOR[®] members who have selected the Association as their "Primary" Association shall designate in writing one REALTOR[®] Member who shall be responsible for all duties and obligations of Membership including the obligation to arbitrate pursuant to Article 17 of the Code of Ethics and the payment of Association dues as established in Article X of the Bylaws. 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 established in Article V, Section 2, of the Bylaws.

(5) Corporate officers (who may be licensed or unlicensed) of a real estate brokerage franchise organization with at least one hundred and 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 the rights, privileges and obligations of REALTOR[®] membership (including compliance with the Code of Ethics) EXCEPT: obligations related to Board mandated education, meeting attendance, or indoctrination classes or other similar requirements; the right to use the term REALTOR[®] in connection with their franchise organization's name; the right to hold elective office in the local Board, State Association and National Association.

(b) 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.

(c) 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 paragraphs (a) or (b) of this Section, have interests requiring information concerning real estate, and are in sympathy with the objectives of the Association.

(d) Public Service Members. Public Service Members shall be individuals who are interested in the real estate profession as employees of or affiliated with educational, public utility, government or other similar organizations, but are not engaged in the real estate profession on their own account or in association with an established real estate business.

(e) Honorary Members. Honorary Members shall be individuals who have performed notable service for the real estate profession, for the Association, or for the public, to be appointed and approved by the Board of Directors.

(f) Student Members. Student Members shall be individuals who are seeking an undergraduate or graduate degree with a specialization or major in real estate at institutions of higher learning, and who have completed at least two years of college and at least one college level course in real estate, but are not engaged in the real estate profession on their own account or not associated with an established real estate office.

ARTICLE V - QUALIFICATION AND ELECTION

Section 1. Application. An application for membership shall be made in such manner and form as may be prescribed by the Board of Directors and made available to anyone requesting it. The application form shall contain among the statements to be signed by the applicant (1) that the applicant agrees as condition to membership to thoroughly familiarize himself/herself with the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, the Bylaws, rules and regulations, and policies of the Association, and if elected a member, will abide by the Bylaws and rules and regulations, and policies of the Association, and if a REALTOR® Member, will abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® including the obligation to arbitrate controversies arising out of real estate transactions as specified by Article 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 the applicant consents that the Association, through its Membership Committee or otherwise, may invite and receive information and comment regarding the applicant and any such 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, rules and regulations, and policies and Code of Ethics referred to above.

Section 2. Qualification.

(a) An applicant for REALTOR® Membership who is a principal, partner, or corporate officer or branch office manager of a real estate firm shall supply evidence satisfactory to the appropriate Association Staff Member 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), has no record of official sanctions involving unprofessional conduct, no recent or pending bankruptcy, agrees to complete a course of instruction within six months of date of application to membership covering the Bylaws and rules and regulations, and policies of the Association, and a three (3) hour course on the

Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS[®], and shall complete such reasonable and nondiscriminatory written examination thereon as may be required by the Board of Directors, and shall agree that if elected to membership, he/she will abide by such Bylaws, rules and regulations, and Code of Ethics.

(b) Individuals who are actively engaged in the real estate profession other than as principals, partners, or corporate officers, or branch office managers, 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 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, shall complete a course of instruction covering the Bylaws and rules and regulations of the Association, and a three (3) hour course on the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS[®] and examination thereon as may be required by the Board of Directors, shall agree in writing that if elected to membership he/she will abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS[®], and by the Bylaws, and rules and regulations, and policies of the Local Association, State Association, and the National Association.

Section 3. Election. The procedure for election to membership shall be as follows:

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

(b) Thereafter, within 45 days, the Membership Committee shall report its recommendation to the Board of Directors in writing. If the recommendation is adverse to the approval of the application, the reasons shall be specifically stated. If any member of the Membership Committee submits a dissenting recommendation, it shall also be reported to the Board of Directors.

(c) The Board of Directors shall review the qualifications of the applicant and the recommendation of the Committee and then vote on the applicant's eligibility for membership. If 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. .

(d) The Board of Directors may not reject an application without providing the applicant with advance notice of the findings and recommendations of the Membership Committee, an opportunity to appear before the Board of Directors, to call witnesses on his/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.

(e) If the Board of Directors determines that the application should be rejected, it shall record its reasons with the Secretary. If the Board of Directors believes that denial of membership to the applicant may 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.

Section 4 -- New Member Code of Ethics Orientation.

Applicants for REALTOR® membership and provisional REALTOR® members (where applicable) shall complete an orientation program on the Code of Ethics of not less than two hours and thirty minutes of instructional time. This requirement does not apply to applicants for REALTOR® membership or provisional members who have completed comparable orientation in another association, provided that REALTOR® membership has been continuous, or that any break in membership is for one year or less.

Failure to satisfy this requirement within 180 days of the date of application (or, alternatively, the date that provisional membership was granted), will result in denial of the membership application or termination of provisional membership.

Note: Orientation programs must meet the learning objectives and minimum criteria established from time to time by the NATIONAL ASSOCIATION OF REALTORS®. (Adopted 1/01)

Section 5 -- Continuing Member Code of Ethics Training

Effective January 1, 2001, through December 31, 2004, and for successive four year periods thereafter, each REALTOR® member of the association shall be required to complete quadrennial ethics training of not less than two hours and thirty minutes of instructional time. This requirement will be satisfied upon presentation of documentation that the member has completed a course of instruction conducted by this or another association, the State Association of REALTORS®, the NATIONAL ASSOCIATION OF REALTORS®, or any other recognized educational institution or provider which meets the learning objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTORS® from time to time. REALTOR® members who have completed training as a requirement of membership in another association and REALTOR® members who have completed the New Member Code of Ethics Orientation during any four year cycle shall not be required to complete additional ethics training until a new four year cycle commences.

Failure to satisfy this requirement shall be considered a violation of a membership duty for which REALTOR® membership shall be suspended until such time as the training is completed. (Adopted 1/01)

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

Failure to meet the requirement for the second (2005 – 2008) cycle and subsequent four (4) year cycles will result in suspension of membership for the first two months (January and February) of the year following the end of any four (4) year cycle or until the requirement is met, whichever occurs sooner. On March 1 of that year, the membership of member who is still suspended as of that date will be automatically terminated. (Adopted 1/01, revised 5/05)

Section 5 -1 Continuing Member Code of Ethics Training. Every two years, based on their license renewal date, REALTOR® members of the Association shall be required to complete an Association sanctioned ethics training course of not less than three hours and thirty minutes of instructional time. This course will include the material required by the National Association of REALTORS® for mandatory quadrennial ethics training. Failure to satisfy this requirement shall be considered a violation of a membership obligation for which REALTOR® membership shall be suspended until such time as the training is completed. Members who fail to complete the required ethics training by their license renewal date will be suspended for the ensuing two months after their license renewal date or until the requirement is met, whichever occurs sooner. The membership of any member who has not completed the required training by the end of the two month suspension period will be automatically terminated.

Section 6 –Status Changes

(a) A REALTOR[®] who changes the conditions under which he holds membership shall be required to provide written notification to the Board within 15 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[®] (non-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 he or she transferred within 15 days of the date he/she advised the Association of the change in status, his/her new membership application will terminate automatically unless otherwise so directed by the Board of Directors.

(b) Any application fee related to a change in membership status shall be reduced by an amount equal to any application fee previously paid by the applicant within the same calendar year.

(c) Dues shall be prorated from the first day of the quarter in which the member applies for membership and shall be based on the new membership status for the remainder of the year.

ARTICLE VI - PRIVILEGES AND OBLIGATIONS

Section 1. The privileges and obligations of Members, in addition to those otherwise provided in these Bylaws, shall be 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, and policies consistent with these Bylaws, after a hearing as provided in the *Code of Ethics and Arbitration Manual* of the Association. Although Members other than REALTOR[®] Members are not subject to the Code of Ethics nor its enforcement by the Association, such Members are encouraged to abide by the principles established in the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS[®], and conduct their business and professional practices accordingly. Further, Members other than REALTOR[®] Members may, upon recommendation of the Membership Committee, or upon recommendation by a hearing panel of the Professional Standards Committee, be subject to discipline, 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[®].

Section 3. Any REALTOR[®] Member of the Association may be disciplined by the Board of Directors for violations of the Code of Ethics or other duties of membership, after a hearing as described in the *Code of Ethics and Arbitration Manual* of the Association, provided that the discipline imposed is consistent with the discipline authorized by the Professional Standards Committee of the NATIONAL ASSOCIATION OF REALTORS[®] as set forth in the *Code of Ethics and Arbitration Manual* of the National Association.

Section 4. Resignations of Members shall become effective when received in writing by the appropriate Association staff member, provided, however, that if any Member submitting the resignation is indebted to the Association or any of its services, departments, divisions, or subsidiaries, the Association may condition the right of the resigning Member to reapply for membership upon payment in full of all such moneys owed. In addition, the Association reserves the right to apply deposits held by the Association to any past due accounts upon resignation of membership.

Section 5. If a Member resigns from the Association or otherwise causes membership to terminate with an ethics complaint pending, that Board of Directors may condition the right of the resigning Member to reapply

for membership upon the applicant's certification that he/she will submit to the pending ethics proceeding and will abide by the decision of the hearing panel.

(a) If a member resigns or otherwise causes membership to terminate, the duty to submit to arbitration continues in effect even after membership lapses or is terminated, provided that the dispute arose while the former member was a REALTOR®.

Section 6. REALTOR® Members

(a) REALTOR® Members, whether primary or secondary, in good standing whose financial obligations to the Association are paid in full shall be entitled to vote and to hold elective office in the Association.

(b) REALTOR® Members, whether primary or secondary, may use the terms REALTOR® and REALTORS®, which use shall be subject to the provisions of ARTICLE VIII.

(c) REALTOR® Members, whether primary or secondary, have the primary responsibility to safeguard and promote the standards, interests, and welfare of the Association and the real estate profession.

(d) If a REALTOR® Member is a principal in a firm, partnership, or corporation and is suspended or whose membership is terminated the firm, partnership or corporation shall not use the terms REALTOR® or REALTORS® in connection with its business during the period of suspension, or until readmission to REALTOR® Membership, or unless connection with the firm, partnership, or corporation is severed, whichever may apply. The membership of all other principals, partners, or corporate officers shall suspend or terminate during the period of suspension of the disciplined Member, or until readmission of the disciplined Member, or unless connection of the disciplined Member with the firm, partnership, or corporation is severed, whichever may apply. Further, the membership of REALTORS® other than principals who are employed by or affiliated as independent contractors with the disciplined Member shall suspend or terminate during the period of suspension of the disciplined Member or until readmission of the disciplined Member or until connection of the disciplined Member with the firm, partnership, or corporation is severed, or unless the REALTOR® Member (non-principal) elects to sever his connection with the REALTOR® and affiliate with another REALTOR® Member in good standing in the Association whichever may apply. If the membership of a REALTOR® Member who is other than a principal in a firm, partnership, or corporation is suspended or terminated, the use of the terms REALTOR® or REALTORS® by the firm, partnership, or corporation shall not be affected.

(e) In any action taken against a REALTOR® Member for suspension or termination under Section 6 (d) 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 (d) shall apply.

Section 7. Institute Affiliate Members. Institute Affiliate Members shall have rights and privileges and be subject to obligations prescribed by the Board of Directors consistent with the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS®.

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

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

Section 9. Public Service Members. Public Service Members shall have all the rights and privileges and be subject to all the obligations prescribed by the Board of Directors.

Section 10. Honorary Members. Honorary Members shall have the right to attend meetings and participate in discussions at said meetings. Honorary Members shall have the right to vote at the discretion of the Board of Directors.

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

Section 12. Certification by REALTOR®. "Designated" REALTOR® Members of the Association shall certify to the Association when requested, 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, Section 2(a) of the Bylaws. "Designated" REALTOR® Members shall also notify the Association of any additional individual(s) licensed or certified with the firm(s) within 15 days of the date of affiliation of the individual.

14. Harassment. Any member of the association may be reprimanded, placed on probation, suspended or have membership terminated for harassment of an association or MLS employee or Association Officer or Director after an investigation in accordance with the procedures of the association. As used in this Section, harassment means any verbal or physical conduct including threatening or obscene language, unwelcome sexual advances, stalking, actions including strikes, shoves, kicks, or other similar physical contact, or threats to do the same, or any other conduct with the purpose or effect of unreasonably interfering with an individual's work performance by creating a hostile, intimidating or offensive work environment. The decision of the appropriate disciplinary action to be taken shall be made by the investigatory team comprised of the President, and President-elect and one member of the Board of Directors selected by the highest-ranking officer not named in the complaint, upon consultation with legal counsel for the association. Disciplinary action may include any sanction authorized in the association's Code of Ethics and Arbitration Manual. If the complaint names the President, or President-Elect, they may not participate in the proceedings and shall be replaced by the Immediate Past President or, alternatively, by another member of the Board of Directors selected by the highest-ranking officer not named in the complaint. (Amended 06/2010)

ARTICLE VII - PROFESSIONAL STANDARDS AND ARBITRATION

Section 1. The responsibility of the Association and of Association Members relating to the enforcement of the Code of Ethics, the disciplining of Members, and the arbitration of disputes, and the organization and procedures incident thereto shall be governed by the *Code of Ethics and Arbitration Manual* of the NATIONAL ASSOCIATION OF REALTORS®, from time to time amended, which by this reference is incorporated into these Bylaws, provided, however, that any provision deemed inconsistent with State law shall be deleted or amended to comply with State law.

Section 2. It shall be the duty and responsibility of every REALTOR® Member of this Association to abide by the Bylaws and rules and regulations, and policies of the Association, the Bylaws of the State Association, the 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 - 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 Board 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. (Amended 06/2006).

Section 2. REALTOR® Members of the Association shall have the privilege of using the terms REALTOR® and REALTORS® in connection with their places of business within the state or a state contiguous thereto so long as they remain REALTOR® Members in good standing. No other class of Members shall have this privilege.

Section 3. A REALTOR® Member who is a principal of a real estate firm, partnership, or corporation may use the terms REALTOR® and REALTORS® only if all the principals of such firm, partnership, or corporation who are actively engaged in the real estate profession within the state or a state contiguous thereto are REALTOR® Members of the Association or Institute Affiliate Members as described in section 1(b) of Article IV.

(a) In the case of a REALTOR® member who is a principal of a real estate firm, partnership, or corporation whose business activity is primarily limited to commercial real estate, the right to use the term REALTOR® or REALTORS® shall be limited to office locations in which a principal, partner, corporate officer, or branch office manager of the firm, partnership, or corporation holds REALTOR® membership. If a firm, partnership, or corporation operates additional places of business in which no principal, partner, corporate officer, or branch office manager holds REALTOR® membership, the term REALTOR® or REALTORS® may not be used in any reference to those additional places of business.

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 VIRGINIA ASSOCIATION OF REALTORS®. By reason of the Association's Membership, each REALTOR® Member of the Member Association shall be entitled to membership in the NATIONAL ASSOCIATION OF REALTORS® and the VIRGINIA ASSOCIATION OF REALTORS® without further payment of dues. The Association shall continue as a Member of the State and National Associations, unless by a majority vote of all of its REALTOR® Members, decision is made to withdraw, in which case the State and National Associations shall be notified at least one month in advance of the date designated for the termination of such membership.

Section 2. The Association recognizes the exclusive property rights of the NATIONAL ASSOCIATION OF REALTORS® in the terms REALTOR® and REALTORS®. The Association shall discontinue use of the terms in any form in its name, upon ceasing to be a Member of the National Association, or upon a determination by the Board of Directors of the National Association that it has violated the conditions imposed upon the terms.

Section 3. The Association adopts the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and agrees to enforce the Code among its REALTOR® Members. The Association and all of its

Members agree to abide by the Bylaws, rules and regulations, and policies of the National Association and the VIRGINIA ASSOCIATION OF REALTORS®.

ARTICLE X - DUES AND ASSESSMENTS

Section 1. Application Fee. The Board of Directors may adopt an application fee for REALTOR® Membership in reasonable amount, not exceeding three times the amount of 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. Dues. The annual dues of Members shall be as follows:

(a) REALTOR® Members. The annual dues of each Designated REALTOR® Member shall be an amount equal to: i) A fixed amount established annually by the Board of Directors; plus, ii) An additional amount to be established annually by the Board of Directors for each individual Non-Member Licensee affiliated with the Designated REALTOR® Member as of January 1 of each year. A Non-Member Licensee is defined as a real estate salesperson or a licensed or certified appraiser who (1) is employed by or affiliated as an independent contractor with, or who is otherwise directly or indirectly licensed with, a Designated REALTOR® Member, and (2) is not a REALTOR® Member of any board/association in the state or a state contiguous thereto or an Institute Affiliate Member of the Association; plus, if applicable, (iii) The annual dues of a Designated REALTOR® Member calculated pursuant to (a) (i) and (ii) above shall be increased if a Non-Member Licensee becomes employed by or otherwise affiliated with the REALTOR® Member after January 1 of each year. Such increase shall be calculated on a pro-rata basis, computed from the first day of the quarter in which the Non-Member Licensee becomes employed by or otherwise affiliated with the Designated REALTOR® Member. There shall be no reduction in the dues on a REALTOR® Member in cases where a Non-Member Licensee becomes disassociated with the Designated REALTOR® Member during the calendar year.

Notwithstanding the foregoing, no dues shall be assessed or payable for any Non-Member Licensee if the Designated REALTOR® Member has paid dues for such Non-Member Licensee to another Association in the state or a state contiguous thereto, provided that the Designated REALTOR® Member 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 the Association.

For the purpose of this Section, a REALTOR® Member of a Member Board or Association shall be held to be any Member who has a place or places of business within the state or a state contiguous thereto or Association and who, as principal, partner, or corporate officer or branch office manager of a real estate firm, partnership, or corporation, is actively engaged in the real estate profession as defined in Article III, Section 1, of the constitution of the NATIONAL ASSOCIATION OF REALTORS®. An individual shall be deemed to be licensed with a REALTOR® if the license of the individual is held by the REALTOR®, or by any broker who is licensed with the REALTOR®, or by any entity in which the REALTOR® has a direct or indirect ownership interest or which is engaged in other aspects of the real estate business (except as provided for in Section 2 (a) (1) hereof) provided that such licensee is not otherwise included in the computation of dues payable by the principal, partner, or corporate officer 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, 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®.

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.

(b) The annual dues of each REALTOR® Member other than the Designated REALTOR® shall be in such amount as established annually by the Board of Directors.

(c) *Institute Affiliate Members.* The annual dues of each Institute Affiliate Member shall be as established in Article II of the Bylaws of the NATIONAL ASSOCIATION OF REALTORS®.

NOTE: The Institutes, Societies and Councils of the National Association shall be responsible for collecting and remitting dues to the National Association for Institute Affiliate Members (\$75.00). The National Association shall credit \$25.00 to the account of a local association for each Institute Affiliate Member whose office address is within the assigned territorial jurisdiction of that association, provided, however, if the office location is also within the territorial jurisdiction of a Commercial Overlay Board (COB), the \$25.00 amount will be credited to the COB, unless the Institute Affiliate Member directs that the dues be distributed to the other board. The National Association shall also credit \$25.00 to the account of state associations for each Institute Affiliate Member whose office address is located 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 Institute Affiliate Members may voluntarily subscribe.

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

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

(f) *Secondary Members.* Upon presentation of evidence of payment of dues to the Secondary Member's Board or Association, the State and National dues of such Secondary Member shall be waived.

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

(h) *Student Members.* The annual dues of each Student member shall be in such amount as established annually by the Board of Directors.

Section 3. Dues Payable. Dues for all Members of the Association shall be payable annually in advance on the thirty-first day of October of the previous calendar year. A late fee will apply for payments not received by this date. The membership of any member who fails to pay the full amount of his dues and any late fees by the thirty first day of December shall be terminated without further notice, however, during the ensuing calendar year, upon full payment of the annual dues and a reinstatement fee, the member will be reinstated. For new members, dues shall be computed from the first day of the quarter in which a Member applies and shall be prorated for the remainder of the year. Annual dues are non-refundable. (Revised 11/08)

Section 4. Nonpayment of Other Financial Obligations. If other dues, fees, fines, or other assessments including amounts owed to the Association or the Association's Multiple Listing Service are not paid within one (1) month after the due date, the nonpaying Member is subject to suspension 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. Three (3) months after the due date, membership of the nonpaying Member shall automatically terminate unless within that time the amount due is paid. However, no action shall be taken to suspend or terminate the membership of 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 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. Deposit of Funds. All moneys received by the Association for any purpose shall be deposited to the credit of the Association in a financial institution or institutions selected by resolution of the Board of Directors.

Section 6. Expenditures. The administration of the finances of the Association shall be exercised by or under the authority of the Board of Directors, and the Board of Directors shall be entitled to make all decisions and take all actions relating to the finances of the Association, including borrowing money or otherwise committing the credit and assets of the Association for Association activities, and prepaying or extending any such borrowings. Notwithstanding the foregoing, the consent of a majority of the Members present and qualified to vote at a meeting at which a quorum is present shall be necessary and sufficient to approve any capital expenditures for the purpose of purchasing real estate, fixture, equipment, computer software/hardware, or other capital assets in excess of \$50,000.

Section 7. Notice of Dues, Fees, Fines, Assessments, and Other Financial Obligations of Members. All dues, fees, fines, assessments, or other financial obligations to the Association or Association Multiple Listing Service shall be noticed to the Delinquent Association Member in writing setting forth the amount owed and due date.

Section 8. REALTOR® Emeriti. The dues of REALTOR® Members who are REALTOR® Emeriti (as recognized by the National Association), Past Presidents of the National Association or recipients of the Distinguished Service Award shall be paid by the Association.

ARTICLE XI - OFFICERS AND DIRECTORS

Section 1. Officers. The elected officers of the Association shall be: a President, a President Elect, and a Treasurer. There may be one or more Vice President(s) and such other officers as the Board of Directors may from time to time establish. The elected officers shall be elected for terms of one year. The President Elect shall succeed to Office of President the following term.

In addition to the elected officers, a Secretary shall be appointed by the President and shall serve a term coincident with the President's term. The Secretary may be, but need not be, a member of the Association.

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.

(a) **Duties of the President.** The President shall be the chief officer, and shall, in general, supervise all of the business and affairs of the Association. The President shall preside at all meetings of the Membership and of the Board of Directors. Between the sessions of these bodies, the President shall represent the Association as its official spokesperson, and act in its name, subject to its declared policies.

The President is authorized to appoint and dissolve, for any cause, any special committee, subject to approval of the Board of Directors. The President shall be a member ex-officio of all committees, except the Nominating Committee, and shall be notified of their meetings.

In the absence or the unavailability of the President, the President Elect shall perform the duties of the President.

(b) *Duties of the President Elect.* The President shall perform the duties of the President when so requested by the President.

The President Elect shall preside over meetings and discharge other duties of the President in the absence or unavailability of the President.

The President Elect shall work with the President to make Standing and Special Committee appointments on or before September 1 in the year preceding the term of office.

The President Elect shall coordinate all Association management operations and all financial affairs of the Association.

The President Elect shall prepare, in writing, such reports as may be called for by the President or Board of Directors.

(c) *Secretary's Attendance at Board Meetings.* The Secretary of the Association shall attend all meetings of the Board of Directors, unless excused or dismissed by the President or other elected officer presiding at such meeting. The Secretary of the Association, or, in the discretion of the elected officer presiding at such meeting any person appointed by the elected officer, shall act as secretary of the meeting.

Section 3. Succession to Office.

(a) In the event of death, disability, resignation, or removal from office of the President, the President Elect shall succeed to the Presidency. This succession shall in no way preclude the President Elect from serving a full term as President under the normal rules of succession. A President Elect will be elected to serve for the remainder of the term of office by the Board of Directors at a meeting called by the new President within fifteen (15) days of such occurrence.

(b) In the event of the death, disability, resignation, or removal from office of the President Elect, the President shall within fifteen (15) days of such occurrence call a meeting of the Board of Directors to elect a successor.

(c) In the event of the death, disability, resignation, or removal from office of both the President and President Elect, the Treasurer shall temporarily assume the duties of the office of the President and shall, within fifteen (15) days of the occurrence call a meeting of the Board of Directors to elect successors.

Section 4. Board of Directors. The governing body of the Association shall be a Board of Directors consisting of the Elected Officers, ten (10) REALTOR[®] Members of the Association, and the Immediate Past President of the Association. The Elected Officers and the Immediate Past President shall serve a term of one year and the Elected Directors shall be elected to serve for staggered terms of three years.

Section 5. Election of Officers and Directors.

(a) At least two (2) months before the annual election, a Nominating Committee shall be appointed consisting of a Chairperson, three (3) Principal Broker REALTOR[®] Members, and two (2) individual REALTOR[®] Members of the Association, with the Principal Brokers and individual REALTOR[®] Members being appointed by the President of the Association who are not Principal Brokers, with the approval of the Board of Directors. The Immediate Past President shall serve as the Chairperson and shall have no vote other than to break a tie. In the event of the unavailability of the Immediate Past President to serve, the Chairperson of the Nominating Committee shall be appointed by the President of the Association, with the approval of the Board of Directors. To qualify as a member of the Nominating Committee of the Association, at least one (1) of the following criteria must be met: a Member must be a current or past director of the Association or current or Past Officer of the Association, or Association Member for at least five (5) years.

(b) No member of the Nominating Committee may be nominated for any office of the Association by the Nominating Committee.

(c) After appointment of the Nominating Committee, the President shall notify each Member eligible to vote of such appointment. Fourteen (14) days prior to the scheduled meeting of the Nominating Committee, each Member eligible to vote shall be requested to submit, in writing, to the Nominating Committee recommendations for candidates for new Officers and Directors.

(d) The Nominating Committee shall select one (1) REALTOR[®] Member for each elected office and one (1) candidate for each directorship to be filled by REALTOR[®] Members. The report of the Nominating Committee shall be noticed to each Member eligible to vote at least three (3) weeks prior to the election. Additional candidates for the offices to be filled may be placed in nomination by petitions signed by at least 10% of the REALTOR[®] Members eligible to vote. The petition shall be filed with the Secretary at least two (2) weeks before the election. The Secretary shall send notice of such additional nominations to all Members eligible to vote before the election.

(e) The election of Elected Officers and Directors shall take place at the annual meeting by the tabulation of ballots cast in person or by proxy at the meeting and ballots submitted prior to the tabulation of votes at the meeting by mail, facsimile transmission, electronic mail or other legally recognized method of voting. The ballot shall contain the names of all candidates and the offices for which they are nominated. Ballots submitted by mail, facsimile transmission, electronic mail or other legally recognized method of voting prior to the tabulation of votes at the meeting shall be effective when received by the secretary or other officer or agent authorized to tabulate votes. Such ballots may be revoked by a member, provided that the secretary or other officer or agent authorized to tabulate votes receives, prior to such tabulation, notice of revocation from the member either in person, by mail, facsimile transmission, electronic mail or other legally recognized method of voting. Ballots and revocation notices submitted by facsimile transmission or electronic mail shall contain an electronic identifier intended by the sender to authenticate and validate such ballot or notice. For the purpose of determining whether the quorum requirements for elections of elected officers and directors are met, ballots received by mail, facsimile transmission, electronic mail or other legally recognized method of voting shall be counted toward the required number or percentage of votes in the same manner as votes cast at the meeting in person.

(f) The President, with the approval of the Board of Directors, may appoint an Election Committee of three (3) REALTOR[®] Members to conduct the election. In the case of a tie vote, the issue shall be determined by lot.

Section 6. Vacancies. Vacancies among the Elected Officers and the Board of Directors shall be filled by a simple majority vote of the Board of Directors until the next annual election.

Section 7. Removal of Officers and Directors. In the event that an Elected Officer or Director is deemed to be incapable of fulfilling the duties for which elected, but will not resign from office voluntarily, the Elected Officer or Director may be removed from office under the following procedure:

(a) A petition requiring the removal of an Elected Officer or Director and signed by not less than one-third of the voting membership or a majority of all Directors shall be filed with the President, or if the President is the subject of the petition, with the next-ranking officer, and shall specifically set forth the reasons the individual is deemed 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 voting membership of the Association shall be held, and the sole business of the meeting shall be to consider the charge against the Elected Officer or Director, and to render a decision on such petition.

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

(d) The President may remove the Secretary or the Assistant Secretary from office at any time for any reason without Board or Member approval and may appoint an interim Secretary or Assistant Secretary to fill a vacancy in either office.

Section 8. Indemnification.

(a) Indemnification of Directors and Officers. Except as provided in paragraph (b) of this section, the Association shall indemnify every individual made a party to a proceeding because he is or was a Director or Officer against liability incurred in the proceeding if: (i) he conducted himself in good faith; and (ii) he believed, in the case of conduct in his official capacity with the Association, that his conduct was in its best interest and, in all other cases, that his conduct was at least not opposed to its best interests (or in the case of conduct with respect to an employee benefit plan, that his conduct was for a purpose he believed to be in the best interest of the participants of and beneficiaries of the plan); and (iii) he had not reasonable cause to believe, in the case of any criminal proceeding, that his conduct was unlawful.

(b) *Indemnification Not Permitted.* The Association shall not indemnify any individual against his gross negligence or willful misconduct or against any liability incurred by him in any proceeding charging improper personal benefit to him, whether or not by or in the right of the Association or involving action in his official capacity, in which he was adjudged liable by a court of competent jurisdiction on the basis that personal benefit was improperly received by him.

(c) *Effect of Judgment or Conviction.* The termination of a proceeding by judgment, order, settlement or conviction is not, of itself, determinative that an individual did not meet the standard of conduct set forth in paragraph (a) of this Section or that the conduct of such individual constituted gross negligence or willful misconduct.

(d) *Determination and Authorization.* Unless ordered by a court of competent jurisdiction, any indemnification under paragraph (a) of this Section shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the individual is permissible in the circumstances because: (i) he met the standard of conduct set forth in paragraph (a) of this Section and, with respect to a proceeding by or in the right of the Association in which such individual was adjudged liable to the Association, he is fairly and reasonably entitled to indemnification in view of all of the relevant circumstances even though he was adjudged liable; and (ii) the conduct of such individual did not constitute gross or willful misconduct.

Such determination shall be made: (i) by the Executive Committee of the Association by a majority vote of a quorum consisting of Directors not at the time parties to the proceeding; or (ii) if such a quorum cannot be obtained, by majority vote of a committee duly designated by the Executive Committee (in which designation Directors who are parties may participate), consisting solely of two or more Directors not at the time parties to the proceeding; or (iii) by special legal counsel selected by the Executive Committee or its committee in the manner heretofore provided or, if such a quorum of the Executive Committee cannot be obtained and such a committee cannot be designated, selected by a majority vote of the Executive Committee (in which selection Directors who are parties may not participate); or (iv) by the Board of Directors by a majority vote of a quorum consisting of Directors not at the time parties to the proceeding. Authorization of indemnification, evaluation as to reasonableness of expenses and determination and authorization of advancements for expenses shall be made in the same manner as the determination that indemnification is permissible, except that if the determination is made by special legal counsel, authorization of indemnification and evaluation as to reasonableness of expenses shall be made by those selecting such counsel.

(e) Advance for Expenses. The Association may pay for or reimburse the reasonable expenses incurred by any individual who is a party to a proceeding in advance of final disposition of the proceeding if: (i) he furnishes the Association a written statement of his good faith belief that he has met the standard of conduct described in paragraph (a) of this Section and a written undertaking, executed personally or on his behalf, to repay the advance if it is ultimately determined that indemnification of such individual in the specific case is not permissible; and (ii) a determination is made that the facts then known to those making the determination would not preclude indemnification under this Section A written undertaking furnished to the Association in accordance with the provisions of this section shall be an unlimited general obligation of the individual furnishing the same but need not be secured and may be accepted by the Association without reference to financial ability to make repayment.

(f) Indemnification of Employees and Agents. The Association may, but shall not be required to, indemnify the advance expenses to employees and agents of the Corporation to the same extent as provided in this Section with respect to Directors and Officers.

(g) Definitions. In this Section:

"Director" and "Officer" mean an individual who is or was a Director or Officer of the Association, as the case may be, whether by virtue of election or appointment, or who, while a Director or Officer of the Association is or was serving at the Association's request as Director, Officer, partner, trustee, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan or other enterprise. A Director or Officer shall be considered to be serving an employee benefit plan at the Association's request if his duties to the Corporation also impose duties on, or otherwise involve services by, him to the plan or to participants in or beneficiaries of the plan.

"Individual" includes, unless the context requires otherwise, the estate, heirs, executors, personal representatives and administrators of an individual.

"Association" means the Charlottesville Area Association of REALTORS[®] and any domestic or foreign predecessor entity of the Association in a merger or other transaction in which the predecessor's existence ceased upon the consummation of the transaction.

"Expenses" includes but is not limited to counsel fees.

"Liability" means the obligation to pay a judgment, settlement, penalty, fine, including any excise tax assessed with respect to an employee benefit plan, or reasonable expenses incurred with respect to a proceeding.

"Official capacity" means: (i) when used with respect to a Director, the office of Director in the Association; (ii) when used with respect to an officer, the office in the Association held by him; or (iii) when used with respect to any employee or agent, the employment or agency relationship undertaken by him on behalf of the Association. "Official capacity" does not include service for any foreign or domestic corporation or other partnership, joint venture, trust, employee benefit plan or other enterprise.

"Party" includes an individual who was, is or is threatened to be made a named defendant or respondent in a proceeding.

"Proceeding" means any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal.

(h) *Provisions Not Exclusive.* As authorized by the Virginia Non-stock Corporation Act, the provisions of this Article are in addition to and not in limitation of the specific powers of a corporation to indemnify Directors and Officers set forth therein. If any provision of this Article shall be adjudicated invalid or unenforceable by a court of competent jurisdiction, such adjudication shall not be deemed to invalidate or otherwise affect any other provision hereof or any power of indemnity which the Association may have under the Virginia Non-stock Corporation Act or other laws of the Commonwealth of Virginia.

ARTICLE XII - MEETINGS

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

Section 2. Meetings of Directors. The Board of Directors shall designate a regular time and place of meetings. Absence from three consecutive regular meetings without notification to and an excuse deemed valid by the Board of Directors shall be construed as a resignation. Regular or special meetings of the Board of Directors may be held by means of telephone or similar communications equipment by means of which all directors participating in the meeting can communicate with each other.

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

Section 4. Notice of Meetings. Written notice shall be given to every Member entitled to participate in the meeting of the members not less than ten (10) no more than sixty (60) days prior to the meeting, except as otherwise required by law. If a special meeting is called, it shall be accompanied by a statement of the purpose of the meeting.

Section 5. Quorum. A quorum for the transaction of business shall consist of fifteen percent of the Members eligible to vote.

Section 6. Proxy. At any meeting of the members, any member entitled to vote may do so in person or by one or more agents authorized by a written, dated proxy executed by such voting member and filed with the Secretary of the Association before or at the time of the meeting. The Association shall treat any such proxy which has been duly executed and filed with the Secretary as effective until it receives (i) a duly executed written instrument revoking it, (ii) a duly executed proxy bearing a later date, or (iii) written notice of the death or incapacity of the person who executed the proxy. No proxy shall be valid for more than eleven (11) months after its execution unless otherwise provided therein and in no event, except in the case of an irrevocable proxy, shall a proxy be valid for more than ten (10) years after its execution.

Section 7. Action by Directors Without Meetings. Unless otherwise prohibited by the Articles or these Bylaws, any action required to be taken at a meeting of the Board of Directors, or which may be taken at a meeting of the Board of Directors, may be taken without a meeting if a Consent in writing, setting forth the actions so to be taken, shall be signed by all of the directors. Such consent shall have the same force and effect as a unanimous vote. Such consent may be in the form of a facsimile transmission, electronic mail or other legally recognized method of voting, so long as such consent contains an electronic identifier intended by the sender to authenticate and validate such consent. The original Consents or duplicates of such consents shall be placed in the corporate records with the minutes and shall include an original or electronic signature.

ARTICLE XIII - COMMITTEES

Section 1. Executive Committee. The Executive Committee shall consist of the President, who shall be Chairman, the President Elect, Treasurer, and may include up to three other Directors of the Association who shall be elected by the Board of Directors. The Executive Committee shall have and exercise the authority of the Board of Directors when the Board of Directors is not in session in the management of the business and affairs of the corporation, thereof, if necessary or appropriate in the discretion of the Board of Directors. It shall be subject to such restriction and limitation upon its authority as the Board of Directors may, from time to time, impose.

Section 2. Standing Committees. Prior to each fiscal year, the President Elect shall recommend Standing Committees for the upcoming year for approval by the Board of Directors

Section 3. Special Committees. The President shall appoint, subject to confirmation by the Board of Directors, special committees as deemed necessary.

Section 4. Organizations. All Committees shall be of such size and shall have duties, functions, and powers as assigned by the President or the Board of Directors, except as otherwise provided by these Bylaws.

Section 5. President. The President shall be an ex-officio member of all standing committees and shall be notified of their meetings.

ARTICLE XIV - FISCAL AND ELECTIVE YEAR

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

ARTICLE XV - RULES OF ORDER

Section 1. Robert's Rules of Order, latest edition, shall be recognized as the authority governing the meetings of the Association, its Board of Directors, and committees, in all instances wherein its provisions do not conflict with these Bylaws.

ARTICLE XVI - AMENDMENTS

Section 1. These Bylaws may be amended by a majority vote of the Members present and qualified to vote at any meeting at which a quorum is present, provided the substance of such proposed amendment or amendments shall be plainly stated in the call for the meeting.

Section 2. Notice of all meetings at which amendments are to be considered shall be mailed to every member eligible to vote at least one (1) week prior to the meeting.

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

Section 4. The Board of Directors may approve amendments to the Bylaws outside of the Annual Meeting if such Bylaw changes are requested by the National Association of REALTORS® to assure the Association is in compliance with the Model Bylaws of the National Association. Any change made to the Bylaws outside the Annual Meeting shall be published to the membership within 30 days of the change. Notwithstanding the foregoing, the Board of Directors may not amend the Bylaws to the extent that the Virginia Nonstock Corporation Act reserves this power exclusively to the members, or the members in adopting or amending particular Bylaws provide expressly that the Board of Directors may not amend or repeal that Bylaw.

ARTICLE XVII - DISSOLUTION

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

ARTICLE XVIII - MULTIPLE LISTING

Section 1. Authority. The Charlottesville Area Association of REALTORS® shall maintain for the use of its Members a Multiple Listing Service which shall be subject to the Bylaws of the Association and such rules and regulations as may be hereinafter adopted.

Section 2. Purpose. A Multiple Listing Service is a means by which authorized Participants make blanket unilateral offers of compensation to other Participants (acting as subagents, buyer agents, or in other agency or non-agency capacities defined by law); by which cooperation among Participants is enhanced; by which information is accumulated and disseminated to enable authorized Participants to prepare appraisals, analyses, and other valuations of real property for bona fide clients and customers; and by which Participants engaging in real estate appraisal contribute to common data bases; and is a facility for the orderly correlation and dissemination of listing information so that Participants may better serve their clients and the public. Entitlement to compensation is determined by the cooperating broker's performance as a procuring cause of the sale (or lease).

Section 3. Participation. Any REALTOR® Member of this or any other association who is a principal, partner, or corporate officer, or branch manager acting on behalf of the principal, without further qualification, shall be eligible to participate in Multiple Listing upon agreeing in writing to conform to the rules and regulations thereof and to pay the costs incidental thereto. However, under no circumstances is any individual or firm, regardless of membership status, entitled to Multiple Listing Service "membership" or "participation" unless they hold a current, valid real estate broker's license and offer or accept compensation to and from other Participants or are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property. Use of information developed by or published by a Board Multiple Listing Service is strictly limited to the activities authorized under a Participant's licensure(s) or certification and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey "participation" or "membership" or any right of access to information developed by or published by a Board Multiple Listing Service where access to such information is prohibited by law.

Mere possession of a broker's license is not sufficient to qualify for MLS participation. Rather, the requirement that an individual or firm offers or accepts cooperation and compensation means that the participant actively endeavors during the operation of its real estate business to list real property of the type listed on the MLS and/or to accept offers of cooperation and compensation made by listing brokers or agents in the MLS. "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 MLS 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 MLS 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 an MLS 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 actively endeavors to make or accept offers of cooperation and compensation with respect to properties of the type that are listed on the MLS in which participation is sought. This requirement does not permit an MLS 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 make or accept offers of cooperation and compensation. An MLS may evaluate whether a participant or potential participant actively endeavors during the operation of its real estate business to offer or accept cooperation and compensation only if the MLS has a reasonable basis to believe that the participant or potential participant is in fact not doing so. The membership requirement shall be applied in a nondiscriminatory manner to all participants and potential participants. (amended 06/2010)

Section 4. Supervision. The activity shall be operated under the supervision of the Information Services (IS) Committee, in accordance with the rules and regulations, subject to approval of the Board of Directors of the Charlottesville Area Association of REALTORS®.

Section 5. Appointment of Committee. The President shall appoint, subject to the confirmation of the Board of Directors, a chairperson and vice chairperson of the Information Services (IS) Committee which persons shall serve for a two-year term.

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

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

Section 9. Subscribers. Subscribers (or users) of the MLS include non-principal brokers, sales associates, and licensed and certified appraisers affiliated with Participants. 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 an MLS Participant or the Participant's licensed designee.

Rev. 6/17/10