



## **CAAR Foundation Mission**

**Adopted August 2017**

The Foundation, as CAAR's philanthropic initiative, is intended to be an effective mechanism for REALTORS® to donate their time, talent, and resources to impact, sustain and support community initiatives. The purposes of the Foundation shall be exclusively charitable and educational, for exempt purposes within the meaning of SECTION 501(c)(3) of the Internal Revenue Code of 1986, as amended, including the following purposes:

1. To leverage the philanthropic passion, knowledge, and skills of CAAR's membership and affiliates
2. To provide volunteer opportunities
3. To create opportunities for CAAR members to leverage their combined giving power and realize a tax benefit, where applicable
4. To ensure accountability and impact of donations through reporting metrics
5. To seek contributions in furtherance of the Foundation's strategic community initiatives and purposes from any source, but primarily from the membership of the CAAR and other interested individuals and corporations.
6. To manage the funds of the Foundation, the income from which is to be available for Foundation purposes.
7. To contribute sums, up to the amount of income, from the funds of the Foundation for charitable and educational purposes which, including, but not limited to, the following:
  - a. Housing initiatives
  - b. Education initiatives
  - c. Disaster Relief, and
  - d. Other initiatives as approved by most of the Board of Directors to meet critical or emerging needs in the community.
8. To solicit, receive and otherwise acquire gifts of money and of all other kinds of property, and to hold, use and dispose of the same, in such a manner as is deemed advisable in carrying on the foregoing purposes.
9. Generally, in furtherance of the foregoing purposes, to have and exercise all of the powers, rights and privileges now and hereafter conferred by the laws of the Commonwealth of Virginia upon nonstock corporations, all to the end that the foregoing educational and charitable purposes of this Foundation may be fully and effectively pursued and accomplished, in full compliance with the Articles of Incorporation of this Foundation and SECTION 501(c)(3) of the Internal Revenue Code of 1986, as amended.

**CHARLOTTESVILLE AREA ASSOCIATION OF REALTORS® FOUNDATION  
BYLAWS  
Adopted August 2017**

**ARTICLE I  
NAME AND LOCATION**

**SECTION 1.** The Charlottesville Area Association of REALTORS® Foundation (hereafter called the "Foundation") is a nonstock corporation formed and operating pursuant to the laws of the Commonwealth of Virginia.

**SECTION 2.** Offices of the Foundation shall be in Albemarle County at the offices of the Charlottesville Area Association of REALTORS® hereinafter, "CAAR". The Foundation shall have and continuously maintain in Virginia a registered agent and registered office where the registered agent may be located.

**ARTICLE II  
PURPOSES**

**SECTION 1.** The purposes of the Corporation shall be those set forth in the Articles of Incorporation, as may be amended from time to time.

**ARTICLE III  
BOARD OF DIRECTORS**

**SECTION 1.** Authority. All corporate powers shall be exercised by or under the authority of, and the business and affairs of the Corporation shall be managed under the direction of, the Board of Directors. Unless otherwise provided by resolution of the Board of Directors, the directors shall have the sole voting power.

**SECTION 2.** Number and Qualification. The number of directors shall be no fewer than five (5) and no more than fifteen (15) at all times, with the exact number to be fixed by resolution of the Board of Directors. Each director shall be at least 18 years of age.

**SECTION 3.** Election and Term. The initial directors shall be the persons named in the Articles of Incorporation and shall serve for the terms stated therein and until the election and qualification of their successors. As set forth in the Articles of Incorporation, the initial directors on the Board shall be classified into three classes: Class A directors to serve for a three-year term (until the 2020 annual meeting of the Board), Class B to serve a serve for a two-year term (until the 2019 annual meeting of the Board), and Class C to serve for a one-year term (until the 2018 annual meeting of the Board), with the number of directors in each class being as close to one-third of the total number of directors as possible. As the terms of the initial directors expire (and thereafter), the successor directors shall be persons nominated as set forth in Article V, Section 6 below and shall be elected at the annual meetings of the Board by the directors then in office. The directors so elected shall hold office for a term of three years and each shall serve for such term and until the election and qualification of a successor, or until such director's death, resignation, or removal. No person shall be eligible to serve for more than two-consecutive three-year terms (or the equivalent in years), but such person will again be eligible to serve after a one-year break in service.

**SECTION 4.** Resignation and Removal. A director may resign at any time by delivering written notice to the Board of Directors. A resignation shall be effective when the notice is delivered unless the notice specifies a later effective date. The Board of Directors may remove one or more directors with or without cause upon an affirmative vote by two-thirds of the directors then in office.

**SECTION 5.** Vacancy. If a vacancy occurs on the Board of Directors between annual meetings, including a vacancy resulting from an increase in the number of directors, the vacancy may be filled by the affirmative vote of most of the remaining directors, even though less than a quorum of the Board.

**SECTION 6. Annual Meeting.** The Board of Directors shall meet at least annually in the month specified by resolution of the Board of Directors for the purpose of general organization, the appointment of officers, and consideration of any other business that may properly be brought before the meeting. The failure to hold the annual meeting at the time stated herein shall not affect the validity of any corporate action.

**SECTION 7. Regular or Special Meetings in Addition to the Annual Meeting.** Regular meetings of the Board of Directors shall be held at such times as the Board may designate by resolution. Special meetings of the Board of Directors may be called any time by the Chair or upon the request of any two (2) directors, by the Secretary.

**SECTION 8. Notice of Meetings.** The Secretary or officer performing the Secretary's duties shall give not less than two days' notice by word-of-mouth, mail, facsimile, or e-mail of all special meetings of the Board of Directors. The notice shall set forth the agenda, minutes, and other items of business requiring a vote. Special meetings may be held at any time without notice if all the directors are present, or if those not present waive notice in writing either before or after the meeting. No notice shall be required for annual and regular meetings.

**SECTION 9. Place of Meetings.** Meetings of the Board of Directors, annual, regular, or special, shall be held at such place as the Board of Directors may designate.

**SECTION 10. Quorum and Voting.** Action may be taken on a matter by the Board of Directors only at a meeting at which a quorum shall be present. A quorum of the Board of Directors shall consist of a simple majority of the number of directors on the Board. Unless otherwise provided in these Bylaws, if a quorum is present when a vote is taken, the affirmative vote of a simple majority of directors' present is the act of the Board of Directors. Whenever applicable law requires the Board of Directors to recommend or approve any proposed corporate act, such recommendation or approval shall not be required if the proposed corporate act is adopted by the unanimous consent of the Board.

**SECTION 11. Conduct of Meetings.** The Chair shall preside over all meetings of the directors. If the Chair is not present, the most senior officer shall preside. If none of such officers are present, a Chair shall be elected at the meeting. The Secretary of the Corporation shall act as secretary of all the meetings if present. If the Secretary is not present, the officer presiding over the meeting shall appoint a secretary of the meeting. The Board of Directors may permit any or all directors to participate in a regular or special meeting by, or conduct a meeting using, any means by which all directors participating may simultaneously communicate with each other during the meeting.

**SECTION 12. Action Without a Meeting.** Any action required or permitted to be taken at a Board of Directors' meeting may be taken without a meeting if the action is taken by all members of the Board. The action shall be evidenced by one or more written consents stating the action taken, signed by each director either before or after the action taken, and included in the minutes or filed with the corporate records reflecting the action taken. Action taken under this Section is effective when the last director signs the consent unless the consent specifies a different effective date, in which event the action taken is effective as of the date specified therein provided the consent states the date of execution by each director. A consent signed under this Section shall have the same effect as a meeting vote and may be described as such in any document.

**SECTION 13. Powers of Grants and Contributions.** The Board shall have the exclusive authority to make grants and contributions and otherwise render financial assistance for the purpose of furthering the Corporation's tax-exempt purposes. The Board shall have the power to make grants to any organization that is organized and operated exclusively for religious, scientific, charitable, or educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code and which further the Corporation's tax-exempt purposes. All requests for funds shall be reviewed by the Board and shall state the proposed use of the requested funds. The Board shall have the discretion to refuse to make any grant or contribution. If a grant request is approved, the Board may fund such grant out of existing funds, or it may solicit funds for the grant requested. The Board shall retain the absolute power to withdraw its support of any grant or contribution, for any reason, at any time. The Board shall not accept contributions that require the Corporation to contribute or transmit such contributions solely to any named organization.

Grantee organizations shall be required, from time to time, to furnish an accounting that shows how the funds were expended for the purposes approved by the Board.

**SECTION 14. Reporting.** The Foundation Board of Directors shall inform the Board of Directors of the Charlottesville Area Association of REALTORS® of the activities of the Foundation at least quarterly. This reporting requirement can be satisfied by submitting the Minutes of Foundation Board meetings to the CAAR Board of Directors for informational purposes.

#### **ARTICLE IV COMMITTEES**

**SECTION 1. Board Committees.** The Board of Directors may create one or more Board committees and appoint members of the Board of Directors to serve on them. Each Board committee shall consist of two or more directors, who shall serve at the pleasure of the Board of Directors. Each Board committee may exercise the authority of the Board of Directors, subject to Section 13.1-869(D) of the Code.

**SECTION 2. Meetings.** The provisions of these Bylaws which govern meetings, action without meetings, and quorum and voting requirements of the Board of Directors shall apply to Board committees and their members as well.

#### **ARTICLE V OFFICERS**

**SECTION 1. General.** The officers of the Corporation shall consist of a Chair, Chair Elect, Secretary, and Treasurer and such other officers as the Board may appoint. All officers except the Secretary shall be elected or appointed annually by the Board of Directors at the annual meeting of the Board and for such compensation as may be fixed by the Board of Directors, and each officer shall hold office until such officer's successor is elected or appointed and qualified or until such officer's earlier death, resignation, or removal. Officers, other than the Chair, Chair-Elect and Secretary need not be members of the Board of Directors. Any two (2) or more offices may be held by the same person. The Chair Elect shall succeed to Office of Chair the following term. In addition to the elected officers, a Secretary shall be appointed by the Chair and for such compensation as may be fixed by the [Board/Chair] and shall serve a term coincident with the Chair's term. The Secretary may be, but need not be, a member of the Charlottesville Area Association of REALTORS®.

**SECTION 2. Resignation and Removal.** An officer may resign at any time by delivering written notice to the Board of Directors. A resignation shall be effective when the notice is delivered unless the notice specifies a later effective date. If a resignation is made effective later and the Corporation accepts the future effective date, it may fill the pending vacancy before the effective date if his successor does not take office until the effective date. The Board of Directors may remove any officer at any time with or without cause and any officer or assistant officer, if appointed by another officer, may likewise be removed by such officer.

**SECTION 3. Vacancies.** A vacancy in any office because of death, resignation, removal, disqualification or otherwise shall be filled by the Board.

**SECTION 4. Duties of Officers.** In addition to the duties of the officers that are expressly set forth below (and to the extent not inconsistent therewith), 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 Chair.** The Chair shall be the chief officer, and shall, in general, supervise all the business and affairs of the Foundation. The Chair is responsible for carrying out the strategic plan developed by, and the policies adopted by, the Board of Directors. The Chair shall have authority to sign checks, drafts, notes, and all other orders for the payment of money and to sign the corporate name to all deeds, contracts, leases, and other documents of every nature and description. The Chair may delegate the authority vested in this office, or any portion of it, to other Corporation agents and employees. The Chair shall be a member of the Board of Directors.

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

Between the sessions of these bodies, the Chair shall represent the Foundation as its official spokesperson, and act in its name, subject to its declared policies.

(b.) Duties of Chair Elect. The Chair Elect shall perform the duties of the Chair when so requested by the Chair, including presiding over meetings and discharge other duties of the Chair in the absence or unavailability of the Chair. The Chair Elect shall prepare, in writing, such reports as may be called for by the Chair or Board of Directors.

(c.) Duties of Secretary. The Secretary shall attend all meetings of the Board of Directors and shall have the responsibility for preparing and maintaining custody of the minutes of the meetings of the Board and for authenticating records of the Corporation. The Secretary shall keep or cause to be kept in a book provided for the purpose a true and complete record of the proceedings of all meetings. The Secretary shall be custodian of the records and the seal of the Corporation and shall see that the seal is affixed to all documents, the execution of which on behalf of the Corporation under its seal has been duly authorized. The Secretary shall attend to the giving of all notices and shall perform such other duties as these Bylaws or the Board of Directors may prescribe.

(d.) Duties of Treasurer. The Treasurer shall keep correct and complete records of account, showing accurately always the financial condition of the Corporation. The Treasurer shall be the legal custodian of all monies, notes, securities, and other valuables that may from time to time come into the possession of the Corporation. The Treasurer shall immediately deposit all funds of the Corporation coming into his or her hands in some reliable bank or other depository to be designated by the Board of Directors and shall keep this bank account in the name of the Corporation. The Treasurer shall furnish at meetings of the Board of Directors, or whenever requested, a statement of the financial condition of the Corporation and shall perform such other duties as these Bylaws or the Board of Directors may prescribe.

**SECTION 5. Transfer of Authority.** In case of the absence of any officer of the Corporation or for any other reason that the Board of Directors may deem sufficient, the Board of Directors may transfer the powers or duties of that officer to any other officer or to any director or employee of the Corporation.

**SECTION 6. Election of Officers and Directors.** Annually, a Nominating Committee shall be appointed by the Chair with the approval of the Board of Directors. The Nominating Committee shall be comprised of the Immediate Past Chair, one sitting Director either in the first year of their three-year term or not running for re-election, and the Foundation Chief Staff Executive. No candidate running for election or re-election shall serve on the Nominating Committee. The Nominating Committee shall nominate one (1) eligible candidate for each office and one (1) eligible candidate for each of the positions to be filled for the Board of Directors from the applications submitted. Directors who are running for a second term must also apply.

## **ARTICLE VI LIMITATION OF LIABILITY AND INDEMNIFICATION**

**SECTION 1. Limitation of Liability.** To the full extent that the Virginia Nonstock Corporation Act, as it exists on the date hereof or may hereafter be amended, permits the limitation or elimination of the liability of the directors or officers, a director or officer of the Corporation shall not be liable to the Corporation for any monetary damages.

**SECTION 2. Indemnification.** The Corporation shall indemnify a director or officer of the Corporation who is or was a party to any proceeding by reason of fact that he or she is or was such a director or officer, or is or was serving at the request of the Corporation as a director, partner, trustee, officer, manager, employee or agent of another corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise, against all liabilities and expenses incurred in the proceeding except such liabilities and expenses are incurred because of his or her willful misconduct or knowing violation of the criminal law.

**SECTION 3.** Advances and Reimbursement of Expenses. Unless a determination has been made that the indemnification is not permissible, the Corporation shall make advances and reimbursements for expenses incurred by a director or officer in a proceeding upon receipt of an undertaking from him or her to repay the same if it is ultimately determined that the director or officer is not entitled to indemnification. Such undertaking shall be an unlimited, unsecured general obligation of the director or officer and shall be accepted without reference to his or her ability to make repayment. Unless a determination has been made that indemnification is not permissible, the Corporation is hereby empowered to contract in advance to indemnify and advance the expenses of any director or officer.

**SECTION 4.** Procedure for Indemnification. The determination to make advancements, reimbursements or indemnifications, or to contract in advance to do the same, shall be made by majority vote of a quorum of disinterested directors. If a quorum of disinterested directors cannot be obtained for any reason, then the determination shall be made by a majority vote of a committee designated by the Board, including interested directors, the committee to consist only of disinterested directors, at least two in number, or by special legal counsel selected by a quorum of disinterested directors or by the committee described above. If neither a quorum of disinterested directors nor a committee of a least two disinterested directors can be obtained, then the selection of the special legal counsel shall be made by a majority vote of the entire Board, including interested directors.

**SECTION 5.** Persons Covered. The Board is hereby empowered, by majority vote of a quorum of disinterested directors, to cause the Corporation to indemnify or contract in advance to indemnify any person not specified in Section 2 above who was or is a party to any proceeding by reason of the fact that he or she is or was an employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, partner, trustee, officer, manager, employee or agent of another corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise, to the same extent as if such a person were specified as one to whom indemnification is granted in Section 2 above.

**SECTION 6.** Insurance. The Corporation may purchase and maintain insurance to indemnify it against the whole or any portion of the liability assumed by it in accordance with this Article and may also procure insurance, in such amounts as the Board may determine, on behalf of any person who is or was a director, officer, employee, or agent of the Corporation, or is or was serving at the request of the Corporation as a director, partner, trustee, officer, manager, employee, or agent of another corporation, partnership, limited liability company, joint venture, trust, employee benefit plan, or other enterprise, against any liability asserted or incurred by any such person in any such capacity or arising from his status as such, whether or not the Corporation would have power to indemnify him against such liability under the provisions of this Article.

**SECTION 7.** Changes in Board Composition. In the event there has been a change in the composition of a majority of the Board after the date of the alleged act or omission with respect to which indemnification is claimed, any determination as to indemnification and advancement of expenses with respect to any claim for indemnification made pursuant to Section 2 above shall be made by special legal counsel agreed upon by the Board and the proposed indemnitee. If the Board and the proposed indemnitee are unable to agree upon such special legal counsel, the Board and the proposed indemnitee each shall select a nominee, and the nominees shall select such special legal counsel.

**SECTION 8.** Applicability of this Article. The provisions of this Article shall be applicable to all actions, claims, suits or proceedings commenced after the adoption hereof, whether arising from any action taken or failure to act before or after such adoption. No amendment, modification or repeal of this Article shall diminish the rights provided hereby or diminish the right to indemnification with respect to any claim, issue or matter in any then pending or subsequent proceeding that is based in any material aspect on any alleged action or failure to act prior to such amendment, modification or repeal. Reference herein to directors, officers, employees or agents shall include former directors, officers, employees and agents and their respective heirs, executors and administrators.

## ARTICLE VII

## **FINANCE**

**SECTION 1. Fiscal Period.** The fiscal period of the Foundation shall be the same as the fiscal period of the Charlottesville Area Association of REALTORS®.

**SECTION 2. Budget.** The Foundation Board of Directors shall adopt an annual operating budget covering all activities of the Foundation.

**SECTION 3. Audit.** The accounts of the Foundation shall be audited not less than annually by a Certified Public Accountant who shall provide a report to the Foundation Board of Directors in the quarter immediately following the close of the previous fiscal period. Within sixty (60) days following completion of the audit, the Foundation Board of Directors shall furnish the Charlottesville Area Association of REALTORS® Board of Directors with a financial report for the fiscal year just concluded. An audit that demonstrates that the Foundation is not financially viable will trigger an automatic Sunset Review, as described in Article VIII, Section 2 below.

**SECTION 4. Grant Approval.** No grant, award, or non-budgeted expense shall be made without a majority vote of the Foundation Board of Directors.

## **ARTICLE VIII DISSOLUTION**

**SECTION 1.** The Foundation shall use its funds only to accomplish the objectives and purposes specified in Articles of Incorporation and, to the extent consistent with the objectives and purposes specified in Articles of Incorporation, the objectives and purposes specified in these Bylaws, and no part of said funds shall inure, or be distributed, to the Board of Directors of the Foundation. On dissolution of the Foundation, any funds remaining shall be distributed in accordance with the Articles of Incorporation.

**SECTION 2.** The President of CAAR may request that a task force be appointed to conduct a Sunset Review of the CAAR Foundation as needed, but not more than once every three years. Upon such request, the Board shall appoint a task force consisting of three persons to conduct such Sunset Review. The task force will include and make recommendations to the Board on the achievement of effective financial objectives, the outcomes of philanthropic initiatives, and the membership of the Foundation Board. If, as a result of the Sunset Review, the Board determines that the Foundation is not meeting its goals, it may consider dissolution of the Corporation. The task force shall not consist of any sitting member of the Foundation Board of Directors, but it shall consist of at least one (1) Past Foundation Director.

## **ARTICLE IX AMENDMENTS**

**SECTION 1.** Amendments to or repeal of these Bylaws may be approved and adopted by the Foundation Board of Directors on its own initiative or upon petition by three Foundation Directors voting at any meeting of the Foundation Board of Directors, duly called, provided written notice of proposed changes have been sent to all the Foundation Board of Directors fifteen (15) days before such meeting.

## **ARTICLE X RULES OF ORDER**

**SECTION 1.** The rules contained in the current edition of the ROBERT'S RULES OF ORDER shall govern the conduct of meetings of the Foundation Board of Directors in all cases to which they are applicable and in which they are not inconsistent with the Bylaws and any special rules the Foundation may adopt.

## **ARTICLE XI CONFLICT OF INTEREST TRANSACTIONS**

**SECTION 1.** A "Conflict of Interest Transaction" is a transaction with the corporation in which a Director has an interest that precludes the Director from being a disinterested Director pursuant to the provisions of Section 13.1-871 of the Virginia Nonstock Corporation Act. A Director shall inform the Board of Directors of the material facts of which he has knowledge relating to any direct or indirect Conflict of Interest Transaction and of any interest which the Director has about any such Transaction being contemplated by the Board of Directors. All Conflict of Interest Transactions shall be considered by the Board (or any committee with appropriate board delegated powers) and shall only be approved in compliance with the provisions of Section 13.1-871 of the Virginia Nonstock Corporation Act, as it may be amended from time to time.

**SECTION 2.** Moreover, the Board of Directors has adopted a Conflict of Interest Policy (the "Policy"). The Board may amend or replace the Policy from time to time. The Policy provides for the disclosure of possible conflicts of interest and for evaluation of the same, with internal procedures. The Policy is intended to supplement but not replace any state laws (including but not limited to Va. Code Section 13.1-871) or federal laws governing conflicts of interest applicable to nonprofit and charitable organizations.



**ARTICLES OF INCORPORATION  
OF  
CHARLOTTESVILLE AREA ASSOCIATION OF REALTORS® FOUNDATION**

The undersigned Incorporator hereby establishes a nonstock, non-member corporation subject to the requirements of the laws of the Commonwealth of Virginia, pursuant to the provision of Chapter 10, of Title 13.1 of the Code of Virginia, 1950, as amended, and to that end, hereby adopts Articles of Incorporation as follows:

Name, Purposes and Restrictions

The name of the corporation ("Corporation") shall be ""Charlottesville Area Association of Realtors® Foundation."

Membership. The Corporation shall not have any members.

Registered Agent and Office. The name of the Corporation's initial registered agent is Mark J. Nelson. The initial registered agent is an individual who is a resident of Virginia and a member of the Virginia State Bar. The Corporation's initial registered office address, including the street and number, if any, which is identical to the business office of the initial registered agent, is 530 East Main Street, Charlottesville, Virginia 22902. The registered office is located in the City of Charlottesville, Virginia.

The corporation is organized exclusively for charitable, scientific, or educational purposes within the meaning of §501(c)(3) of the Internal Revenue Code of 1986 as amended, or the corresponding section of any future federal tax code ("Code"). The corporation may carry on any other lawful activity consistent with the provisions of these Articles.

No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to, its officers, directors, or other private persons, and no officer or director of the corporation, or any other private individual, shall be entitled to share in any distribution of any corporate assets on dissolution of the corporation or otherwise, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in these Articles. The corporation shall not devote more than an insubstantial part of its activities to attempting to influence legislation by propaganda or otherwise. The corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office. Notwithstanding any other provision of these Articles, the corporation shall not carry on any other activities not permitted to be carried on by a corporation exempt from federal income tax under §501(c)(3) of the Code or by a corporation, contributions to which are deductible under Section 170(c)(2) of the Code (or under corresponding sections of any future federal tax Code).

Upon dissolution of the corporation, its remaining assets shall be distributed for one or more exempt purposes within the meaning of §501(c)(3) of the Code. Any such assets not so disposed of shall be disposed of by a court of competent jurisdiction exclusively for such purposes or to such organization or organizations as such court shall determine which are organized and operated exclusively for such purposes.

Notwithstanding any other provision of these Articles of Incorporation, if the corporation is at any time a private foundation as defined in §509 of the Code, the following provisions shall apply:

The corporation shall distribute its income for each taxable year at such time and in such manner as not to subject the corporation to the tax imposed under §4942 of the Code.

The corporation shall not engage in any act of self dealing, as defined in §4941(d) of the Code.

The corporation shall not retain any excess business holdings, as defined in §4943(c) of the Code.

The corporation shall not make any investments in such a manner as to subject it to the tax imposed under §4944 of the Code.

The corporation shall not make any taxable expenditures, as defined in §4945(d) of the Internal Revenue Code.

The corporation shall not engage in the carrying on of propaganda or otherwise attempting to influence legislation.

#### Limitation of Liability and Indemnification

**Limitation of Liability.** To the full extent that the Virginia Nonstock Corporation Act, as it exists on the date hereof or may hereafter be amended, permits the limitation or elimination of the liability of the directors or officers, a director or officer of the Corporation shall not be liable to the Corporation for any monetary damages.

**Indemnification.** The Corporation shall indemnify a director or officer of the Corporation who is or was a party to any proceeding by reason of fact that he or she is or was such a director or officer, or is or was serving at the re-quest of the Corporation as a director, partner, trustee, officer, manager, employee or agent of another corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise, against all liabilities and expenses incurred in the proceeding except such liabilities and expenses are incurred because of his or her willful misconduct or knowing violation of the criminal law.

**Advances and Reimbursement of Expenses.** Unless a determination has been made that the indemnification is not permissible, the Corporation shall make advances and reimbursements for expenses incurred by a director or officer in a proceeding upon receipt of an undertaking from him or her to repay the same if it is ultimately determined that the director or officer is not entitled to indemnification. Such undertaking shall be an unlimited, unsecured general obligation of the director or officer and shall be accepted without reference to his or her ability to make repayment. Unless a determination has been made that indemnification is not permissible, the Corporation is hereby empowered to contract in advance to indemnify and advance the expenses of any director or officer.

**Procedure for Indemnification.** The determination to make advancements, reimbursements or indemnifications, or to contract in advance to do the same, shall be made by majority vote of a quorum of disinterested directors. If a quorum of disinterested directors cannot be obtained for any reason, then the determination shall be made by a majority vote of a committee designated by the Board, including interested directors, the committee to consist only of disinterested directors, at least two in number, or by special legal counsel selected by a quorum of disinterested directors or by the committee described above. If neither a quorum of disinterested directors nor a committee of a least two disinterested directors can be obtained, then the selection of the special legal counsel shall be made by a majority vote of the entire Board, including interested directors.

**Persons Covered.** The Board is hereby empowered, by majority vote of a quorum of disinterested directors, to cause the Corporation to indemnify or contract in advance to indemnify any person not specified in subsection (b) above who was or is a party to any proceeding by reason of the fact that he or she is or was an employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, partner, trustee, officer, man-ager, employee or agent of another corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise, to the same extent as if such a person were specified as one to whom indemnification is granted in subsection (b) above.

**Insurance.** The Corporation may purchase and maintain insurance to indemnify it against the whole or any portion of the liability assumed by it in accordance with this Article and may also procure insurance, in such amounts as the Board may determine, on behalf of any person who is or was a director, officer, employee, or agent of the Corporation, or is or was serving at the request of the Corporation as a director,

partner, trustee, officer, manager, employee, or agent of another corporation, partnership, limited liability company, joint venture, trust, employee benefit plan, or other enterprise, against any liability asserted or incurred by any such person in any such capacity or arising from his status as such, whether or not the Corporation would have power to indemnify him against such liability under the provisions of this Article.

Changes in Board Composition. In the event there has been a change in the composition of a majority of the Board after the date of the alleged act or omission with respect to which indemnification is claimed, any determination as to indemnification and advancement of expenses with respect to any claim for indemnification made pursuant to subsection (b) above shall be made by special legal counsel agreed upon by the Board and the proposed indemnitee. If the Board and the proposed indemnitee are unable to agree upon such special legal counsel, the Board and the proposed indemnitee each shall select a nominee, and the nominees shall select such special legal counsel.

Applicability of this Article. The provisions of this Article shall be applicable to all actions, claims, suits or proceedings commenced after the adoption hereof, whether arising from any action taken or failure to act before or after such adoption. No amendment, modification or repeal of this Article shall diminish the rights provided hereby or diminish the right to indemnification with respect to any claim, issue or matter in any then pending or subsequent proceeding that is based in any material aspect on any alleged action or failure to act prior to such amendment, modification or repeal. Reference herein to directors, officers, employees or agents shall include former directors, officers, employees and agents and their respective heirs, executors and administrators.

#### Board of Directors/Members

A. The affairs and management of the corporation shall be under the control of the Board of Directors. The corporation shall have no voting members and no capital stock.

B. Initial Directors. The number of initial directors is ten. The number of Directors may be increased or decreased by amendment of the Bylaws. The initial directors on the Board shall be classified into three classes: Class A directors to serve for a three-year term (until the 2020 annual meeting of the Board), Class B to serve a serve for a two-year term (until the 2019 annual meeting of the Board), and Class C to serve for a one-year term (until the 2018 annual meeting of the Board). The names and address of the Initial Directors, by Class, is as follows:

##### Class A Directors:

Jack Crocker Keller Williams Realty-Charlottesville 3510 Remson Ct, Ste. 301 Charlottesville, VA 22901	Kristin Streed Loring Woodriff RE Associates 401 Park St Charlottesville, VA 22902
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Tammy Wilt  
Movement Mortgage  
3510 Remson Ct  
Charlottesville, VA 22901

##### Class B Directors:

Jessica Russo Nest Realty 126 Garrett St, Ste D Charlottesville, VA 22902	John Seidler Real Estate III 2216 Ivy Rd, Ste 210 Charlottesville, VA 22903
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John Updike

Roy Wheeler Realty  
1100 Dryden Lane  
Charlottesville, VA 22903

Class C Directors:

~~Peter Cefaratti  
Embrace Home Loans  
3510 Remson Ct, Ste 210  
Charlottesville, VA 22904~~

Anthony McGhee  
Assist 2 Sell First Rate Realty  
1719 Allied St, Ste B  
Charlottesville, VA 22903

Arleen Yobs  
Nest Realty  
126 Garrett St, Ste D  
Charlottesville, VA 22902

Donna Patton  
Keller Williams Realty-Charlottesville  
3510 Remson Ct, Ste. 301  
Charlottesville, VA 22901

C. Manner of Election and Term of Service. As the terms of the initial directors expire (and thereafter), the successor directors shall be persons nominated in accordance with the Bylaws and elected at the annual meetings of the Board by the directors then in office. The directors so elected shall hold office for a term of three years and each shall serve for such term and until the election and qualification of a successor, or until such director's death, resignation, or removal. No person shall be eligible to serve for more than two-consecutive three-year terms (or the equivalent in years), but such person will again be eligible to serve after a one-year break in service.

Bylaws

The Board of Directors shall have the power to adopt, revise, amend and revoke such bylaws as they may deem proper for the management of the affairs of the corporation.

Amendment to Articles of Incorporation

These Articles may be altered, amended or repealed, in whole or in part, and new Articles may be adopted by the Board of Directors; provided, however, that these Articles may only be amended or altered in a manner which would not disqualify the corporation under §501(c)(3) of the Code. The adoption of new Articles or the alteration, amendment or repeal of the Articles shall require an affirmative vote of two thirds of those Directors who may vote on such matters as set forth in the bylaws.

  
Anthony S. McGhee

09/30/2017  
Date

**CHARLOTTESVILLE AREA ASSOCIATION OF REALTORS® FOUNDATION  
CONFLICT OF INTEREST POLICY**

**Adopted August 2017**

**ARTICLE I. PURPOSE, SCOPE, AND APPLICATION**

The purpose of the Conflict of Interest Policy (the "**Policy**") is to protect the interests of the Charlottesville Area Association Of Realtors® Foundation (the "**Organization**") when it is contemplating entering into a transaction or arrangement that might benefit or appear to benefit the private interest of any present or former director, officer, employee, or volunteer of the Organization, indirectly benefit a Related Party, or result in a possible Excess Benefit Transaction. The Organization is organized to serve the public interest, and each director, officer, employee, and volunteer must act and use good judgment to maintain and further the public's trust and confidence in the Organization.

This Policy establishes guidelines, procedures, and requirements for:

Identifying a Conflict of Interest and situations that may result in an actual, potential, or perceived Conflict of Interest; and

Appropriately managing a Conflict of Interest in accordance with legal requirements and the goals of accountability and transparency.

This Policy applies to all directors, officers, employees, and volunteers of the Organization. All directors, officers, employees, and volunteers must familiarize themselves with and adhere to the principles and rules set out in this Policy.

This Policy is intended to supplement but not replace any state and federal laws governing Conflicts of Interest applicable to non-profit and charitable organizations.

Any questions about this Policy should be referred to CAAR Foundation Staff- CAAR CEO Anne Gardner (434) 817-2393 or by email at [anne@caar.com](mailto:anne@caar.com), who oversees administering, enforcing, and updating this Policy.

**ARTICLE II. DEFINITIONS**

**"Conflict of Interest"**. Arises in situations where, in the judgment of the Organization's board of directors:

The outside interests or activities (such as Covered Interests) of a director, officer, employee, or volunteer interfere or compete with the Organization's interests.

The stake of a director, officer, employee, or volunteer in a transaction or arrangement is such that it reduces the likelihood that such person's influence can be exercised impartially in the best interests of the Organization.

A director, officer, employee, or volunteer has divided loyalties.

An Excess Benefit Transaction would occur.

**"Covered Interest"**. Exists when any director, officer, employee, or volunteer has directly, or indirectly through a Related Party:

An ownership or investment interest in any entity with which the Organization has a transaction or arrangement.

A compensation arrangement with the Organization or with any entity or individual with which the Organization has a transaction or arrangement.

A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Organization is negotiating a transaction or arrangement.

A legal commitment or financial interest, including by virtue of a board appointment, employment position, or volunteer arrangement, to act in the interests of another entity or individual.

Compensation includes direct and indirect remuneration as well as gifts or favors that are not insubstantial. A Covered Interest is not necessarily a Conflict of Interest. Under Article III.2, a person who has a Covered Interest may have a Conflict of Interest only if the Board of Directors decides that a Conflict of Interest exists.

**"Excess Benefit Transaction"**. Any transaction in which an economic benefit is provided by the Organization, directly or indirectly, to or for the use of a disqualified person and the value of the economic benefit provided by the Organization exceeds the value of the consideration (including the performance of services) received by the Organization. A disqualified person is any person who was able to exercise substantial influence over the affairs of the non-profit at any time during a five-year lookback period, ending on the date of the transaction, and includes but is not limited to the Organization's directors, officers, and Related Parties, as defined herein.

**"Interested Person"**. Any director, officer, employee, or volunteer who has a direct or indirect Covered Interest.

**"Related Party"**. Any one of the following persons or entities:

Any director, officer, employee, or volunteer of the Organization or its affiliates.

Any Relative of any individual described in subsection 5(a) above.

Any entity or trust of which any individual described in subsections 5(a) or 5(b) above serves as a director, trustee, officer, employee, or volunteer.

Any entity or trust in which any individual described in subsections 5(a) or 5(b) above has a thirty-five percent (35%) or greater ownership or beneficial interest.

Any partnership or professional corporation in which any individual described in subsections 5(a) or 5(b) above has a direct or indirect ownership interest in excess of five percent (5%).

Any other entity or trust in which any individual described in subsections 5(a) or 5(b) above has a material financial interest.

**"Relative"**. Any one of the following persons:

The spouse or domestic partner of an Interested Person.

The ancestors of an Interested Person.

The siblings or half-siblings, children (whether natural or adopted), grandchildren, and great-grandchildren of an Interested Person.

The spouse or domestic partner of any person described in subsection 6(c) above.

### **ARTICLE III. PROCEDURES**

**Duty to Disclose.** An Interested Person must disclose the existence of any actual, potential, or perceived Conflict of Interest as soon as such Interested Person identifies that there may be a Conflict of Interest, and before the Organization enters into the proposed transaction or arrangement that gives rise to the Conflict of Interest.

The disclosure shall be made to:

the Board of Directors of directors if the Interested Person is a director or officer; or

the Interested Person's manager if the Interested Person is an employee or volunteer, who shall in turn inform the board of directors of the disclosed Conflict of Interest.

The Interested Person shall be given the opportunity to disclose all material facts to the board of directors concerning the proposed transaction or arrangement, including the circumstances giving rise to the Conflict of Interest.

**Determining Whether a Conflict of Interest Exists.** After disclosure of the actual, potential, or perceived Conflict of Interest, the board shall determine whether a Conflict of Interest exists by following the procedures described in this Section 2:

The Interested Person shall disclose all material facts relating to the potential Conflict of Interest to the board.

After any discussion between the board and the Interested Person, the Interested Person shall leave the board meeting while the determination of a Conflict of Interest is discussed and voted upon.

The board members, other than the conflicted Interested Person(s), shall decide if a Conflict of Interest exists. If the remaining board determines by majority vote that no conflict exists, no further review of the transaction by the board is required if not ordinarily required in the normal course of business. The discussion and determination of the existence of a Conflict of Interest shall be documented in accordance with the procedures outlined in Article IV below.

The determination that a Conflict of Interest exists shall not preclude the board (other than the conflicted Interested Person(s)) from approving the matter, but such determination shall require the board to follow the procedures outlined in Article III.3 below.

**Procedures for Addressing the Conflict of Interest.** To address a Conflict of Interest, the board shall follow the procedures described in this Section 3:

An Interested Person may make a presentation at the board meeting, but after the presentation, the Interested Person shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the Conflict of Interest.

The Interested Person shall not attempt to intervene with or improperly influence the deliberations or voting on the matter giving rise to the Conflict of Interest.

The chairperson of the board shall, if appropriate, appoint a disinterested person or committee to investigate market information and alternatives to the proposed transaction or arrangement, including obtaining comparability data when determining compensation.

After exercising due diligence, the board shall determine whether the Organization can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a Conflict of Interest.

If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a Conflict of Interest, the board shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is (i) in the Organization's best interest; (ii) for its own benefit; and (iii) fair and reasonable.

In conformity with the above determinations the board shall make its decision as to whether to enter into the transaction or arrangement.

**Violations of the Conflict of Interest Policy.** If the board has reasonable cause to believe an Interested Person has failed to disclose an actual, potential, or perceived Conflict of Interest, it shall inform the Interested Person of the basis for such belief and afford the Interested Person an opportunity to explain the alleged failure to disclose.

If, after hearing the Interested Person's response and after making further investigation as warranted by the circumstances, the board determines the Interested Person has failed to disclose an actual, potential, or perceived Conflict of Interest, it shall take appropriate disciplinary and corrective action, up to and including termination of employment or volunteering, or removal from the board.

Each director, officer, employee, and volunteer are responsible for reporting to his or her manager or to the board any suspected failure to disclose by any Interested Person, regardless of position.

Conduct that violates this Policy is always considered outside the scope of employment of any employee acting on behalf of the Organization.

**Confidentiality.** The Organization shall maintain the confidentiality of any disclosures made in connection with this Policy and limit access to the information in accordance with the Organization's privacy policy.

Each director, officer, employee, and volunteer shall exercise care not to use, publish, or disclose confidential information acquired in connection with disclosures of actual, potential, or perceived Conflicts of Interest during or subsequent to his or her employment, participation as a volunteer, or participation on the board of directors.

#### **ARTICLE IV. RECORDS OF PROCEEDINGS**

The minutes of the meeting(s) of the board shall contain:

(i) The names of the persons who disclosed or otherwise were found to have an actual, potential, or perceived Conflict of Interest; (ii) the nature of the disclosed interest; (iii) any action taken to determine whether a Conflict of Interest was present; (iv) whether the Interested Person was present during the determination; and (v) the board's decision as to whether a Conflict of Interest in fact existed.

(i) The names of the persons who were present for discussions by the board of the proposed transaction or arrangement; (ii) the votes relating to the transaction or arrangement; (iii) the content of the discussion, including any alternatives to the proposed transaction or arrangement; and (iv) a record of any votes taken in connection with the proceedings.

The minutes shall be approved as reasonable, accurate, and complete before the later of:

- The next board meeting.
- Sixty (60) days after the final actions of the board are taken.

#### **ARTICLE V. COMPENSATION**

A voting member of the board who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.

A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.



No voting member of the board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Organization either individually or collectively, is prohibited from providing information to any committee regarding compensation.

#### **ARTICLE VI. ANNUAL STATEMENTS AND DISCLOSURES**

Each director, officer, employee, and volunteer shall annually disclose all Conflicts of Interest in writing on the Organization's disclosure form in accordance with this Policy and sign a statement that affirms such person:

Has received a copy of the Policy;

Has read and understands the Policy;

Has agreed to comply with the Policy;

Has no Conflict of Interest to report or is reporting current Conflicts of Interest; and

Understands the Organization is charitable and in order to maintain its federal tax exemption it must engage primarily in activities that accomplish one or more of its tax-exempt purposes.

#### **ARTICLE VII. PERIODIC REVIEWS**

To ensure the Organization operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its reputation or tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

Whether compensation arrangements and benefits are (i) reasonable; (ii) based on competent survey information; and (iii) the result of arm's length bargaining; and

Whether partnerships, joint ventures, and arrangements with management organizations (i) conform to the Organization's written policies; (ii) are properly recorded (iii) reflect reasonable investment or payments for goods and services; (iv) further charitable purposes; and (v) do not result in inurement, impermissible private benefit, or an Excess Benefit Transaction.

The Organization expressly reserves the right to change, modify, or delete the provisions of this Policy without notice.

#### **ARTICLE VIII. USE OF OUTSIDE EXPERTS**

When conducting a Conflict of Interest determination as provided for in Article III or a periodic review as provided for in Article VII, the organization may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the board of its fiduciary duties or responsibilities when considering a transaction or arrangement with an Interested Person or Related Party, or for ensuring periodic reviews are conducted.