

**BYLAWS OF THE
FREDERICKSBURG AREA ASSOCIATION OF REALTORS® INC.
(Amended 1-09)**

ARTICLE I. Name.

- Section 1. Name. The name of this organization shall be the FREDERICKSBURG AREA ASSOCIATION OF REALTORS®, INC., hereafter referred to as the "Association".
- Section 2. REALTORS®. Inclusion and retention of the term, 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 in this community 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 interest may be safeguarded and advanced.
- Section 4. To further the interest 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 term REALTOR® 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® shall include Caroline County, City of Fredericksburg, King George County, Spotsylvania County, Stafford County and the Washington District of Westmoreland County.
- Section 2. Territorial Jurisdiction is defined to mean:
- 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 right of the National Association in terms.

ARTICLE IV. Membership.

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

(a) Class I - 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. Individuals, duly licensed by the Virginia Real Estate Board or Appraisal Board and maintain a current valid real estate license or is licensed or certified to engage in the appraisal of real property, as principals, partners, or corporate officers, who are engaged actively in the real estate profession, 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® only, and each is required to hold membership Membership (except as provided in the following paragraph) in an Association of REALTORS® within the state unless otherwise qualified for Institute Affiliate membership.

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 board in which one of the firm's principals holds REALTOR membership, shall be required to hold REALTOR membership unless otherwise qualified for Institute Affiliate Membership as described in Section 1 (b) of Article IV.

(Amended 1/01)

- (2) Individuals who are engaged in the real estate profession other than as a principal, partner, corporate officer, branch office manager, and as such are associated with a REALTOR® Member and maintain a current valid real estate license or are licensed or certified by the Appraisal Board.
- (3) Corporate officers (who may be licensed or unlicensed) of a real estate brokerage franchise organization with at least one hundred fifty (150) franchisees located within the United States, its insular possessions and the commonwealth of Puerto Rico, elected to membership pursuant to the provisions in the NAR Constitution and Bylaws. Such individuals shall enjoy all of 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 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.
- (6) Each REALTOR® member shall:
 - (a) Principal Brokers shall be responsible to see that all licensees whose licenses are maintained by him (or his firm) uphold the high standards of professional service as required by these Bylaws and the Code of Ethics of the National Association of REALTORS®.
- (7) Class II - Institute Affiliate Members. Institute Affiliate Members shall be individuals who hold a professional designation awarded by an Institute, Society, or Council affiliated with the National Association of REALTORS® that addresses a specialty area other than residential brokerage or individuals who otherwise hold a class of membership in such Institute, Society, or Council that confers the right to hold office. Any such individual, if otherwise eligible, may elect to hold REALTOR® membership, subject to payment of applicable dues for such membership. (5-03)
- (8) Class III - 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 paragraph (a) or (b) of this Section, have interest requiring information concerning real estate and are in sympathy with the objectives of this Association provided the applicant is engaged exclusively in a specialty of real estate business other than brokerage of real property. They shall not be eligible to vote or hold elective office. Further, affiliate membership may be granted to licensed or certified appraisers who, if otherwise eligible, do not elect to hold REALTOR® membership in the Association.
- (9) Class IV - Public Service Members. Public service members shall be individuals who are interested in the real estate profession as salaried employees of education, 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 office. They shall not be eligible to vote or hold elective office.
- (10) Class V – 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. They shall not be eligible to vote or hold elective office.
- (11) Class VI - Student Members. Student members shall be individuals who are seeking a undergraduate or graduate degree with a specialization or major in real estate at an institution of higher learning and who have completed at least two years of college and at least one college level course in real estate but are not engaged in real estate practice on their own account or not associated with an established real estate office. They shall not be eligible to vote or hold elective office.

ARTICLE V. Qualification and Election

Section 1. Application.

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 for REALTOR® Membership shall contain statements to be signed by the applicant (1) that he has or had access to, has carefully reviewed, and, if elected a member, will abide by the Constitution and Bylaws of State Association, and the Constitution and Bylaws and the Code of Ethics of the National Association of REALTORS®, and (2) that applicant consents that the Association may invite and receive information and comment about applicant from any member or other person 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, Constitutions, Rules and Regulations and Code of Ethics referred to above.

Section 2. Qualification:

- (a) An applicant for REALTOR® Membership who is a principal, partner, or corporate officer, branch office manager, of a real estate firm shall supply satisfactory evidence with the application for membership that he 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, has no record of official sanctions involving unprofessional conduct, has no record of recent or pending bankruptcy, and 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 examination thereon as may be required by the Committee, and shall agree that if elected to membership, he will abide by such Constitution, Bylaws, Rules and Regulations and Code of Ethics.

NOTE 2: Article IV, Section 2, of the NAR Bylaws prohibits Member Boards from knowingly granting REALTOR® or REALTOR-ASSOCIATE® membership to any applicant who has an unfulfilled sanction pending which was imposed by another Board or Association of REALTORS® for violation of the Code of Ethics. (Adopted 1/01)

- (b) Individuals who are actively engaged in the real estate profession other than as principals, partners, or corporate officers, branch office manager, 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, and maintain a current valid real estate license or is 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 Committee, and shall agree in writing that if elected to membership he will abide by the

Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, and by the Constitution, Bylaws, and Rules and Regulations of the local Association, State Association, and the National Association.

- (c) The Association will also consider the following in determining an applicant's qualification for Realtor membership:
1. All final findings of Code of Ethics violations and violations of other membership duties in any other 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 or unpaid financial obligations to any other association or association MLS (Approved 9-98)
 - 6. Any misuse of the term REALTOR® or REALTORS® in the name of the applicant's firm. (2009)**

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 Board of Directors. If the Board of Directors 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 days from the association's receipt of their application, 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.
- (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 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. (9/03)

Section 4. New Member Code of Ethics Orientation:

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

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

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

Section 5. Continuing Member Code of Ethics Training:

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

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

*The Board of Directors in May 2000 approved that the mandated four year time period be changed to every two years so that members could fulfill the NAR requirement, the licensing law ethics requirement and FAAR ethics requirement for awards applications in the same time cycle. The latter two require ethics training every two years. On September 23, 2003 the membership voted to approve the four-year cycle. (9/03)

Members suspended for failing to meet the requirement for the first four (4)-year cycle (2001 through 2004) will have until December 31, 2005 to meet the requirement. Failure to meet the requirement by that time will result in automatic termination of membership. Failure to meet the requirement for the second (2005 through 2008) cycle and subsequent four (4)-year cycles will result in suspension of membership for the first two months (January and February) of the year following the end of any four (4)-year cycle or until the requirement is met, whichever occurs sooner. On March 1 of that year, the membership of a member who is still suspended as of that date will be automatically terminated. (Adopted 1/01, revised 5/05)

ARTICLE VI. Privileges and Obligations.

Section 1. The privileges and obligations of members, in addition to those otherwise Provided in these Bylaws, shall be as specified in this Article.

Section 2. REALTOR® Members. REALTOR® Members, whether primary or secondary, who financial obligations to the Association are paid in full shall be entitled to vote and to hold elective office in the Association.

- (a) Only REALTOR® members may use the term REALTOR® or REALTORS®, which use shall be subject to the provisions of Article VIII.
- (b) REALTOR® members have the primary responsibility to safeguard and promote the standards, interests and welfare of the Association and the real estate profession.
- (c) If a REALTOR® member is a principal in a firm, partnership or corporation, and is suspended or expelled, the firm, partnership, or corporation of which he is a principal shall not use the terms REALTOR® or REALTORS® in connection with its practice during the term 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.
- (d) Resignations shall become effective only when accepted by the Board of Directors.
- (e) REALTOR® members may be reprimanded, fined, suspended, or expelled by the Board of Directors for violations of these Bylaws, the Code of Ethics of the National Association of REALTORS®, or any other conduct which discredits this organization of the real estate profession, after hearing, as provided in Article VII.
- (f) Any member forfeiting his membership by resignation or expulsion, or otherwise, shall remove the REALTOR® seal from office windows, signs, stationery, etc.
- (g) Any member having been expelled for any cause or who shall forfeit his membership may be eligible for membership only in the manner prescribed for new members, but a suspended member may be reinstated to good standing upon successful compliance with the terms of his suspension.
- (h) It is the responsibility of the Principal Broker of the firm to perform the aforementioned requirements.

- Section 3. Affiliate Members. Affiliate members shall have such privileges and rights and be subject to such obligations as may be prescribed by the Board of Directors.
- Section 4. Institute Affiliate Members. Institute Affiliate Members shall have such rights and privileges and be subject to such obligations as are prescribed by the Board of Directors in compliance with the Constitution and Bylaws of the National Association of REALTORS®.
- NOTE: Local associations establish the rights and privileges to be conferred on Institute Affiliate Members except that no Institute Affiliate Member may be granted the right to use the term REALTOR®, REALTOR-ASSOCIATE®, or the REALTOR® logo; to serve as President of the local association; or to be a Participant in the local association's Multiple Listing Service. (Amended 1/02)
- Section 5. Public Service Members. Public service members shall have such privileges and rights and be subject to such obligations as may be prescribed by the Board of Directors.
- Section 6. Honorary Members. Honorary members shall have such privileges and rights and be subject to such obligations as may be prescribed by the Board of Directors.
- Section 7. Student Members. Student members shall have such privileges and rights and be subject to such obligations as may be prescribed by the Board of Directors.
- Section 8. All REALTOR® members entering the Fredericksburg Area Association of REALTORS®, Inc., must attend a mandatory orientation seminar and ethics course prior to being administered the Oath of Membership.
- Section 9. Applicants must be approved for membership by the Board of Directors and administered the Oath of Membership before they are accorded the privilege of Association membership, including the use or distribution of materials or forms displaying the registered logo of REALTORS®.
- Section 10. Oath of Membership. The approved new member will be scheduled and informed in writing of the date of his Oath of Membership Ceremony. Absence from scheduled Oath of Membership, which is not previously approved by the Board of Directors, is cause for termination of membership approval.
- Section 11. Orientation Seminar. The approved new member will be scheduled and informed in writing of the date of his Orientation Seminar and Ethics Course. Absence from either of these, which is not previously approved by the Board of Directors, is cause for termination of membership approval.
- Section 12. Certification by REALTOR®. "Designated" REALTOR® Members of the Association shall certify to the Association **in the 2d quarter of the year, within 10 business days, (2008)** on a form provided by the Association, a complete listing of all individuals licensed or certified with the REALTOR®'s firm(s) within the state, and shall designate a primary Association for each individual. **Designated REALTORS® shall also identify any non-member licensees in the REALTORS®'s office (s) and if the Designated REALTOR® dues have been paid to another Board based on said non-member licensees, the Designated REALTOR® shall identify the Board to which dues have remitted. (2008)** 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 ten days of the date of affiliation or severance of the individual.

Section 13. Sexual 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 a hearing in accordance with the established procedures of the association. Disciplinary action may also consist of any sanction authorized in the association's Code of Ethics and Arbitration Manual. As used in this Section, harassment means any verbal or physical conduct including threatening or obscene language, unwelcome sexual advances, stalking, actions including strikes, shoves, kicks, or other similar physical contact, or threats to do the same, or any other conduct with the purpose or effect of unreasonably interfering with an individual's work performance by creating a hostile, intimidating or offensive work environment. The decision of the appropriate disciplinary action to be taken shall be made by the investigatory team comprised of the President, and President-elect and/or Vice President 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 . If the complaint names the President, President-Elect or Vice President, 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. (5-03)

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 from time to time amended, which by this reference is made a part of these Bylaws.
- Section 2. It shall be the duty and responsibility of every REALTOR® Member of the 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 (rev.1999)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 Association shall enter into a Joint Professional Standards Enforcement Agreement with the Blue Ridge Association of REALTORS® (BRAR), Dulles Area Association of REALTORS® (DAAR), Greater Piedmont Association of REALTORS® (GPAR), Massanutten Association of REALTORS® (MAR) and the Prince William Association of REALTORS® (PWAR) for the purpose to create regional professional standards enforcement procedures providing for the appointment of Mediation Officers and the establishment of a joint Grievance Committee, Professional Standards Committee, and an Appeal Panel comprising members from each signatory Association for enforcement of the Code of Ethics, including the mediation of disputes and the conduct of hearings on a basis designed to provide this service in case of inter-Association Ethics and Arbitration issues and where applicable

meet the responsibilities of the signatory Associations on an efficient effective basis to better serve their members. (2000)

The responsibility of the Board and of Board 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 Board, 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 the 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. (2009)*
- Section 2. REALTOR® Members of the Association shall have the privilege of using the terms REALTOR® or REALTORS® in connection with their places of business within the state or a state contiguous thereto so long as they remain REALTOR® Members in good standing. No other class of members shall have this privilege.
- Section 3. A REALTOR® Member who is a principal of a real estate firm, partnership or corporation may use the terms REALTOR® and REALTORS® only if all the principals of such firm, partnership or corporation who are actively engaged in the real estate profession within the state or a state contiguous thereto are REALTOR® Members of the Association or Institute Affiliate Members as described in Section 1(b) of Article IV.
- (a) In the case of a REALTOR member who is a principal of a real estate firm, partnership, or corporation whose business activity is 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. (Amended 1/01)
- 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 virtue of such membership, each REALTOR® Member of the Member Association shall be entitled without payment,

to membership in the National Association of REALTORS® and the Virginia Association of REALTORS®. The Association shall continue as a member of the State and National Associations, unless by a majority vote of all 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 right of the National Association of REALTORS® in the terms REALTOR® and REALTORS®. It shall forthwith discontinue use of the terms in any forms 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, Fees, and Finances.

Section 1. Application fee. The Board of Directors may adopt an initiation fee for membership in reasonable amount, not exceeding three times the amount of the annual dues for REALTOR® membership, which shall become the property of the Association upon final approval. The Board of Directors may adopt an application fee for Institute Affiliate Membership not in excess of the annual dues for Institute Affiliate Members.

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

- (a) The annual dues of each Designated REALTOR® Member shall be established annually by the Board of Directors to encompass the monetary requirements for the proper operation of the Association throughout the forthcoming year, plus an additional amount established annually by the Board of Directors times the number of real estate salespersons and licensed or certified appraisers (1)employed by or affiliated as independent contractors with the REALTOR® (2) who are not REALTOR® Members of any Association in the state or a state contiguous thereto or Institute Affiliate Members of the Association or State Association. In calculating the dues payable to the Association by a Designated REALTOR® Member, non-member licensees as defined in Section 2(a) (1) and (2) of this Article 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, 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 off where the Designated REALTOR holds membership, and any other offices of the firm located within the jurisdiction of this board. *
(Amended 1/01)

For the purpose of this Section, a REALTOR® Member of a Member Board 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 provided that such licensee is not otherwise included in the computation of dues payable by the principal, partner, or corporate officer of the entity. (5-03)

A REALTOR® with a direct or indirect ownership interest in an entity engaged exclusively in soliciting and/or referring clients and customers to the REALTOR® for consideration on a substantially exclusive basis shall annually file with the association on a form approved by the association a list of the licensees affiliated with that entity and shall certify that all of the licensees affiliated with the entity are solely engaged in referring clients and customers and are not engaged in listing, selling, leasing, managing, counseling or appraising real property. The individuals disclosed on such form shall not be deemed to be licensed with the REALTOR® filing the form for purposes of this Section and shall not be included in calculating the annual dues of the Designated REALTOR®.

Membership dues shall be prorated for any licensee included on a certification form submitted to the association who during the same calendar year applies for REALTOR® or REALTOR-ASSOCIATE® membership in the association. However, membership dues shall not be prorated if the licensee held REALTOR® or REALTOR-ASSOCIATE® membership during the preceding calendar year. (5-03)

- (b) The annual dues of REALTOR® Members other than the Designated REALTOR® shall be an amount determined annually by the Board of Directors.
- (b) The annual dues of the Institute Affiliate, Affiliate, Public Service, Honorary and Student Members shall be established annually by the Board of Directors to encompass the monetary requirements for the proper operation of the Association throughout the forthcoming year. Dues for Institute Affiliate Members of the local Association may not exceed two and one-half times the amount established pursuant to Article II, Section 1(a) of the National Association's Bylaws for REALTOR® Members.

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

Affiliate Member directs that the dues be distributed to the other board. The National Association shall also credit \$25.00 to the account of state associations for each Institute Affiliate Member whose office address is located within the territorial jurisdiction of the state association. Local and state associations may not establish any additional entrance, initiation fees or dues for Institute Affiliate Members, but may provide service packages to which Institute Affiliate Members may voluntarily subscribe. (Amended 1/02)

- Section 3. Dues Payable. Dues for all members shall be payable annually in advance on the first day of September. Dues shall be prorated for the year from the date of application. Proration shall be on a quarterly basis. No refunds shall be made on dues. 5-97
- Section 4. Non-Payment of Dues. If dues are not paid by September 30, the member will be assessed a \$25.00 fine. If dues and assessment are not paid by December 31, membership will be terminated. A former member who has had his membership terminated may apply for reinstatement in the manner prescribed for new applicants for membership, after making payment in full of all past due accounts. 5-97
- Section 5. Deposit. All monies received by the Association for any purpose shall be deposited to the credit of the Association in a financial institution or institutions selected by resolution of the Board of Directors.
- Section 6. Funds of the Association. The Board of Directors shall administer the finances of the Association by preparing and monitoring the annual budget; reviewing monthly financial statements and annual tax returns; overseeing the activities of the Investment Working Group.
The Investment Working Group, with a minimum of five members, one of whom shall be the Association Treasurer, and another a staff person designated by the Executive Vice President who serves as an ex officio member, reports to the Board of Directors quarterly. The Group recommends and monitors investment instruments of monies in excess of current needs within the parameters set by the Board of Directors. (9-98)

ARTICLE XI. Officers and Directors.

- Section 1. Officers. The elective officers of the Association shall be: President Elect, Vice President, a Secretary and a Treasurer. Officers shall be elected for terms of one year, except that of Treasurer who shall be elected for a two-year term. (rev. 9-00) The President Elect shall accede to the office of President at the conclusion of the incumbent President's term or when the office of the President is declared vacant by the Board of Directors for reason of resignation, incapacity or death.
- 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 by the Board of Directors.
- Section 3. Directors. Six duly elected REALTOR® Members of the Association shall serve as the Directors of the Board. Directors shall be elected to serve for terms of three years, except that one-third of the newly elected Directors shall be elected for terms of one, two, and three years respectively, or for such lesser terms as may be necessary to complete the first fiscal year. Thereafter, as many Directors shall be elected each year as are required to fill vacancies.

Section 4. Executive Committee

There shall be an Executive Committee consisting of the President, President-elect, Vice President, Secretary, Treasurer, Immediate Past President and Chief Executive Officer. (Amended 2005)

(a) The Executive Committee has the authority to meet, to discuss Association matters and to make recommendations to the Board of Directors. It also shall be authorized to make budgetary adjustments within a total line item, and to make decisions regarding policy interpretations between meetings of the Board of Directors.

(b) The Executive Committee shall report its actions to the Board of Directors as appropriate except for personnel issues. The Executive Committee shall meet upon the call of the President or three of the voting members, stating the time and place of the meeting. A majority of the voting members of the Executive Committee, one of which must be the President, shall constitute a quorum. Participation by conference call or similar communications equipment by means of which all persons participating in the meeting can hear each other, shall constitute presence in person at a meeting. (2004)

Section 5. Governing Body of the Association/Board of Directors. The governing body of the Association shall consist of the elective officers, the immediate past president, who will serve for one year, and the local Directors of the Board.

Section 6. Chief Executive Officer. The Chief Executive Officer (CEO) is a salaried employee of the Fredericksburg Area Association of REALTORS®. The CEO reports directly to the President of the Fredericksburg Area Association of REALTORS®, who in turn reports to the Board of Directors.

Section 7. Multiple Listing Service.

(a) Authority. The Association of REALTORS® shall maintain for the use of its members a Multiple Listing Service which shall be subject to the Bylaws of the Association of REALTORS® and such Rules and Regulations as may be hereinafter adopted. The Association is a stockholder in the Metropolitan Regional Information System (MRIS), a regional MLS. (rev. 1999)

(b) Purpose. A Multiple Listing Service is a means by which authorized Participants make blanket unilateral offers of cooperation and compensation to the other Participants (acting as subagents, buyer agents, or on other agency or nonagency capacities defined by law (rev. 1999) by which cooperation among participants is enhanced; information is accumulated and disseminated to enable authorized Participants to prepare appraisal, analyses, and other valuations of real property *for bonafide clients and customers (2009)*, by which Participants engaging in real estate appraisal contribute to common data bases, and is a facility for the orderly correlation and dissemination of listing information (among the Participants) so (that they) may better serve their clients and the public. Entitlement to compensation is determined by the cooperating broker's performance as procuring cause of sale (or lease).

(c) Participation. Any REALTOR® Member of this or any other Member Association, who is a principal, partner, corporate officer, or branch office manager acting on behalf of the principal, without further qualification, shall be eligible to participate in Multiple Listing Service 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 "Membership" or "Participation" unless such individual or firm holds a current, valid real estate broker's license and *offers or accepts* (2009) compensation (rev.1999) 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.

Section 8. Election of Officers and Directors.

(a) During the first quarter of each year a Nominating Committee of seven (7) REALTOR® Members shall be appointed. The Nominating Committee shall consist of the Immediate Past President as Chairman, the President-Elect as Vice Chairman, the prior year's Chairman and four (4) members at large from the general membership of which no more than two (2) may be current local directors. The At-Large members must be or have been a director or officer or VAR Director or committee chairperson. Members of the Nominating Committee are appointed by the Committee Chairman subject to approval by the Board of Directors.

The Nominating Committee shall select one but not more than two nominees for each office to be filled. The report of the Nominating Committee shall be sent to each REALTOR® Member at least three weeks preceding the election. Additional candidates for the offices to be filled may be placed in nomination by petition signed by at least twenty percent of the REALTOR® Members. The petition shall be filed with the Secretary at least two weeks before the election. The Secretary shall send notice of such additional nominations to all REALTOR® Members before the election.

(b) The election of Officers and Directors shall take place on election day, which shall coincide with the Annual Meeting in September. Election shall be by ballot and all votes shall be cast

- (1) in person at the annual meeting.
- (2) at the official polling place(s) during specified hours.
- (3) by mail or by sealed absentee ballot. (8-99)
- (4) by approved electronic means using a certified ballot (8-99)

An absent Member shall be allowed to cast a vote, but only as provided below:

- (1) Any Member eligible to vote who cannot be present at the annual election have the ability to vote by mail or by approved electroic means due to:
 - (a) illness or
 - (b) being absent from the site of the election by a distance of fifty (50) miles or more on the day of the election may request an absentee ballot from the Association office. Such request shall carry the written certification by the Member of the reason the Member cannot be present to vote in person.
- (2) An absentee ballot showing the names of each candidate for each office in the form to be used at the actual election, except that it shall be marked

"Absentee Ballot" and identified with a raised Association seal, together with an envelope addressed to the Election Committee, shall be mailed or delivered to each Member whose application for an absentee ballot shall be found to be in order. No more than one absentee ballot shall be sent to or given to any Member. No Member to whom an absentee ballot has been issued may be allowed to vote in person unless the absentee ballot is returned to be voided by the Chairman of the Election Committee.

(3) Absentee ballots must be received by the Association before the closing of the polls on Election Day and shall be turned over to the Chairman of the Election Committee.

(c) The President, with the approval of the Board of Directors, shall appoint an Election Committee of seven (7) REALTOR® members to conduct the election. In case of a tie vote, the issue will be determined by lot.

Section 9.

Succession in Office.

Vacancies among Officers and the Board of Directors shall be filled by the Board of directors until the next election. In the event of the death, disability, resignation, or removal from office of the President, the President-Elect shall succeed to the Presidency and a President-Elect will be elected to serve the remainder of the term of office by the Board of Directors at a meeting called by the new President within (15) fifteen days of such occurrence. In the event of the death, disability, resignation, or removal from office of the President-Elect, the President shall, within (15) fifteen days of such occurrence, call a meeting of the Policy Board to elect a successor. In the event of the death, disability, resignation, or removal from office of both the President and President-Elect, the Immediate Past President shall temporarily assume the duties of the office of the President and shall, within (15) fifteen days of such occurrence, call a meeting of the Board of Directors to elect successors. (Approved 9-98)

ARTICLE XII. Meetings.

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

Section 2. Meetings of Directors. The Board of Directors shall designate a regular time and place of meetings. Absence from three consecutive regular meetings without an excuse deemed valid by the Board of Directors shall be construed as resignation therefrom.

Participation by conference call or similar communication equipment by means of which all persons participating in the meeting can hear each other, shall constitute presence in person at a meeting. (Approved 9-98)

Section 3. Other Meetings. Meetings of the members may be held at other times as the President or the Board of Directors may determine, or upon written request of at least ten percent of the REALTOR® Members.

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, it shall be accompanied by a statement of the purpose of the meeting.

Section 5. Quorum.

- (a) General Membership Meeting. A quorum for the transaction of business at the General Membership Meetings (scheduled or unscheduled) shall consist of no less than forty (40) REALTOR® Members in good standing.
- (b) Board of Directors Meetings. (Scheduled or unscheduled). A quorum for the transaction of business at the Board of Directors meeting shall consist of any number over one-half the membership of the Board of Directors.
- (c) Standing or Special Committees. (Scheduled or unscheduled). A quorum for the transaction of business at a Standing or Special Committee meeting shall consist of any number over one-half the membership of the Standing or Special Committee.

ARTICLE XIII. Committees.

- Section 1. Committees. The President shall appoint such committees as is deemed necessary. Appointments to the Professional Standards Committee and Grievance Committee shall be consistent with the cooperative professional standards enforcement agreement of the Board.
- Section 2. 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 3. President. The President shall be ex-officio, a member of all standing committees and shall be notified of their meetings.

ARTICLE XIV. Fiscal and Elective Year.

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

ARTICLE XV. Rules of Order.

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 majority vote of the REALTOR® Members present and qualified to vote at any meeting at which a quorum is present or by approve electronic means, (8-99) provided the substance of such proposed amendment or amendments shall be plainly stated in the call for the meeting except that the Board of Directors may, at any regular or special meeting of the Board of Directors at which a quorum is present, approve amendments to the Bylaws which are mandated by NAR policy. Article IX may be amended only by a majority vote of all REALTOR® Members.
- Section 2. Notice in writing of all meetings at which such amendments are to be considered shall be given to every REALTOR® Member at least seven days prior to the time of the meeting.

Section 3. Amendments to these Bylaws affecting the admission or qualifications of REALTOR® Members and Institute Affiliate Members, the use of the term REALTOR® and REALTORS®, or any alteration in the territorial jurisdiction of the Association shall become effective only upon their approval by the Board of Directors of the National Association.

ARTICLE XVII. Dissolution.

Upon the dissolution or winding up of the affairs of this Association, the Board of Directors, after providing for the payment of all obligations, shall distribute any remaining assets to the Virginia Association of REALTORS®, or, within its discretion to any other nonprofit tax exempt organization.