

**BYLAWS OF THE
LYNCHBURG ASSOCIATION OF REALTORS®, INC.**

ARTICLE I - Name

Section 1. Name. The name of this organization shall be the Lynchburg Association of REALTORS®, Incorporated; 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 Constitution and 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, individuals 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 Amherst, Appomattox, Bedford County less that portion South of Highway 24 and in Campbell County EXCEPT territory starting at Western Boundary; beginning at the intersection of Halifax-Campbell County lines and Highway 761, thence North on Highway 761 to its intersection with Highway 501; NORTHERN BOUNDARY: thence Southeast and South on Highway 501 to its intersection with Highway 605; EASTERN BOUNDARY: thence South on Highway 605 to the Campbell-Charlotte County lines; SOUTHERN BOUNDARY: thence West along the Halifax-Campbell County lines to its intersection with Highway 761, the point of beginning, including communities of

Lynchburg in Campbell County and Bedford in Bedford County, Virginia.

Section 2. Territorial Jurisdiction is defined to mean:

(a) The right and duty to control the use of the terms REALTOR® and REALTORS®, subject to the conditions set forth in these 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 five classes of members as follows:

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

(1) Individuals who, as sole proprietors, partners, corporate officers, or branch office managers, are engaged actively in the real estate profession, including buying, selling, exchanging, renting or leasing, managing, appraising for others for compensation, counseling, building, developing or subdividing real estate, and who maintain or are associated with an established real estate office in the state of 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 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 (e) of Article IV.

In the case of a real estate firm, partnership, or corporation, whose business activity is substantially all commercial, only those principals actively engaged in the real estate business in connection with the same office, or any other offices within the jurisdiction of the Association in which one of the firm's principals holds REALTOR® Membership, shall be required to hold REALTOR® Membership unless otherwise qualified for Institute Affiliate Membership as described in Section 1 (e) 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 and meet the qualifications set out in Article V.

(3) Franchise REALTOR® Membership. Corporate officers (who may be licensed or unlicensed) of a real estate brokerage franchise organization with at least one hundred fifty (150) franchises 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 Association-mandated education, meeting attendance, or indoctrination classes or other similar requirements; the right to use the term REALTOR® in connection with their franchise organization's name; and the right to hold elective office in the local Association, state association and National Association.

(4) Primary and secondary REALTOR® Members. An individual is a primary Member if the Association pays state and National dues based on such Member. An individual is a secondary 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.

(5) Designated REALTOR® Members. Each firm (or office in the case of firms with multiple office locations) shall designate in writing one REALTOR® Member who shall be responsible for all duties and obligations of Membership, including the obligation to arbitrate 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.

(b) **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 (e) of this Section, have interests requiring information concerning real estate, and are in sympathy with the objectives of the Association.

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

(d) **Honorary Members.** Honorary Members shall be individuals not engaged in the real estate profession who have performed notable service for the real estate profession, for the Association, or for the public.

(e) **Institute Affiliate Members.** Institute Affiliate Members shall be individuals who hold a professional designation awarded by a qualified 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.

ARTICLE V - Qualification and Election

Section 1. Application

(a) An application for membership shall be made in such manner and form as may be prescribed by the Board of Directors and made available to anyone requesting it. The application form shall contain among the statements to be signed by the applicant (1) that applicant agrees as a condition to membership to thoroughly familiarize himself/herself with the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, the Constitutions, Bylaws, and Rules and Regulations of the Association, the State and National Associations, and if elected a Member, will abide by the Constitutions and Bylaws and Rules and Regulations of the Association, State and National Associations, 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 applicant consents that the Association, through its CEO or their designee, may invite and receive information and comment about applicant from any Member or other persons, and that applicant agrees that any information and comment furnished to the Association by any person in response to the invitation shall be conclusively deemed to be privileged and not form the basis of any action for slander, libel, or defamation of character.

The applicant shall, with the form of application, have access to a copy of the Bylaws, Constitution, Rules and Regulations, and Code of Ethics referred to above.

Section 2. Qualification.

(a) An applicant for REALTOR® Membership who is a sole proprietor, partner, corporate officer, or branch office manager of a real estate firm shall supply evidence satisfactory to the CEO or their designee that he/she is actively engaged in the real estate profession, and maintains a current, valid real estate broker's or salesperson's license or is licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, has a place of business within the state or a state contiguous thereto (unless a secondary member), has no record of recent or pending bankruptcy*, has no record of official sanctions involving unprofessional conduct**, agrees to complete a course of instruction covering the Bylaws and Rules and Regulations of the Association, the Bylaws of the State Association, and the Constitution and Bylaws and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, and shall pass such reasonable and nondiscriminatory written examination thereon as may be required by the Association and shall agree that if elected to membership, he/she will abide by such Constitution, Bylaws, Rules and Regulations, and Code of Ethics.

(*) **NO RECENT OR PENDING BANKRUPTCY** is intended to mean that the applicant or any real estate firm in which the applicant is a sole proprietor, general partner, corporate officer, or branch office manager, is not involved in any pending bankruptcy or insolvency proceedings or, has not been adjudged bankrupt in the past three (3) years. If a bankruptcy proceeding as described above exists, membership may not be rejected unless the Association establishes that its interests and those of its members and the public could not be adequately protected by requiring that the bankrupt applicant pay cash in advance for Association and MLS fees for up to one (1) year from the date that membership is approved or from the date that the applicant is discharged from bankruptcy (whichever is later). In the event that an existing Member initiates bankruptcy proceedings, the Member may be placed on a "cash basis" from the date that bankruptcy is initiated until one (1) year from the date that the Member has been discharged from bankruptcy.

(**) **NO RECORD OF OFFICIAL SANCTIONS INVOLVING UNPROFESSIONAL CONDUCT** is intended to mean that the Association may only consider judgments within the past three (3) years of violations of (1) civil rights laws; (2) real estate license laws; (3) or other laws prohibiting unprofessional conduct against the applicant rendered by the courts or other lawful authorities.

(b) Individuals who are actively engaged in the real estate profession other than as sole proprietors, partners, 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 Designated REALTOR® Member of another Association (if a secondary member) and must maintain a current, valid real estate broker's or

salesperson's license or be licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, shall complete a course of instruction covering the Bylaws and Rules and Regulations of the Association, the Bylaws of the State Association, and the Constitution and Bylaws and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, and shall pass such reasonable and nondiscriminatory written examinations thereon as may be required by the Association and shall agree in writing that if elected to membership he/she will abide by such Constitution, Bylaws, Rules and Regulations, and the Code of Ethics.

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

1. All final findings of Code of Ethics violations and violations of other membership duties in this or any other REALTOR® association within the past three (3) years
2. Pending ethics complaints (or hearings)
3. Unsatisfied discipline pending
4. Pending arbitration requests (or hearings)
5. Unpaid arbitration awards or unpaid financial obligations to any other association or association MLS
6. Any misuse of the term REALTOR® or REALTORS® in the name of the applicant's firm.

“Provisional” membership may be granted in instances where ethics complaints or arbitration requests (or hearings) are pending in other associations or where the applicant for membership has unsatisfied discipline pending in another association (except for violations of the Code of Ethics; See Article V, Section 2(a)) provided all other qualifications for membership have been satisfied. Associations may reconsider the membership status of such individuals when all pending ethics and arbitration matters (and related discipline) have been resolved or if such matters are not resolved within six months from the date that provisional membership is approved. Provisional members shall be considered REALTORS® and shall be subject to all of the same privileges and obligations of REALTOR® membership. If a Member resigns from another association with an ethics complaint or arbitration request pending, the Association may condition membership on the applicant's certification that he/she will submit to the pending ethics or arbitration proceeding (in accordance with the established procedures of the association to which the applicant has made application) and will abide by the decision of the hearing panel.

Section 3. Election.

The procedure for election to membership shall be as follows:

(a) Applicants for REALTOR® membership shall be granted provisional membership immediately upon submission of a completed application form and remittance of applicable Association dues and any application fee. Provisional Members shall be considered REALTORS® and shall be subject to all of the same privileges and obligations of Membership. Provisional Membership is granted subject to subsequent review of the application by the CEO or their designee. If the CEO or their designee determines that the individual does not meet all of the qualifications for Membership as established in the Association's bylaws, or, if the individual does not satisfy all of the requirements of Membership (for example, completion of a mandatory orientation program) within 365 days from the Association's receipt of their application, the CEO or their designee shall forward the application to the Board for Directors for consideration. After a review of the application, the applicant's Membership may, at the discretion of the Board of Directors, be terminated.

(b) Dues shall be computed from the date of application and shall be non-refundable unless the Association's Board of Directors terminates the individual's Membership in accordance with subsection (a) above. In such instances, dues shall be returned to the individual less a prorated amount to cover the number of days that the individual received Association services and any application fee.

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

(d) If the Board of Directors determines that provisional Membership should be terminated, it shall record its reasons with the Secretary. If the Board of Directors believes that termination of provisional Membership may become the basis of litigation and a claim of damage by a provisional Member, it may specify that termination 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 termination violates no rights of the individual.

Section 4. New Member Code of Ethics Orientation.

Applicants for REALTOR® membership and provisional REALTOR® Members (where applicable) shall complete a 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 365 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.

Section 5. REALTOR® Code of Ethics Training.

Effective January 1, 2017, through December 31, 2018, and for successive two year periods thereafter, each REALTOR® Member of the Association shall be required to complete 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 two (2) year cycle shall not be required to complete additional ethics training until a new two (2) year cycle commences.

Failure to meet the requirement for each two (2) year cycle will result in suspension of membership for the first two months (January and February) of the year following the end of any two (2) year cycle or until the requirement is met, whichever occurs sooner. On March 1 of that year, the membership of a Member who is still suspended as of that date will be automatically terminated.

Section 6. Status Changes.

(a) A REALTOR® who changes the conditions under which he/she holds membership shall be required to provide written notification to the Association within 30 days. A REALTOR® (non-principal) who becomes a principal in the firm with which has been licensed or, alternatively, becomes a principal in a new firm which will be comprised of REALTOR® principals may be required to satisfy any previously unsatisfied membership requirements applicable to REALTOR® (principal) Members but shall, during the period of transition from one status of membership to another, be subject to all of the privileges and obligations of a REALTOR® (principal). If the REALTOR® (non-principal) does not satisfy the requirements established in these Bylaws for the category of membership to which they have transferred within 30 days of the date they advised the Association of their change in status, their new membership application will terminate automatically unless otherwise so directed by the Board of Directors.

A REALTOR® who is transferring their license from one firm comprised of REALTOR® principals to another firm comprised of REALTOR® principals shall be subject to all of the privileges and obligations of Membership during the period of transition. If the transfer is not completed within ten (10) days of the date the Association is advised of the disaffiliation with the current firm, Membership will terminate automatically unless otherwise so directed by the Board of Directors.

(The Board of Directors, at its discretion, may waive any qualification which the applicant has already fulfilled in accordance with the Association's Bylaws.)

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

(c) Dues shall be prorated from the first day of the quarter in which the Member is notified of election by the Board of Directors and shall be based on the new Membership status for the remainder of the year.

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 consistent with these Bylaws, after a hearing as provided in the *Code of Ethics and Arbitration Manual* of the Association. Although Members other than REALTORS® are not subject to the Code of Ethics nor its enforcement by the Association, such Members are encouraged to abide by the principles established in the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and conduct their business and professional practices accordingly. Further, Members other than REALTORS® may, upon recommendation of the Association, or upon recommendation by a hearing panel of the Professional Standards Committee, be subject to discipline as described above, for any conduct, which in the opinion of the Board of Directors, applied on a nondiscriminatory basis, reflects adversely on the

terms REALTOR® or REALTORS®, and the real estate industry, or for conduct that is inconsistent with or adverse to the objectives and purposes of the local Association, the State Association, and the NATIONAL ASSOCIATION OF REALTORS®.

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 CEO or their designee, provided, however, that if any Member submitting the resignation is indebted to the Association for dues, fees, fines, or other assessments of the Association or any of its services, departments, divisions, or subsidiaries, the Association may condition the right of the resigning Member to reapply for membership upon payment in full of all such monies owed.

Section 5. If a Member resigns from the Association or otherwise causes Membership to terminate with an ethics complaint pending, the complaint shall be processed until the decision of the Association with respect to disposition of the complaint is final by this Association (if respondent does not hold membership in any other Association) or by any other Association by which the respondent continues to hold membership. If an ethics respondent resigns or otherwise causes membership in all Boards to terminate before an ethics complaint is filed alleging unethical conduct occurred while the respondent was a REALTOR®, the complaint, once filed, shall be processed until the decision of the Association with respect to disposition of the complaint is final. In any instance where an ethics hearing is held subsequent to an ethics respondent's resignation or membership termination, any discipline ratified by the Board of Directors shall be held in obedience until such time as the respondent rejoins an Association of REALTORS®.

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

Section 6. REALTOR® Members. REALTOR® Members, whether primary or secondary, in good standing whose financial obligations to the Lynchburg Association of REALTORS®, Inc., are paid in full shall be entitled to vote and to hold elective office in the Association; may use the terms REALTOR® and REALTORS®, which use shall be subject to the provisions of Article VIII; and have the primary responsibility to safeguard and promote the standards, interests, and welfare of the Association and the real estate profession.

(a) If a REALTOR® Member is a sole proprietor in a firm, a partner in a partnership or an officer in a corporation, and is suspended or expelled, the firm, partnership, or corporation shall not use the terms REALTOR® or REALTORS® in connection with its business during the period of suspension, or until readmission to REALTOR® Membership, or unless connection with the firm, partnership, or corporation is severed, whichever may apply. The Membership of all other principals, partners, or corporate officers shall suspend or terminate during the period of suspension of the disciplined Member, or until readmission of the disciplined Member, or unless connection of the disciplined Member with the firm, partnership, or corporation is severed, whichever may apply. Further, the Membership of

REALTORS® other than principals who are employed by or affiliated as independent contractors with the disciplined Member shall suspend or terminate during the period of suspension of the disciplined Member or until readmission of the disciplined Member or until connection of the disciplined Member with the firm, partnership, or corporation is severed, or unless the REALTOR® Member (non-principal) elects to sever his connection with the REALTOR® and affiliate with another REALTOR® Member in good standing in the Association, whichever may apply.

If a REALTOR® Member who is other than a principal in a firm, partnership, or corporation is suspended or expelled, the use of the terms REALTOR® or REALTORS® by the firm, partnership, or corporation shall not be affected.

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

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

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

Section 10. Honorary Members. Honorary Membership shall confer only the right to attend meetings and participate in discussions.

Section 11. Certification by REALTOR®. Upon a request of the CEO or their designee, a "Designated" REALTOR® Member of the Association shall certify to the Association in writing within fifteen day of the request from 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 30 days of the date of affiliation or severance of the individual.

Section 12 Harassment. Any Member of the Association may be reprimanded, placed on probation, suspended or expelled 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, 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.

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®, as amended from time to time, which is by this reference 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 Constitution and Bylaws and the Rules and Regulations of the Association, the Constitution and Bylaws of the State Association, the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS®, and to abide by the Code of Ethics of 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.

Section 3. The responsibility of the Association and Association Members relating to the enforcement of the Code of Ethics, the disciplining of Members, the arbitration of disputes, and the organization and procedures incident thereto, shall be consistent with the cooperative professional standards enforcement agreement entered into by the Association, which by this reference is made a part of these Bylaws.

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 Association shall have the authority to control, jointly and in full cooperation with the NATIONAL ASSOCIATION OF REALTORS®, use of the terms within its jurisdiction. Any misuse of the terms by Members is a violation of a Membership duty and may subject Members to disciplinary action by the Board of Directors after a hearing as provided for in the Association's Code of Ethics and Arbitration Manual.

Section 2. REALTOR® Members of the Association shall have the privilege of using the terms REALTOR® 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 or Institute Affiliate Members as described in Section 1(e) 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 substantially all commercial, 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 of the VIRGINIA ASSOCIATION OF REALTORS®. By reason of the Association's membership, each REALTOR® Member of the Member Board 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 Constitution, 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 the annual dues for REALTOR® Membership, which shall be required to accompany each application for REALTOR® Membership, and which shall become the property of the Association upon final approval of the application.

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

(a) REALTOR® Members. The annual dues of each Designated REALTOR® Member shall be in such amount as established annually by the Board of Directors plus an amount to be established annually by the Board of Directors times the number of real estate salespersons and licensed or certified appraisers who (1) are employed by or affiliated as independent contractors or who are otherwise directly or indirectly licensed with such REALTOR® Member and (2) are not REALTOR® Members of any Association in the state or a state contiguous thereto or Institute Affiliate Members of the Association. In calculating the dues payable to the Association by a Designated REALTOR® Member, non-member licensees as defined in (1) and (2) of this paragraph shall not be included in the computation of dues if the Designated REALTOR® has paid dues based on said non-member licensees in another Association in the state or a state contiguous thereto, provided the Designated REALTOR® notifies the Association in writing of the identity of the Association to which dues have been remitted. In the case of a Designated REALTOR® Member in a firm, partnership, or corporation whose business activity is substantially all commercial, any assessments for non-member licensees shall be limited to licensees affiliated with the Designated REALTOR® (as defined in (1) and (2) of this paragraph) in the office where the Designated REALTOR® holds membership, and any other offices of the firm located within the jurisdiction of this Association.

For the purpose of this Section, a REALTOR® Member of a Member Association shall be held to be any Member who has a place or places of business within the state or a state contiguous thereto and who, as a principal, partner, 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 and 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 file with the Association within 15 days of a request by the CEO or their designee, a written 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 certified list shall not be deemed to be licensed with the REALTOR® filing the list for purposes of this Section and shall not be included in calculating the annual dues of the Designated REALTOR®. Designated REALTOR® shall notify the Association within three (3) days of any change in status of licensees in a referral firm.

Membership dues shall be prorated for any licensee included on a certified list submitted to the Association who during the same calendar year applies for REALTOR® membership in the Association. However, Membership dues shall not be prorated if the licensee held REALTOR® Membership during the preceding calendar year. The exemption for any licensee included on the certified list shall automatically be revoked upon the individual being engaged in real estate licensed activities (listing, selling, leasing, renting, managing, counseling or appraising real property) other than referrals, and dues for the current fiscal year shall be payable.

(b) **REALTOR® Members.** The annual dues of REALTOR® Members 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®.

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

Section 3. Dues Payable. Dues for all Members shall be payable annually on the date established by the Board of Directors. Dues for new Members shall be computed from the date of application and granting of provisional Membership.

(a) In the event a sales licensee or licensed or certified appraiser who holds REALTOR® Membership is dropped for nonpayment of Association dues, and the individual remains with the designated REALTOR®'s firm, the dues obligation of the "designated" REALTOR® (as set forth in Article X, Section 2(a)) will be increased to reflect the addition of a non-member licensee. Dues shall be calculated from the first day of the current fiscal year and are payable within 30 days of the notice of termination.

Section 4. Nonpayment of Financial Obligations. Dues, fees, fines or other assessments including amounts owed to the Association or the Association's Multiple Listing Service are due on the date specified. Ten (10) days after due date, a 10% penalty will be added. If not paid in full (including penalty) within 20 days of the due date, Membership of the nonpaying Member will be suspended. If not paid in full (including penalty) within 30 days of the due date, Membership of the nonpaying Member will be terminated. 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. A fee of \$50.00 will be charged for any returned check or any charge back from a credit or debit card.

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

Section 6. Notice of 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 Association Member in writing or electronically setting forth the amount owed, due date and all other terms, including any processing fees for credit card payments (if applicable).

Section 7. 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 waived. The dues obligation of such individuals to the local Association should be reduced to reflect the reduction in the Association's dues obligation to the local, State and National Associations.

It should be noted that this does not affect a "designated" REALTOR®'s dues obligation to the Association with respect to those licensees employed by or affiliated with the "designated" REALTOR® who are not Members of the local Association.

ARTICLE XI - Officers and Directors

Section 1. Officers. The elected officers of the Association shall be: a President, a President-Elect and a Secretary-Treasurer, who shall be elected by a plurality of the members of the Board of Directors and who shall not succeed themselves. The following requirements shall apply for all officers:

(a) Except as set forth herein, the elected officers shall serve for a term of one year for the fiscal year following their election.

(b) The President-Elect and Secretary-Treasurer shall be elected at the first meeting of the Board of Directors following the annual election of directors by the REALTOR® Membership. A newly elected director whose term on the Board of Directors has not yet commenced as set forth in Section 3 below and any director in the final year of their term shall not be elected as President-Elect or Secretary-Treasurer. The President-Elect will be elected by the Board for a term of one year and then shall advance without further election to the office of President in the subsequent year for a term of one year. Except for the foregoing provisions, all directors in office shall be eligible to vote for or be elected as elected officers. Newly elected directors whose term has not commenced as set forth in Section 3 below shall not be eligible to vote for officers.

(c) No more than one REALTOR® from the same real estate firm may simultaneously serve as an officer of the Association. In the event an officer of the Association transfers to a real estate firm in which another officer of the Association is already serving, then the transferring officer is deemed to have resigned effective upon transfer to the same real estate firm as another officer. Additionally, if there is a merger of two real estate firms with each firm having an officer of the Association already serving, then one of the officers must resign from their office effective upon the merger. If neither of the two officers resign, then, as between the two officers, the officer who holds the lower office within the Association (i.e. Secretary-Treasurer being the lower office, then followed by President-Elect and then President) is deemed to have resigned effective upon merger of the real estate firms.

Section 2. Duties of Officers. The duties of the officers shall be such as their titles, by general usage, would indicate and such as may be assigned to them by the Board of Directors. It shall be the particular duty of the CEO or their designee to keep the records of the Association and to carry on all necessary correspondence with the NATIONAL ASSOCIATION OF REALTORS® and the VIRGINIA ASSOCIATION OF REALTORS®.

Section 3. Board of Directors. The governing body of the Association shall be a Board of Directors consisting of at least twelve members (including the officers) who shall be elected to serve for the four fiscal years following their election commencing on January 1 following their election. The following requirements shall apply for all directors:

(a) No director shall serve for more than two (2) consecutive four (4) year terms, unless permitted herein.

(b) As many Directors shall be elected each year as are required to fill vacancies. If the immediate past President has no term remaining at the time they become the immediate past President, such person shall automatically remain a voting member of the Board of Directors for one additional year. Additionally, the President Elect's term shall extend as a voting member of the Board of Directors until such time necessary to serve the fiscal years as President-Elect, President and immediate past President.

(c) The number of directors and the terms which they shall serve may be changed by amendment to the Bylaws. Any unexpired terms shall be filled by the Board of Directors until the end of the affected term.

(d) No more than two REALTORS® from the same real estate firm may simultaneously serve on the Board of Directors; provided however, the foregoing limitation shall not require any director of the Association currently serving in office on January 20, 2016 to resign. Further provided however, if any director in office as of January 20, 2016 subsequently transfers to another real estate firm or there is a merger of two real estate firms, then the provisions of subparagraph (e) below shall apply to such director.

(e) If any director of the Association transfers to a real estate firm in which there are two or more directors of the Association already serving, then either the transferring director or one of the other directors from the same real estate firm must resign from the Board of Directors. If neither of the directors of the Association resign, then the transferring director is deemed to have resigned effective upon transfer to the same real estate firm as the other directors. Additionally, if there is a merger of two real estate firms and collectively there is more than two directors of the Association already serving, then the number of directors exceeding two must resign from the Board of Directors effective upon the merger. If the directors do not resign, then, as between the two real estate firms, the directors with the least number of years remaining on their terms shall be deemed to have resigned effective upon merger of the real estate firms. Notwithstanding the foregoing, if the terms of two directors are equal and a resignation cannot be determined as set forth herein, the Board of Directors shall determine the directors required to resign by a lottery.

Section 4. Election of Directors.

(a) At least sixty days before the annual election a Nominating Committee of five REALTOR® Members shall be appointed by the President with the approval of the Board of Directors. The Nominating Committee shall select a slate of candidates containing at least one more than the total number of vacancies to be filled on the Board of Directors, but such slate shall contain no more than two

candidates per vacancy. The report of the nominating committee shall be mailed or sent electronically to each REALTOR® Member eligible to vote at least fifteen days preceding the election. Additional candidates may be placed in nomination by a petition signed by at least twenty percent of the REALTOR® Members eligible to vote. The petition shall be filed with the CEO or their designee at least ten days before the election. The CEO or their designee shall send notice of such additional nominations to all Members eligible to vote before the election.

(b) The election of Directors shall take place in October. Election shall be in a manner as prescribed by the Board of Directors. The ballots shall contain the names of all candidates. The date(s) for balloting will be announced by the CEO or their designee as set by the Board of Directors from year to year. Directors and Officers for the next fiscal year will be announced at the next scheduled Membership meeting.

(c) Election will be determined by a plurality vote. In case of a tie vote, subsequent voting(s) will take place as prescribed in Section (a) and will be decided by plurality vote. REALTOR® Members shall cast ballots for as many candidates as there are vacancies to be filled. The President, in conjunction with the CEO, shall certify the election results of the directors, and shall notify the Board of Directors prior to notification to all Members.

Section 5. Removal of Officers and Directors. In the event that an Officer or Director is deemed to be incapable of fulfilling the duties for which elected, but will not resign from office voluntarily, the Officer or Director may be removed from office under the following procedures:

(a) A petition requiring the removal of an 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 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.

Section 6. Vacancies. Vacancies among the Officers and the Board of Directors shall be filled by a simple majority vote of the Board of Directors until the end of the affected term. The Executive Committee shall present a nominee to fill the vacancy at the next scheduled meeting of the Board of Directors. If the nominee is not approved by the Board of Directors, then the Executive Committee shall present one or more additional nominees to fill the vacancy at the same or other meetings of the Board of Directors.

Section 7. Chief Executive Officer. There shall be a chief executive officer (referred to as “CEO”), appointed by the Board of Directors, who shall be the chief executive officer of the Association. The CEO shall have the authority to hire, supervise, evaluate and terminate other staff, and shall perform such other duties as prescribed by the Board of Directors.

ARTICLE XII - Meetings

Section 1. Annual Meetings. The annual meeting of the Association shall be held during October 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 two (2) consecutive or three (3) cumulative regular meetings in a calendar year by a member of the Board of Directors shall be construed as resignation there from. If a member is deemed to have resigned, then such member cannot be reappointed to fill his or her vacancy or any other vacancy that arises until the expiration of such member’s remaining term on the Board of Directors. A majority of the Board of Directors shall constitute a quorum.

Section 3. Membership and Other Meetings. Meetings of the Members may be held at such other times as the President or the Board of Directors may determine, or upon the written request of at least ten percent of the REALTOR® Members eligible to vote. Directors and Officers must attend at least six monthly membership meetings in a calendar year. One of the six meetings must be the Past Presidents and Installation Dinner. Directors and Officers must also attend Professional Standards Training and Leadership Training as provided by LAR or any VR approved course each year they are a member of the Board of Directors. Absence by a Director or Officer from more than six monthly membership meetings in a calendar year, the Past Presidents and Installation Dinner or the Professional Standards Training and Leadership Training shall be construed as resignation from the Board of Directors. If an Officer or Director is deemed to have resigned, then such Officer or Director cannot be reappointed to fill his or her vacancy or any other vacancy that arises until the expiration of such Officer or Director’s remaining term.

Section 4. Notice of Meetings. Written notice shall be given to every member entitled to participate in the meeting at least one week preceding all meetings. If a special meeting is called it shall be accompanied by a statement of purpose of the meeting.

Section 5. Quorum. A quorum for the transaction of business shall consist of fifteen percent of REALTOR® Members eligible to vote representing at least 40 percent of the firms (in which at least one principal is a REALTOR®) in the Association's jurisdiction or market area.

Section 6. Electronic Transaction of Business. To the fullest extent permitted by law, the Board of Directors or Membership may conduct business by electronic means. Members of the Board of Directors may participate in any meeting through the use of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Such participation shall be at the discretion of the Board of Directors and shall constitute presence at the meeting.

Section 7. Action without Meeting. Any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors. The consent shall be evidenced by one or more written approvals, each of which sets forth the action taken and bears the signature of one or more directors. All the approvals evidencing the consent shall be delivered to the CEO to be filed in the corporate records. The action taken shall be effective when all the directors have approved the consent unless the consent specifies a different effective date.

ARTICLE XIII - Committees

Section 1. Executive Committee. The President, President-Elect and Secretary-Treasurer shall constitute the Executive Committee of the Board of Directors. The Chief Executive Officer shall also be a non-voting member of the Executive Committee. When the Board of Directors is not in session, the Executive Committee may act in emergencies and in non-emergency situations and may exercise the powers of the Directors, but shall report all actions to the full Board immediately and the full Board shall vote to affirm the decisions of the Executive Committee. The Executive Committee shall also serve as the Personnel Committee. The Personnel Committee shall evaluate the performance of the Chief Executive Officer annually and set the amount of annual compensation and other benefits of the Chief Executive Officer. The compensation and other benefits shall be included in the Association's personnel budget category and approved by the Board of Directors.

Section 2. Executive Search Committee. Upon the necessity to hire a new CEO for the Association, an Executive Search Committee shall be formed. The members and duties of the Committee shall be set forth in a CEO Succession Policy approved by the Board of Directors.

Section 3. Standing Committees. The President shall appoint Committee Chairs from among the REALTOR® Members, subject to confirmation by the Board of Directors, the following standing committees: AFFILIATES, EDUCATION, FORMS, GRIEVANCE, LEGISLATIVE/POLITICAL AFFAIRS, MULTIPLE LISTING, NOMINATING, PROFESSIONAL STANDARDS, and PROGRAM. The Chair of each committee shall thereafter appoint members of their respective committee, subject to confirmation by the President.

Section 4. Special Committees. The President shall appoint, subject to confirmation by the Board of Directors, such special committees as deemed necessary.

Section 5. Organization. All committees shall be of such size and shall have such duties, functions and powers as may be assigned to them by the President or the Board of Directors, except as otherwise provided in these Bylaws.

Section 6. President. The President shall be an ex-officio member of all standing committees and shall be notified of their meetings.

Section 7. Attendance by Telephone. Members of a committee may participate in any meeting through the use of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Such participation shall be at the discretion of the Committee and shall constitute presence at the meeting.

Section 8. Attendance. Any Committee member who fails to attend two (2) consecutive or three (3) cumulative Committee meetings in a calendar year shall be deemed to have resigned from the Committee and the vacancy shall be filled as herein provided for original appointments.

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 affirmative vote of two-thirds of the members of the Board of Directors. Article IX may be amended only by a majority vote of all REALTOR® Members eligible to vote.

Section 2. These bylaws may also be amended by the majority vote of the REALTOR® Members present and qualified to vote at any meeting at which a quorum is present, provided the substance of such proposed amendment or amendments has been proposed by a petition signed by at least 1/3 of the REALTOR® Members eligible to vote and filed with the Secretary at least two (2) weeks before the scheduled date for that meeting. Upon receiving such a petition, the Secretary shall cause notice of the substance of the proposed amendment or amendments to be mailed to each REALTOR® Member eligible to vote at least ten (10) days before such meeting.

Section 3. Amendments to these Bylaws affecting the admission or qualification of REALTOR® Members, 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®.

ARTICLE XVII - Dissolution

Section 1. Upon the dissolution 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 Service

Section 1. Authority. The Lynchburg Association of REALTORS®, Inc., shall maintain for the use of its Members a Multiple Listing Service which shall be subject to the Bylaws of the Association of REALTORS® 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; by which Participants engaging in real estate appraisal contribute to common databases; and is a facility for the orderly correlation and dissemination of listing information so 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, corporate officer, or branch manager acting on behalf of a principal, without further qualification, except as otherwise stipulated in these bylaws, 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 an Association 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 an Association Multiple Listing Service where access to such information is prohibited by law. Any applicant for MLS Participation and any licensee (including licensed or certified appraisers) affiliated with an MLS Participant who has access to and use of MLS-generated information shall, in addition to the orientation program devoted to the MLS Rules and Regulations, complete two (2) hours of computer training related to MLS information entry and retrieval, and the operation of the MLS within sixty (60) days after access has been provided.

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.

Section 4. Supervision. The activity shall be operated under the supervision of the Multiple Listing Committee in accordance with the Rules and Regulations, subject to approval of the Board of Directors of the Association of REALTORS®.

Section 5. Appointment of Committee. The President shall appoint, subject to confirmation by the Board of Directors, a Multiple Listing Committee of at least five (5) but not more than eleven (11) REALTOR® Members. All Members of the Committee shall be Participants in Multiple Listing, or shall be REALTOR® Members of the Association who are affiliated with the Participants. The Committee Members shall serve terms as determined at time of appointment. The Chairperson shall be designated by the President.

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 two successive regular or special meetings of the Committee, without excuse acceptable to the Committee members, shall be deemed to have resigned from the Committee and the vacancy shall be filled as herein provided for original appointments.

Section 8. Subscribers. Subscribers (or users) of the MLS include non-principal brokers, sales associates, and licensed and certified appraisers affiliated with Participants.

ARTICLE XIX - INDEMNITY OF OFFICERS, DIRECTORS, AND OTHER PERSONS

Section 1. Limitation on Liability. To the full extent that the Virginia Non-Stock Corporation Act, as it exists on the date hereof or may hereafter be amended, permits the limitation or elimination of liability of directors or officers, a director or officer of the Association shall not be liable to the Association or its Members for monetary damages unless such director or officer shall have been found to have engaged in willful misconduct or a knowing violation of criminal law. Any amendment to or repeal of this Article XIX shall not adversely affect any right or protection of a director or officer of the Association for or with respect to any acts or omissions of such director or officer occurring prior to such amendment or repeal.

Section 2. Indemnification. To the full extent permitted and in the manner prescribed by the Virginia Non-Stock Corporation Act and any other applicable law, the Association shall indemnify any director or officer of the Association who is or was a party to any proceeding by reason of the fact that he/she is or was such a director or officer or is or was serving at the request of the Association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee

benefit plan or other enterprise. The Board of Directors is hereby empowered, by majority vote of a quorum of disinterested directors, to contract in advance to indemnify any director or officer.

Section 3. Contracts of Indemnity. The Board of Directors is hereby empowered, by majority vote of a quorum of disinterested Directors, to cause the Association to indemnify or contract in advance to indemnify any person not specified in Section 2 of this Article XIX who was or is a party to any proceeding, by reason of the fact that he/she is or was an employee or agent of the Association, or is or was serving at the request of the Association as an employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, to the same extent as if such person were specified as one whom indemnification is granted in Section 2.

Section 4: Insurance. The Association 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 of Directors may determine, on behalf of any person who is or was a director, officer, employee or agent of the Association, or is or was serving at the request of the Association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, against any liability asserted against or incurred by any such person in any such capacity or arising from his status as such, whether or not the Association would have power to indemnify him or her against such liability under the provisions of this Article.

Section 5: Special Legal Counsel. In the event there has been a change in the composition of a majority of the Board of Directors after the date of the alleged act or omission with respect to which indemnification is claimed, expenses with respect to any claim for indemnification made pursuant to Section 2 of this Article XIX shall be made by the special legal counsel agreed upon by the Board of Directors and the proposed indemnitee. If the Board of Directors and the proposed indemnitee are unable to agree upon such special legal counsel, the Board of Directors and the proposed indemnitee each shall select a nominee, and the nominees shall select such special legal counsel.

Section 6. Application. The provisions of this Article XIX 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 respect on any alleged action or failure to act prior to such amendment, modification or repeal.

Section 7. References. Reference herein to directors, officers, employees or agents shall include former directors, officers, employees and agents and their respective heirs, executors and administrators.