



Bylaws of the Dulles Area Association of REALTORS®  
*Revised 10/16*

**ARTICLE I - NAME**

**Section 1.** **Name.** The name of this organization shall be the Dulles Area 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 Commonwealth and nation, and obtaining the benefits and privileges of membership therein.

**Section 6.** To designate, for the benefit of the public, those 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® shall include Loudoun 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 seven 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 Commonwealth 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 Commonwealth 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 a Board/Association of REALTORS® within the Commonwealth or a state contiguous thereto unless otherwise qualified for Institute Affiliate Membership as described in Section 1 (b) 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 (b) or Article IV.

NOTE: REALTOR® Members may obtain membership in a "secondary" Board/Association in another state.

(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) 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 Board/Association. One of the REALTORS® in a real estate firm must be a Designated REALTOR® member of the Association in order for licensees affiliated with the firm to select the Association as their "primary" Association.

(4) Designated REALTOR® Members. Each firm shall designate in writing one REALTOR® Member in each office 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 principals(s) and must meet all other qualifications for REALTOR® Membership established in Article V, Section 2 of the Bylaws.

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

(b) **Institute Affiliate Members.** Institute Affiliate Members shall be individuals who hold a professional designation award 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 members.

(c) **Affiliate Members.** Affiliate Members shall be real estate owners and other individuals or firms who, while not engaged in the real estate profession as defined in paragraphs (a) or (b) of this Section, have interests requiring information concerning real estate, and are in sympathy with the objective of the Association.

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

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

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

(g) **Corporate Members.** Corporate members shall be members of the business community who are interested in the real estate profession, and who are not engaged in the real estate profession on their own account or in association with an established real estate business, but who wish to provide services to members of the Association at generally reduced rates or costs of services.

## **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 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®, 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 1® 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 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 principal, partner, corporate officer, or branch office manager of a real estate firm shall supply evidence satisfactory to the Association 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 Commonwealth or state contiguous thereto (unless as 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, and shall agree that if elected to membership, he will abide by such Constitution, Bylaws, Rules and Regulations, and the Code of Ethics. Applicant shall have six (6) months to complete the required Code of Ethics and Indoctrination Courses after application or membership will be denied. If applicant wishes to re-apply a new application fee must be paid. If applicant has taken a course in the Code of Ethics within the past two (2) years and can provide proof of attendance he/she is not required to take it again. Applicants for membership who are currently in good standing as REALTOR® members of another Association shall not be required to repeat the Ethics and Indoctrination Courses (\*).

(\*) 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 interest 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.

Note: Article IV, Section 2 of the NAR Bylaws prohibits Member Associations from knowingly granting REALTOR® 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.

(b) Individuals who are actively engaged in the real estate profession other than as principals, 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 Board/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 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. Applicant shall have six (6) months to complete the required Code of Ethics and Indoctrination Courses after application or membership will be denied. If applicant wishes to re-apply a new application fee must be paid. If applicant has taken a course in the Code of Ethics during the past two (2) years and can provide proof of attendance he/she is not required to take the course again. Applicants for membership who are currently in good standing as REALTOR® members of another Association shall not be required to repeat the Ethics and Indoctrination Courses.

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

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

(c) The Board of Directors shall review the qualifications of the applicant and the recommendations of the Executive Committee and then vote on the applicant's eligibility for membership. If the applicant receives a majority vote of the Board of Directors, the applicant shall be declared elected to membership and shall be advised by written notice.

(d) The Board of Directors may not reject an application, or terminate any provisional membership without providing the applicant with advance notice of the findings and recommendations of the Executive Committee, an opportunity to appear before the Board of Directors, to call witnesses on applicant's behalf, to be represented by counsel, and to make such statements as applicant deems relevant. The Board of Directors may also have counsel present. The Board of Directors shall require that written minutes be made of any hearing before it or may electronically or mechanically record the proceedings.

(e) If the Board of Directors determines that the application shall be rejected, or that provisional membership should be terminated, it shall record its reasons with the Secretary. If the Board of Directors believes that denial of membership to the applicant may become the basis of litigation and a claim of damage by the applicant, it may specify that denial shall become effective upon entry in a suit by the Association for a declaratory judgment by a court of competent jurisdiction of a final judgment declaring that the rejection violates no rights of the applicant.

**Section 4. New Member Code of Ethics Orientation.**

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

Failure to satisfy this requirement within 180 days of the date of application, 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®.

**Section 5. Continuing Member Code of Ethics Training.**

Effective January 1, 2001, through December 31, 2004, and for successive four year periods thereafter until December 31<sup>st</sup>, 2016, 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. Effective January 1<sup>st</sup>, 2017 the cycle for completing the training will be every two (2) years. 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-year cycle shall not be required to complete additional ethics training until a new two-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.

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

**Section 6. Status Change.**

(a) A REALTOR® who changes the conditions under which he 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 he has been licensed or, alternatively, becomes a principal in a new firm which will be comprised of REALTOR® principals may be required to satisfy any previously unsatisfied membership requirements applicable to REALTOR® (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 60 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.

NOTE: 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 month 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 not inconsistent 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 Executive Committee, 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 objective 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 National Association of REALTORS®, 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.** Resignation of Members shall become effective when received in writing by the Board of Directors, 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 Board of Directors may condition the right of the resigning Member to reapply for membership upon the applicant's certification that the applicant will submit to the pending ethics proceeding and will abide by the decision of the hearing panel. If a member resigns or otherwise causes membership to terminate, the duty to submit to arbitration continues in effect even after membership lapses or is terminated, provided that the dispute arose while the former member was a REALTOR®.

**Section 6.**     **REALTOR® Members.**

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

(b) 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, unless connection with the firm, partnership or corporation is severed, or management control is relinquished, 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, or unless the REALTOR® who is suspended or expelled removes himself from any form or degree of management control of the firm for the term of the suspension or until readmission to membership, whichever may apply. Removal of an individual from any form or degree of management control must be certified to the Association by the Member who is being suspended or expelled and by the individual who is assuming management control, and the signatures of such certification must be notarized. In the event the suspended or expelled Member is so certified to have relinquished all form or degree of management control of the firm, the membership of other partners, corporate officers, or other individuals affiliated with the firm shall not be affected, and the firm, partnership or corporation may continue to use the terms REALTOR® or REALTORS® in connection with its business during the period of suspension or until the former Member is admitted to membership in the Association. The foregoing is not intended to preclude a suspended or expelled Member from functioning as an employee or independent contractor, providing no management control is exercised. Further, the membership of REALTORS® other than principals who are employed 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 unless connection of the disciplined

Member with the firm, partnership or corporation is severed, or management control is relinquished, 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, other than a sole proprietor in a firm, partner in a partnership, or an officer of a corporation, is suspended or expelled, the use of the terms REALTOR® or REALTORS®, by the firm, partnership, or corporation shall not be affected.

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

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

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

**Section 12. Corporate Members.** Corporate Members shall have rights and privileges and be subject to obligations prescribed by the Board of Directors

**Section 13. Certification by REALTOR®.** "Designated" REALTOR®, Members of the Association shall certify to the Association annually, on a form provided by the Association, a complete listing of all individuals licensed or certified with the REALTOR®'s office(s) and shall designate a primary Board/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 Board/Association based on said non-member licensees, the Designated REALTOR® shall identify the Board/Association to which dues have been remitted. These declarations shall be used for the purpose of calculating dues under Article X, Section 2(a) of the Bylaws. Designated REALTORS® shall also notify the Association of any additional individual(s) licensed with the firm(s) within 30 days of the date of affiliation or severance of the individual.

**Section 14. 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, 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. Disciplinary action may include any sanction authorized in the association's Code of Ethics and Arbitration Manual. 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.



## **ARTICLE VII - PROFESSIONAL STANDARDS AND ARBITRATION**

**Section 1.** The responsibility of the Association and of the 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 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 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 the National Association of REALTORS® as from time to time amended.

**Section 3.** The responsibility of the Board and 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.

**Section 4.** **Grievance Committee.** The Grievance Committee shall be composed of at least five REALTOR® Members. The President shall annually designate the Chairman and Vice Chairman.

**Section 5.** **Professional Standards Committee.** The Professional Standards Committee shall be composed of at least nine REALTOR® Members. The President shall annually designate the Chairman and Vice Chairman.

## **ARTICLE VIII - USE OF THE TERMS REALTOR® AND REALTORS®**

**Section 1.** Use of the terms REALTOR® and REALTORS® by Members shall, at all times, be subject to the provisions of the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS® and to the Rules and Regulations prescribed by its Board of Directors. The Board shall have the authority to control, jointly and in full cooperation with the NATIONAL ASSOCIATION OF REALTORS®, use of the terms within its jurisdiction. Any misuse of the terms by members is a violation of a membership duty and may subject members to disciplinary action by the Board of Directors after a hearing as provided for in the association's Code of Ethics and Arbitration Manual.

**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 Commonwealth or 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 principals of such firm, partnership, or corporation who are actively engaged in the real estate profession within the Commonwealth or 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.

**Section 4.** Institute Affiliate Members shall not use the terms REALTOR® or REALTORS®, nor the imprint of the emblem seal of the NATIONAL ASSOCIATION OF REALTORS®.

## **ARTICLE IX - STATE AND NATIONAL MEMBERSHIPS**

**Section 1.** The Association shall be a Member of the NATIONAL ASSOCIATION OF REALTORS® and the Virginia Association of REALTORS®. By reason of the Association's Membership, each REALTOR® Member of the Member Association shall be entitled to membership in the NATIONAL ASSOCIATION OF REALTORS® and the Virginia Association of REALTORS® without further payment of dues. The Association shall continue as a Member of the State and National Associations, unless by a majority vote of all of its REALTOR® Members, decision is made to withdraw, in which case the State and National Associations shall be notified at least one month in advance of the date designated for the termination of such membership.

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

**Section 3.** The Association adopts the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and agrees to enforce the Code among its REALTOR® Members. The Association and all of its Members agree to abide by the 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 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 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) Designated 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 additional 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 Board/Association in the Commonwealth 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 Article shall not be included in the computation of dues if the DR has paid dues based on said non-member licensees in another Board/Association in the state, or a state contiguous thereto, provided the Designated REALTOR® notifies the Association in writing of the identity of the Board/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 board. \*

(1) For the purpose of this Section, a Designated REALTOR® Member of a Member Association shall be held to be any Member who has a real estate or appraisal license with the Commonwealth 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 Designated REALTOR® if the license of the individual is held by the REALTOR®, or by any broker who is licensed with the REALTOR®, or by an entity in which the REALTOR® has a direct or indirect ownership interest and which is engaged in soliciting and/or referring clients or customers to the REALTOR® or his firm on a substantially exclusive basis or which is engaged in other aspects of the real estate business (except as provided for in Section 2 (a) (1) hereof) provided that such licensee is not otherwise included in the computation of dues payable by the principal, partner, or corporate officer of the entity.

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

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

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

(c) **Institute Affiliate Members.** The annual dues of each Institute Affiliate Member shall be an amount 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 an amount as established annually by the Board of Directors.

(e) **Public Service Members.** The annual dues of each Public Service Member shall be an 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.

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

(h) **Corporate 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 in advance on the first day of December, or as in such installments as may be determined by the Board of Directors. Dues shall be computed from the first day of the month in which a Member makes application and shall be prorated for the remainder of the year. Dues are non-refundable.

(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 licensee 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 thirty (30) days of the notice of termination.

**Section 4. Nonpayment of Financial Obligations.**

(a) If dues, fees, fines, or other assessments including amounts owed to the Association or the Association's Multiple Listing Service are not paid on or before the due date an administrative fee set by the Board of Directors will be assessed and the nonpaying Member is subject to suspension at the discretion of the Board of Directors. One month after the due date, membership of the nonpaying Member shall automatically terminate unless within that time the amount due is paid. A former Member who has had his membership terminated for nonpayment of dues, fees, fines, or other assessments duly levied in accordance with the provisions of these Bylaws or the provisions of other Rules and Regulations of the Association or any of its services, departments, divisions or subsidiaries may apply for reinstatement in a manner prescribed for new applicants for membership, after making payment in full of all accounts due as of the date of termination.

**Section 5. Deposit.** 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. Notice of Dues, Fees, Fines, Assessments, and Other Financial Obligations of Members.** All dues, fees, fines, assessments, or other financial obligations to the Association or Association Multiple Listing Service shall be noticed to the delinquent Association Member in writing setting forth the amount owed and due date.

**Section 7.** The dues of REALTOR® Members who are REALTOR® Emeritus (as recognized by the National Association), Past Presidents of the National Association, and past Treasurers of the National Association, or recipients of the Distinguished Service Award shall be as determined by the Board of Directors.

## **ARTICLE XI - OFFICERS AND DIRECTORS**

**Section 1. Executive Committee.** The elective officers of the Association shall be: a Chairman, a Chairman-Elect, Chair of Public Policy, Chair of Membership Services, Chair of Professional Development, Chair of Finance (who shall be the Treasurer), and the Immediate Past Chair. The Chairman-Elect shall, without further election, become the Chairman in the following year. They shall be elected for a term of one (1) year and shall constitute the Executive Committee. The Secretary, who shall be the Chief Executive Officer, shall serve as a member of the Executive Committee with voice, but not vote.

**Section 1.1. Duties of the Executive Committee.** The Executive Committee shall serve to provide advice and guidance to the Board of Directors on such matters as the Board, in its discretion, shall deem necessary or proper, including, but not limited to, the following:

- a. Subject to report to and approval by the Board, be available to the CEO for consultation on matters of day to day operation;
- b. Vet special projects as assigned by the Board and/or CEO;
- c. Approve administrative policies developed by the Association CEO;
- d. Recommend Public Policy initiatives;
- e. Oversight of Association committee work (except for Nominating Committee);
- f. Recommend candidates for offices and awards for VAR and NAR;
- g. Perform such other duties as may be determined by the Board of Directors;

**Section 2. Duties of Officers and Directors.** 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 Secretary 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®. The Board of Directors shall be responsible for: A Strategic Plan; An Annual Budget; An Annual Business Plan; Quarterly Financial Statement Review; Capital Expenditures in excess of \$10,000 not already approved through the Annual Budget, Capital expenditures in excess of \$50,000 may not be made unless authorized by a majority of Members present at any regular or special meeting, provided there is a quorum; Approval of New Members; Receiving of Reports from the Vice Chairs and Staff as appropriate; Election of the Executive Committee; Personnel matters involving the Association CEO; Recommendation to the Membership of Bylaw Changes and Changes to the Articles of Incorporation. All other duties shall be granted to the Executive Committee.

**Section 3. Composition of the Board of Directors.** The governing body of the Association shall be a 21-member Board of Directors consisting of the Executive Committee and REALTOR® Members of the Association, one of which shall be the immediate past Chairman, at least 5 of which must be brokers and 2 of which shall be Affiliate Members. The 2 Affiliate Members shall have voice but no vote. Directors shall be elected to serve for terms of three (3) years. Directors shall be elected each year as are required to fill vacancies. Any past president of the State or National Association is an Honorary Member of the Board of Directors without voting privileges. Each member of the Board of Directors shall, without exception, be required to complete the Virginia Association of REALTORS® Professional Standards Training Course annually. In the implementation year, the Board of Directors shall appoint the necessary number of Directors to reach the higher number and they shall serve until the next election.

- Section 4. Election of Officers and Directors.**
- (a) **Officers.** The elected officers of the Board shall be: a Chairman (President), a Chairman-Elect (Vice-President), Chair of Public Policy, Chair of Membership Services, Chair of Professional Development, Chair of Finance (who shall be the Treasurer), and the Immediate Past Chair. The Secretary shall be the Association CEO, whom may not serve as the Treasurer. They shall be elected to terms of one-year with the Chairman-Elect assuming the position of Chairman the following year.

- (b) 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 Association CEO, as ex-officio member of the Board and of the Executive Committee, to keep the records of the Board and the Executive Committee and to carry on all necessary correspondence with the National Association of Realtors® and the Virginia Association of Realtors®. As Corporate Secretary, the Association CEO shall, in addition to such other duties as proscribed by the Board of Directors, have authority to sign contracts and official documents on behalf of the Association in accordance with Association policies.
- (c) Election of Officers and Directors. At least two (2) months before the annual election, a Nominating Committee of at least five (5) REALTOR® Members shall be appointed by the Executive Committee with the approval of the Board of Directors. The Nominating Committee shall select at least one (1) candidate for each place to be filled on the Board of Directors. The report of the Nominating Committee shall be noticed to each Member eligible to vote at least three (3) weeks preceding the election. Additional candidates for the offices to be filled may be placed in nomination by petition signed by at least 10% of the REALTOR® Members eligible to vote. The petition shall be filed with the Secretary at least two (2) weeks before the election. The Secretary shall send notice of such additional nominations to all Members eligible to vote before the election.
- (i) The election of Directors shall take place at the annual meeting. Election shall be by ballot when there is more than one candidate for positions to be filled and all votes shall be cast in person. The ballot shall contain the names of all candidates and the offices for which they are nominated. Elected Directors shall be installed at the Installation meeting with their terms of office to begin immediately following the meeting.
  - (ii) The Chairman, with the approval of the Executive Committee, shall appoint an Election Committee of three (3) REALTOR® Members to conduct the election. In case of a tie vote, the issue shall be determined by lot.
  - (iii) The Executive Committee shall be elected by the Board of Directors within 30 days following the Annual Meeting at which the directors Election was conducted.

**Section 5. Vacancies.** Vacancies among the Officers and the Board of Directors shall be selected by the Executive Committee and approved by a simple majority vote of the Board of Directors until the next annual election, when the remainder of that term shall be filled.

**Section 6. 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 procedure:

(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 Board of 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.

## ARTICLE XII - MEETINGS

**Section 1. Annual Meetings.** The annual meeting of the Association shall be on a date, place, and hour designated by the Board of Directors.

**Section 2. Meetings of Directors.** The Board of Directors shall meet every other month and shall designate a regular time and place of meetings. Absence from two (2) regular meetings without an excuse deemed valid by the Board of Directors shall be construed as resignation. In the event that such Director shall be absent, without excuse, from two such meetings, the Director may petition the full Board in writing to show good cause as to revoke such resignation.

**Section 3. Other Meetings.** Meetings of the Members may be held at other times as the Chairman or the Board of Directors may determine, or upon the written request of at least 5% of the Members eligible to vote.

**Section 4. Notice of Meetings.** Written notice shall be given to every Member entitled to participate at least one (1) week preceding all events requiring notice as herein provided. Written notice may be accomplished by electronic mail, courier, or postal service and shall be sufficient if delivered by any of these means to the office through which their membership is held. 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 5% of the Members eligible to vote.

**Section 6. Quorum - Board of Directors.** A quorum for the transaction of business shall consist of one-half of the Board of Directors.

**Section 7. Electronic Transaction of Business.** To the fullest extent permitted by law, the Board of Directors or membership may conduct business by electronic means. For example, and not intended as a limitation, members or Directors may attend meetings by telephone or by web-cam with full audio or such other means as to enable all the participants, whether physically at the meeting or remotely, to hear the full discussion of the meeting in real time and to participate verbally in discussions in real time. It shall be the responsibility of any member desiring to attend remotely to provide and/or arrange for the technology need to enable such remote attendance.

**Section 8. Action without Meeting.** Unless specifically prohibited by the Articles of Incorporation, 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 consent shall be delivered to the Association CEO to be filed with 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. Standing Committees.** The Chairman of the Board shall appoint from among the Members, subject to confirmation by the Board of Directors, the following standing committees:

Professional Standards	Education	Government Affairs
Grievance	Budget & Finance	Member Services

**Section 2. Special Committees.** The Chairman of the Board shall appoint, subject to confirmation by the Board of Directors, special committees, task forces and work groups, as deemed necessary.

**Section 3. Organization.** All committees shall be of such size and shall have duties, functions, and powers as assigned by the Chairman of the Board or the Board of Directors except as otherwise provided in these Bylaws.

**Section 4. Chairman of the Board.** The Chairman of the Board shall be an ex-officio member of all standing committees and shall be notified of their meetings. The Chairman of the Board shall serve concurrently as the Chair of the Executive Committee.

**Section 5. Budget and Finance** The Budget and Finance Committee shall consist of a Budget and Finance Committee Chairman who shall be appointed by the Chairman of the Board from the REALTOR® Membership and shall serve a two year term, the Vice Chair of Finance and additional members as deemed necessary.

**Section 6. Chairman-Elect.** The Chairman-Elect shall serve as a member of the Executive Committee, the Nominating Committee, the Strategic Planning Committee and as Chairman of the Dulles Area REALTORS® Political Action Committee (DARPAC).

**Section 7 Vice Chair of Finance.** The Vice Chair of Finance shall serve either as Chair or member of the Budget and Finance Committee and as a member of the Executive Committee.

**Section 8. Vice Chair of Public Policy.** The Vice Chair of Public Policy shall provide oversight of the Government Affairs Committee and serve as a member of the Executive Committee.

**Section 9. Vice Chair of Member Services.** The Vice Chair of Member Services shall be a member of the Executive Committee and provide oversight of the membership development, community services, networking events, awards, affiliates and Young Professionals Network program areas and such other committees as may be created from time to time involving networking and charitable events.

**Section 10. Vice Chair of Professional Development.** The Vice Chair of Professional Development shall be a member of the Executive Committee and provide oversight of the Education Committee, Grievance Committee, Professional Standards Committee and the Technology/Communications Committee.

**Section 11. Immediate Past Chair.** The Immediate Past Chair shall serve as a member of the Executive Committee.

#### **ARTICLE XIV - FISCAL AND ELECTIVE YEAR**

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

#### **ARTICLE XV - RULES OF ORDER**

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

#### **ARTICLE XVI – AMENDMENTS**

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

**Section 2.** Notice of all meetings at which amendments are to be considered shall be noticed, pursuant to Article 12, Section 4 to every Member eligible to vote at least one (1) week prior to the meeting.

**Section 3.** Amendments to these Bylaws affecting the admission or qualification of REALTOR® and Institute Affiliate Members, the use of the terms REALTOR® and REALTORS®, or any alternation 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 or winding up of affairs of this Association, the Board of Directors, after providing for the payment of all obligations, shall distribute any remaining assets to the Virginia Association of REALTORS® or, within its discretion, to any other non-profit tax exempt organization.

## ARTICLE XVIII - MULTIPLE LISTING

**Section 1. Authority.** The Association shall maintain a Multiple Listing Service which shall be a lawful corporation, all the stock of which shall be owned by the Association and other Association/Boards of REALTORS® subscribing to such service.

**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. Governing Documents.** The Board of Directors shall cause any Multiple Listing Service established by it pursuant to this Article to conform its Corporate Charter, Constitution, Rules, Regulations and Policies, Practices and Procedures at all times to the Constitution, Bylaws, Rules, Regulations and Policies of the NATIONAL ASSOCIATION OF REALTORS®.

**Section 4. Participation.** Any REALTOR® of this or any other Board who is a principal, partner, corporate officer, or branch office 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 a Board Multiple Listing Service is strictly limited to the activities authorized under a Participant's licensure(s) or certification and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey "participation" or "membership" or any right of access to information developed by or published by a Board Multiple Listing Service where access to such information is prohibited by law.

Mere possession of a broker's license is not sufficient to qualify for MLS participation. Rather, the requirement that an individual or firm offers or accepts cooperation and compensation means that the participant actively endeavors during the operation of its real estate business to list real property of the type listed on the MLS and/or to accept offers of cooperation and compensation made by listing brokers or agents in the MLS. "Actively" means on a continual and ongoing basis during the operation of the participant's real estate business. The "actively" requirement is not intended to preclude MLS participation by a participant or potential participant that operates a real estate business on a part-time, seasonal, or similarly time-limited basis or that has its business interrupted by periods of relative inactivity occasioned by market conditions. Similarly, the requirement is not intended to deny MLS participation to a participant or potential participant who has not achieved a minimum number of transactions despite good faith efforts. Nor is it intended to permit an MLS to deny participation based on the level of service provided by the participant or potential participant as long as the level of service satisfies state law.

The key is that the participant or potential participant actively endeavors to make or accept offers of cooperation and compensation with respect to properties of the type that are listed on the MLS in which participation is sought. This requirement does not permit an MLS to deny participation to a participant or potential participant that operates a "Virtual Office Website" (VOW) (including a VOW that the participant uses to refer customers to other participants) if the participant or potential participant actively endeavors to make or accept offers of cooperation and compensation. An MLS may evaluate whether a participant or potential participant actively endeavors during the operation of its real estate business to offer or accept cooperation and compensation only if the MLS has a reasonable basis to believe that the participant or potential participant is in fact not doing so. The membership requirement shall be applied in a nondiscriminatory manner to all participants and potential participants.