

**INDEX TO BYLAWS OF THE
VIRGINIA PENINSULA ASSOCIATION OF REALTORS®, INC.**

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Bylaws of the
Virginia Peninsula Association of REALTORS®, Inc.

Article I - Name

Section 1. Name. The name of this organization shall be the *Virginia Peninsula Association of REALTORS®, Inc.*, hereinafter referred to as the "Association."

Section 2. REALTOR® Trademark.

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 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, 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® is *the City of Newport News, Virginia; the City of Hampton, Virginia the City of Poquoson, Virginia; portions of the County of York, Virginia and any other towns or cities situated therein, except the town of Yorktown and the Bruton District, York County; and about one-third of the Isle of Wight County, more specifically described; beginning at the James River along the Chuckatuck Stream, thence to the City of Suffolk-Isle of Wight County boundary; continuing in a southwest direction to State Route No. 602; following in a northerly direction State Route 602 to the intersection of Route 644 and 620; continuing on Route and Route 627; following Route 627 northward to the Surry County-Isle of Wight County boundary; thence northeastwardly along this boundary to the James River.*

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 rights of the National Association in the terms.

Article IV - Membership

(a) REALTOR® Members.

REALTOR® Members whether primary or secondary shall be:

Individuals who, as sole proprietors, partners, corporate officers, or branch office managers, are engaged actively in the real estate profession, including buying, selling, exchanging, renting or leasing, managing, appraising for others for compensation, counseling, building, developing or subdividing real estate, and who maintain or are associated with an established real estate office in the state of Virginia or a state contiguous thereto. All persons who are partners in a partnership, or all officers in a corporation who are actively engaged in the real estate profession within the state or a state contiguous thereto shall qualify for REALTOR® membership only, and each is required to hold REALTOR® membership (except as provided in the following paragraph) in an association of REALTORS® within the state or a state contiguous thereto, unless otherwise qualified for Institute Affiliate membership.

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.

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.

Franchise REALTOR® Membership.

Corporate officers (who may be licensed or unlicensed) of a real estate brokerage franchise organization with at least one hundred fifty (150) 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.

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.

Designated REALTOR® Members.

Each firm (or office in the case of firms with multiple office locations) shall designate in writing one REALTOR® member who shall be responsible for all duties and obligations of membership, including the obligation to arbitrate (or to mediate if required by the association) pursuant to Article 17 of the Code of Ethics and the payment of association dues. 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.

(b)Institute Affiliate Members.

Institute Affiliate members shall be individuals who hold a professional designation awarded by an Institute, Society, or Council affiliated with the NATIONAL ASSOCIATION OF REALTORS® that addresses a specialty area other than residential brokerage or individuals who otherwise hold a class of membership in such Institute, Society, or Council that confers the right to hold office. Any such individual, if otherwise eligible, may elect to hold REALTOR® or REALTOR-ASSOCIATE® membership, subject to payment of applicable dues for such membership.

(c) Affiliate Members. Affiliate Members shall be real estate owners and other individuals or firms who, while not engaged in the real estate profession as defined in paragraph (a) and (b) of this Section, have interests requiring information concerning real estate, and are in sympathy with the objectives of the Association. *Affiliate Membership shall also be granted to individuals licensed or certified to engage in real estate practice who, if otherwise eligible, do not elect to hold REALTOR® membership in the Association, provided the applicant is engaged exclusively in a specialty of the real estate business other than brokerage of real property.*

(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, governmental or other similar organizations, but are not engaged in the real estate profession on their own account or in association with an established real estate business.

(e) Honorary Members. Honorary Members shall be individuals not engaged in the real estate profession who have performed 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 (2) 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) Life Members. The Board of Directors may, at its direction, elect to Life Membership any individual who the Board of Directors deems to have rendered outstanding service to the Virginia Peninsula Association of REALTORS®, Inc. and the real estate industry. Such Members: (1) Must have served either as an Officer or Director of the Association; (2) Must be or have been engaged in the real estate business and served the Association and real estate industry for at least thirty (30) years.

ARTICLE V - Qualification and Election

Section 1. Application

(a) An application for membership shall be made in such manner and form as may be prescribed by the board of directors and made available to anyone requesting it. The application form shall contain among the statements to be signed by the applicant (1) that applicant agrees as a condition to membership to thoroughly familiarize himself/herself with the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, the Constitutions, Bylaws, and Rules and Regulations of the association, the State and National Associations, and if elected a member, will abide by the Constitutions and Bylaws and Rules and Regulations of the association, State and National Associations and, if a REALTOR® member, will abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, including the obligation to arbitrate (or to mediate if required by the association) controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics, and as further specified in the Code of Ethics and Arbitration Manual of the NATIONAL ASSOCIATION OF REALTORS®, as from time to time amended,

and (2) that applicant consents that the association, through its membership committee or otherwise, 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. (Amended 11/11)

(b) Applications for REALTOR® Membership will be valid for a period 180 days from the date of application and if the Indoctrination Course has not been completed at that time, the application fee will be retained to cover the Association's costs in processing the application. 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 Article V – Section 3 (a). In such instances, dues shall be returned to the individual less a prorated amount to cover the number of days that the individual received association services and any application fees.

Section 2. Qualification

(a) An applicant for REALTOR® membership who is a sole proprietor, partner, corporate officer, or branch office manager of a real estate firm shall supply evidence satisfactory to the association, through its membership committee or otherwise, that he/she is actively engaged in the real estate profession, and maintains a current, valid real estate broker's or salesperson's license or is licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, has a place of business within the state or a state contiguous thereto (unless a secondary member), has no record of recent or pending bankruptcy*, has no record of official sanctions involving unprofessional conduct**, agrees to complete a course of instruction covering the Bylaws and rules and regulations of the association, the Bylaws of the State Association, and the Constitution and Bylaws and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, and shall pass such reasonable and nondiscriminatory written examination thereon, as may be required by the committee, and shall agree that if elected to membership, he/she will abide by such Constitution, Bylaws, rules and regulations, and Code of Ethics. (Amended 1/05)

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

**No record of official sanctions involving unprofessional conduct is intended to mean that the association may only consider:

- A. judgments against the applicant within the past three (3) years of violations of (1) civil rights laws, (2) real estate license laws, and (3) or other laws prohibiting unprofessional conduct against the applicant rendered by the courts or other lawful authorities
- B. criminal convictions if (1) the crime was punishable by death or imprisonment in excess of one year under the law under which the applicant was convicted, and (2) no more than ten (10) years have elapsed since the date of the conviction or the release of the applicant from the confinement imposed for that conviction, whichever is the later date (Amended 5/07)

(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 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 the Indoctrination Course covering the Bylaws of the local Association, Bylaws of the State Association, and the Constitution and Bylaws and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and shall complete such reasonable and nondiscriminatory written examinations thereon as may be required by the Association and shall agree in writing that if elected to membership he/she will abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, and by the Constitution and Bylaws of the local Association, State Association, and the National Association. Applicants for secondary REALTOR® membership that hold current REALTOR® membership in a REALTOR® Board/Association within Virginia that has an Indoctrination Course that is substantially equivalent and has attended that course are not required to attend the VPAR Indoctrination Course.

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

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

"Provisional" membership may be granted in instances where ethics complaints or arbitration requests (or hearings) are pending in other associations or where the applicant for membership has unsatisfied discipline pending in another association (except for violations of the Code of Ethics; see Article V, Section 2(a), NOTE 2), 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 (6) 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. (Amended 11/09)

Section 3. Election

The procedure for election to membership shall be as follows.

(a) The chief staff executive (or duly authorized designee) shall determine whether the applicant is applying for the appropriate class of membership. If the association has adopted provisional membership, applicants for REALTOR® membership may 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 final review of the application by the board of directors.

(b) 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 180 days from the association's receipt of their application, membership may, at the discretion of the board of directors, be terminated. In such instances, dues shall be returned to the individual less a prorated amount to cover the number of days that the individual received association services and any application fee. The board of directors shall vote on the applicant's eligibility for membership. If the applicant receives a majority vote of the board of directors, he/she shall be declared elected to membership and shall be advised by written notice.

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

(d) If the board of directors determines that the application should be rejected, it shall record its reasons with the chief staff executive (or duly authorized designee). 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. (Adopted 1/98, Amended 1/05)

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 (2) hours and thirty (30) 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 (1) 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.

Section 5. Continuing REALTOR® Code of Ethics Training

Effective January 1, 2019, through December 31, 2021 and for successive three year periods thereafter, each REALTOR® member of the association (with the exception of REALTOR® members granted REALTOR® Emeritus status by the National Association) shall be required to complete ethics training of not less than two (2) hours and thirty (30) 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 REALTOR® association, the State Association of REALTORS® or the NATIONAL ASSOCIATION OF REALTORS®, 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 three year cycle shall not be required to complete additional ethics training until a new three year cycle commences.

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

Section 6. Status Changes

(a) A REALTOR® who changes the conditions under which he/she holds membership shall be required to provide written notification to the association within thirty days. A REALTOR® (non-principal) who becomes a principal in the firm with which he/she 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 thirty days of the date they advised the association of their change in status, their new membership application will terminate automatically unless otherwise so directed by the board of directors.

A REALTOR® (or REALTOR-ASSOCIATE®, where applicable) who is transferring his/her license from one firm comprised of REALTOR® principals to another firm comprised of REALTOR® principals shall be subject to all of the privileges and obligations of membership during the period of transition. If the transfer is not completed within thirty days of the date the association is advised of the disaffiliation with the current firm, membership will terminate automatically unless otherwise so directed by the board of directors.

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

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

(c) Dues shall be prorated from the first day of the 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. (Amended 1/05)

ARTICLE VI - Privileges and Obligations

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

Section 2. Any member of the association may be reprimanded, fined, placed on probation, suspended, or expelled by the board of directors for a violation of these Bylaws and association rules and regulations consistent with these Bylaws, after a hearing as provided in the Code of Ethics and Arbitration Manual of the association. Although members other than REALTORS® are not subject to the Code of Ethics, nor its enforcement by the association, such members are encouraged to abide by the principles established in the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and conduct their business and professional practices accordingly. Further, members other than REALTORS® may, upon recommendation of the membership 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 objectives and purposes of the local association, the State Association, and the NATIONAL ASSOCIATION OF REALTORS®.

Section 3. Discipline of REALTOR® Members.

Any REALTOR® member of the association may be disciplined by the board of directors for violations of the Code of Ethics or other duties of membership, after a hearing as described in the Code of Ethics and Arbitration Manual of the association, provided that the discipline imposed is consistent with the discipline authorized by the Professional Standards Committee of the NATIONAL ASSOCIATION OF REALTORS® as set forth in the Code of Ethics and Arbitration Manual of the National Association.

Section 4. Resignations of members shall become effective when received in writing by the 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 complaint shall be processed until the decision of the association with respect to disposition of the complaint is final by this association (if respondent does not hold membership in any other association) or by any other association in which the respondent continues to hold membership. If an ethics respondent resigns or otherwise causes membership in all Boards to terminate before an ethics complaint is filed alleging unethical conduct occurred while the respondent was a REALTOR®, the complaint, once filed, shall be processed until the decision of the association with respect to disposition of the complaint is final. In any instance where an ethics hearing is held subsequent to an ethics respondent's resignation or membership termination, any discipline ratified by the Board of Directors shall be held in abeyance until such time as the respondent rejoins an association of REALTORS®. (Amended 5/16)

(a) If a member resigns or otherwise causes membership to terminate, the duty to submit to arbitration (or to mediation if required by the association) continues in effect even after membership lapses or is terminated, provided that the dispute arose while the former member was a REALTOR®. (Amended 1/00 and 11/11)

Section 6. Privileges of REALTOR® Members.

REALTOR® members, whether primary or secondary, in good standing are entitled to vote and to hold elective office in the association, and may use the term REALTOR®. For purposes of this section, the term "good standing" means the member satisfies the "Obligations of REALTOR® Members", is current with all financial and disciplinary obligations to the association and MLS, has completed any new member requirements, and complies with NAR's trademark rules.

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

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

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

(c) All REALTOR® Members must have a current, valid real estate broker's or salesperson's license or appraiser's certification or license issued by the appropriate state agency.

(d) In the event that the license or certification of a REALTOR® member is no longer current and valid, that REALTOR'S® membership will be automatically suspended and all rights and privileges of membership suspended. Such suspension will become effective immediately upon confirmation from the appropriate state agency that the REALTOR'S® license or certification is not current and valid.

(e) Upon the suspension of a REALTOR'S® membership under Section 6 (d), (Article VI) the Board of Directors at a regular or special meeting may at its discretion and by majority vote elect to: 1. Allow the suspension to remain in effect until the license or certification is current and valid at which time reinstatement would become automatic; or 2. Revoke membership and require reapplication under Article V (fees if any, may be waived by the Board of Directors at their discretion).

(f) If a REALTOR® whose membership is suspended under Section 6 (d), Article VI is also the Principal Broker of a member firm, the membership of all REALTORS® in that firm will likewise be suspended until such time as a principal broker whose license or certification is current and valid is appointed. At that time membership will automatically be reinstated for those REALTOR® members of that firm, provided their licensees or certifications are current and valid.

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

NOTE: Local associations establish the rights and privileges to be conferred on Institute Affiliate Members except that no Institute Affiliate Member may be granted the right to use the term REALTOR®, REALTOR-ASSOCIATE®, or the REALTOR® logo; to serve as President of the local association; or to be a participant in the local association's Multiple Listing Service. (Amended 1/02)

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 as 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 shall be subject to obligations prescribed by the Board of Directors.

Section 12. Life Members. Life Members shall be considered REALTOR® Members and shall have full membership rights accorded to REALTOR® Members, as set forth in these bylaws.

Section 13. Certification by REALTOR®. "Designated" REALTOR® (DR) Members of the Association shall certify to the Association during the month of May, on a form provided by the Association, a complete listing of all individuals licensed or certified with the REALTOR'S® firm(s) and shall designate a primary Association for each individual who holds membership. Designated REALTORS® shall also identify any non-member licensees in the REALTOR'S® office(s) and if Designated REALTOR® Dues have been paid to another Association based on said non-member licensees, the Designated REALTOR® shall identify the Association to which dues have been remitted. These declarations shall be used for purposes of calculating dues under Article X, Section 2 of the Bylaws. "Designated" REALTOR® Members shall also notify the Association of any additional individual(s) licensed or certified with the firm(s) within thirty (30) days from 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 sexual harassment of an Association employee or Association Officer or Director after an investigation in accordance with the procedures of the Association. As used in this Section, harassment means any verbal or physical conduct including threatening or obscene language, unwelcome sexual advances, stalking, actions including strikes, shoves, kicks, or other similar physical contact, or threats to do the same. Or any other conduct with the purpose or effect of unreasonably interfering with an individual's work performance by creating a hostile, intimidating or offensive work environment. The decision of the appropriate disciplinary action to be taken shall be made by the investigatory team comprised of the President, President-elect and one member of the Board of Directors selected by the highest ranking officer not named in the complaint, upon consultation with legal counsel for the Association. Disciplinary action may include any sanction authorized in the association's Code of Ethics and Arbitration Manual. If the complaint names the President or President-Elect they may not participate in the proceedings and shall be replaced by the Immediate Past President or, alternatively, by another member of the Board of Directors selected by the highest ranking officer not named in the complaint.

NOTE: Suggested procedures for processing complaints of harassment are available online through <http://www.REALTOR.org>, or from the Member Policy department (amended 5/08)

ARTICLE VII - PROFESSIONAL STANDARDS AND ARBITRATION

Section 1. Enforcement of the Code.

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

Section 2. Obligation of REALTOR® Members.

It shall be the duty and responsibility of every REALTOR® member of this association to safeguard and promote the standards, interests, and welfare of the association and the real estate profession., and to protect against conduct that may cause a lack of public confidence in the real estate profession or in REALTORS®. REALTOR® members also must abide by the governing documents and policies of the association, the State Association, and the NATIONAL ASSOCIATION OF REALTORS®, as well as 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 in accordance with the procedures set forth in the Code of Ethics and Arbitration manual.

Every REALTOR® member shall maintain a high level of integrity and adhere to the association's membership criteria. Any violent act or threat of violence to person or property, hateful conduct, or acts of moral turpitude impacting the public shall not be tolerated and may be cause for disciplinary action, up to and including termination of membership.

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

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

Section 1. Use of the terms REALTOR® and REALTORS® by members shall, at all times, be subject to the provisions of the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS® and to

the Rules and Regulations prescribed by its board of directors. The association shall have the authority to control, jointly and in full cooperation with the NATIONAL ASSOCIATION OF REALTORS®, use of the terms within its jurisdiction. Any misuse of the terms by members is a violation of a membership duty and may subject members to disciplinary action by the board of directors after a hearing as provided for in the association's Code of Ethics and Arbitration Manual.

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

Section 3. A REALTOR® principal member may use the terms REALTOR® and REALTORS®, only if all the principals of such firm, partnership, or corporation who are actively engaged in the real estate profession within the state or a state contiguous thereto are REALTOR® members or Institute Affiliate members.

(a) In the case of a REALTOR® principal member 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 holds REALTOR® membership. If a firm, partnership, or corporation operates additional places of business in which no principal 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 MEMBERSHIP

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 Board shall be entitled to membership in the NATIONAL ASSOCIATION OF REALTORS® and the Virginia Association of REALTORS® without further payment of dues. The association shall continue as a member of the State and National Associations, unless by a majority vote of all of its REALTOR® members, decision is made to withdraw, in which case the State and National Associations shall be notified at least one month in advance of the date designated for the termination of such membership.

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

Section 3. The association adopts the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and agrees to enforce the Code among its REALTOR® members. The association and all of its members agree to abide by the Constitution, Bylaws, Rules and Regulations, and policies of the National Association.

ARTICLE X - DUES AND ASSESSMENTS

Section 1. Application Fee. The board of directors may adopt an application fee for REALTOR® membership in reasonable amount, not exceeding three (3) times the amount of the annual dues for REALTOR® membership, which shall be required to accompany each application for REALTOR® membership and which shall become the property of the association upon final approval of the application. Application fees are non-refundable.

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

Designated REALTOR® Members Dues.

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 association in the state or a state contiguous thereto or Institute Affiliate members of the association. In calculating the dues payable to the association by a designated REALTOR® member, non-member licensees as defined in (1) and (2) of this paragraph shall not be included in the computation of dues if the designated REALTOR® has paid dues based on said non-member licensees in another association in the state or a state contiguous thereto, provided the designated REALTOR® notifies the association in writing of the identity of the association to which dues have been remitted. In the case of a designated REALTOR® member in a firm, partnership, or corporation whose business activity is substantially all commercial, any assessments for non-member licensees shall be limited to licensees affiliated with the designated REALTOR® (as defined in (1) and (2) of this paragraph) in the office where the designated REALTOR® holds membership, and any other offices of the firm located within the jurisdiction of this association.

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 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 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, renting, 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®. Designated REALTORS® shall notify the association within three (3) days of any change in status of licensees in a referral firm.

The exemption for any licensee included on the certification form shall automatically be revoked upon the individual being engaged in real estate licensed activities (listing, selling, leasing, renting, managing, counseling, or appraising real property) other than referrals, and dues for the current fiscal year shall be payable.

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

(b) REALTOR® Members Dues. The annual dues of REALTOR® members other than the designated REALTOR® shall be as established annually by the board of directors.

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

(d) The local portion of the annual dues except for Institute Affiliate Members shall not increase by more than ten dollars (\$10) per year without a vote of the general membership at a regularly scheduled meeting. Such vote shall require a quorum present.

(e) Affiliate Members. The annual dues of each Affiliate Member shall be in such amount as established annually by the Board of Directors. (Amended 1/05)

(f) Public Service Members. The annual dues of each Public Service member shall be such amount as established annually by the Board of Directors. (Amended 1/05)

(g) Honorary Members. Dues payable, if any, shall be at the discretion of the Board of Directors. (Amended 1/05)

(h) Student Members. Dues payable, if any, shall be at the discretion of the Board of Directors. (Amended 1/05)

(i) Life Members. Life Members shall be relieved of the obligation of paying that portion of the dues and assessments allocated for REALTOR® members of the Virginia Peninsula Association of REALTORS®, Inc.

Section 3. Dues Payable. Dues for all Members shall be payable annually in advance on the first day of July. Dues for new members shall be computed from the date of application and granting of provisional membership. (Adopted 1/98, Amended 1/05)

(a) In the event a sales or appraiser licensee 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 2a) 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. (Amended 1/05)

Section 4. Assessments. The Association may assess any or all classifications of membership from time to time subject to approval of the Board of Directors.

Section 5. Nonpayment of Financial Obligations. If dues, fees, fines or other assessments including amounts owed to the Association are not paid within one (1) month after the due date, services of the nonpaying member may be suspended by the Board of Directors. Two (2) months after due date, membership of the nonpaying Member shall automatically terminate unless within that time the amount due is paid. However, no action shall be taken to suspend or expel a Member for nonpayment of disputed amounts until the accuracy of the amount owed has been confirmed by the Board of Directors. A former Member who has had his membership terminated for nonpayment of dues, fees, fines or other assessments duly levied in accordance with the provisions of these Bylaws or the provisions of other policies 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 6. Deposit and Expenditures. Deposits and expenditures of funds shall be in accordance with policies established by the board of directors. (Amended 1/05)

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

(a) All bills are due on the billing date. If not paid within ten (10) days of the due date, a finance charge as set by the Board of Directors shall be assessed. If not paid within one (1) month after the due date, an

administrative handling charge as set by the Board of Directors shall be assessed. In addition, on any account with a balance of \$1,000.00 or more that is not paid within one (1) month of the due date, a late charge as set by the Board of Directors shall be assessed.

Section 8. The dues of REALTOR® members who are REALTOR® Emeriti (as recognized by the National Association), past presidents and past treasurers of the National Association or recipients of the Distinguished Service Award shall be as determined by the board of directors. (Amended 11/2013)

NOTE: A Member Board's dues obligation to the National Association is reduced by an amount equal to the amount which the association is assessed for a REALTOR® member, times the number of REALTOR® Emeriti (as recognized by the National Association), past presidents and past treasurers of the National Association, and recipients of the Distinguished Service Award of the National Association who are REALTOR® members of the association. The dues obligation of such individuals to the local association should be reduced to reflect the reduction in the association's dues obligation to the National Association. The association may, at its option, choose to have no dues requirement for such individuals except as may be required to meet the association's obligation to the State Association with respect to such individuals. Member Boards should determine whether the dues payable by the association to the State Association are reduced with respect to such individuals. It should be noted that this does not affect a "designated" REALTOR®'s dues obligation to the association with respect to those licensees employed by or affiliated with the "designated" REALTOR® who are not members of the local association. (Amended 11/2013)

Section 9. Failure to Notify. Failure to report to the Association within thirty (30) days, agents who are employed by or affiliated as independent contractors, or are otherwise directly licensed with such REALTOR® firm, partnership or corporation shall subject the Principal Broker to a \$50.00 fine, per agent. Principal Broker will also be assessed, retroactive, an amount equal to the accumulated monthly fees during the current fiscal year that should have been reported on the date licensed with said firm.

ARTICLE XI - OFFICERS AND DIRECTORS

Section 1. Officers. The elected officers of the Association, all of whom must be REALTOR® Members, shall be: a President/President-Elect, who shall be elected for a two (2) year term, to serve one (1) year as President-Elect and one (1) year as President; and a Treasurer who shall be elected for terms of two years or until his/her successor is elected. The Chief Executive Officer, who shall also serve as Secretary of the Corporation and does not have to be a REALTOR® Member, shall be appointed by the Board of Directors and shall serve at their pleasure.

Section 2. Duties of Officers. The duties of the Officers shall be such as their titles, by general usage, would indicate and such as may be assigned to them by the Board of Directors. It shall be the particular duty of the chief executive officer 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®. (Amended 1/05)

Section 3. Board of Directors. The governing body of the Association shall be eleven (11) member Board of Directors consisting of the elected officers, Immediate Past President, and seven (7) REALTOR® Members of the Association. The seven (7) Directors shall be elected to serve for terms of two (2) years. The term of office for members of the Board of Directors, including officers begins immediately upon being formally installed. Future elections shall be held so that within two (2) years one-half of the elected Directors shall be elected each year. Thereafter, as many Directors shall be elected yearly as are required to fill vacancies. No member of the Board of Directors may serve more than two (2) consecutive elected two (2)-year terms. In addition to meeting the requirements for Director, candidates for officer positions must currently be serving on or have previously served at least one (1) year on the Board of Directors. Candidates for Director must have been a REALTOR® for at least three (3) years, have been a member of VPAR for at least two (2) years and have acceptable committee

involvement and leadership experience. Any National Association Director who is a member of the Local Association may serve as an ex-officio member of the Board of Directors.

Section 4. Election of Officers and Directors.

(a) At least one hundred twenty (120) days before the annual election, a Nominating Committee of seven (7) REALTOR® Members consisting of at least three (3) past Association Presidents, one of whom shall be chairman of the committee, along with two additional members as alternates, shall be appointed by the President, with the Approval of the Board of Directors. The committee will hold its first meeting within thirty (30) days of appointment for the purpose of determining and soliciting eligible candidates. The Nominating Committee shall select one (1) or more candidate(s) for each officer position, other than the President's and one (1) or more candidates(s) for each place to be filled on the Board of Directors. The President's position shall be automatically filled by the standing President-Elect. A majority of the committee members, present at the meeting, must approve the slate of Officers and Directors proposed by the committee. A quorum for this Committee will be five (5) members. The nominating committee shall interview all persons seeking nomination for election as officer or director. The report of the Nominating Committee shall be distributed to each member eligible to vote at least forty-five (45) days preceding the election. Additional candidates for the offices to be filled may be placed in nomination by petition signed by at least ten percent (10%) of the Members eligible to vote. The petition shall be filed with the Chief Executive Officer at least fourteen (14) days before the election. The Chief Executive Officer shall send such notice of such additional nominations to all members eligible to vote before the election.

(b) The election of Officers and Directors shall take place on the third Monday in October. In the event that the third Monday is a federal holiday in any year the election shall take place on the second Monday of October. Election shall be by written ballot and all votes shall be cast in person. Where permitted by state law, and in accordance with applicable state requirements, election of Officers and Directors may be conducted by electronic means, in accordance with procedures established by the Board of Directors. The ballot shall contain the names of all candidates *(except the President) and the office for which they are nominated listed in alphabetical order. Ballots and the ballot box shall not be handled by any individual(s) other than those appointed by the Chief Executive Officer. Eligible voters are entitled to one ballot per election. The date for balloting will be announced by the Chief Executive Officer. Voting time will be normal business hours at the Association Office 9 A.M. until 5 P.M. on the day of voting. The Officers and Directors shall be elected by plurality vote of the membership.

**NOTE: The standing President-Elect automatically assumes the presidency the following year.

(c) The President, with the approval of the Board of Directors, shall appoint a Tally Committee of not more than five (5) members to count the ballots. Under no circumstances should a member of the Tally Committee be affiliated with the same office and/or firm as any of the candidates. In case of a tie vote, the issue shall be determined by lot. Members are required to vote for each position on the ballot, otherwise the ballot will not be counted. Absentee ballots must be cast in person at the Association office within the seven (7) day period prior to the election. Results of the election will be announced immediately upon tabulation and verification by the Tally Committee.

(d) If an Officer or Director is nominated by the Nominating Committee to fill one of the Officer positions and is elected by the Membership to that position, he/she must resign his/her previous position no later than the date of installation in the year of such election. A member of the Nominating Committee may be nominated to any position; however, that member shall resign at that time and be replaced by an alternate selected by the Committee chair. No member of the Nominating Committee may nominate any member of his or her own firm, at the committee meeting(s). Members of the Nominating Committee and/or that respective committee member's firm, however, may be considered if their names are submitted for consideration in writing and are received prior to the first meeting of the Nominating Committee.

Section 5. Vacancies. Vacancies or resignations among the Officers and the Board of Directors shall

be filled by a simple majority vote of the Board of Directors, to serve until the next annual election.

Section 6. Removal of Officers or Directors. In the event that an Officer or Director is deemed to be incapable of fulfilling the duties for which elected, but will not resign from office voluntarily, the Officer or Director may be removed from office under the following procedures:

(a) A petition requiring the removal of an Officer or Director and signed by not less than one-third of the voting membership or a majority of all Directors shall be filed with the President, or if the President is the subject of the petition, with the next ranking officer and shall specifically set forth reasons the individual is deemed disqualified from further service.

(b) Upon receipt of the petition, and not less than twenty (20) days or more than forty-five (45) days thereafter, a special meeting of the voting membership of the Association shall be held, and the sole business of the meeting shall be to consider the charge against the Officer or Director and to render a decision on such petition.

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

Section 7. Chief Staff Executive. There shall be a chief staff executive, appointed by the board of directors, who shall be the chief executive officer of the association. The chief staff executive shall have the authority to hire, supervise, evaluate and terminate other staff, if any, and shall perform such other duties as prescribed by the board of directors. (Adopted 1/05)

ARTICLE XII - MEETINGS

Section 1. Business Meetings. Business meetings of the Association may be held from time to time each year as necessary; the date, place, and hour to be designated by the Board of Directors.

Section 2. Meetings of Directors. The Board of Directors shall designate a regular time and place of meetings. Absence from two (2) regular meetings without an excuse deemed valid by the President shall be construed as resignation. Unexcused time missed in excess of 1/2 hour shall be deemed an absence. To the fullest extent permitted by law, the Board of Directors or membership may conduct business by electronic means. 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 the consent shall be delivered to the Chief Executive Officer to be filed in the corporate records. The action taken shall be effective when all the directors have approved the consent unless the consent specifies a different effective date. A quorum for the transaction of business shall be a majority of the board of directors, except as may otherwise be required by state law. (Amended 05/2013)

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 the written request of at least ten percent (10%) of the Members eligible to vote.

Section 4. Notice of Meetings. Written notice shall be given to every Member entitled to participate in the meeting at least ten (10) days preceding all meetings. If a special meeting is called, it shall be accompanied by a statement of the purpose of the meeting.

Section 5. Quorum - General Membership Meetings. A quorum for the transaction of business at general and/or special meetings of the membership shall consist of the president or president-elect and fifty (50) REALTOR® members who are present and eligible to vote, except as may otherwise be required by state law. (Amended 05/2013).

Section 6. Quorum - Board of Directors Meetings. A quorum for the transaction of business shall consist of the president or president-elect plus six (6) directors.

Section 7. Quorum - Committee/Subcommittee Meetings. A quorum for the transaction of business shall consist of 30% of the committee.

Section 8. Voting. All members entitled to vote shall vote in person and may not vote by proxy.

ARTICLE XIII - COMMITTEES

Section 1. Standing Committees.

(a) The President shall appoint from among the Members, subject to confirmation by the Board of Directors, all annual committees and subcommittees. Appointments to the Professional Standards Committee and Grievance Committee shall be consistent with the cooperative professional standards enforcement agreement of the Association.

(b) All committee/subcommittee chairs and vice chairs shall be designated by the President to serve a one-year (1) term, with confirmation from the Board of Directors.

Section 2. Special Committees/Subcommittees

The President shall appoint, subject to confirmation by the Board of Directors, all special committees and subcommittees as deemed necessary.

Section 3. Organization. All committees and subcommittees shall be of size and shall have duties, functions, and powers as approved by the Board of Directors, except as otherwise provided in these Bylaws.

Section 4. Ex-Officio. All Officers of the Association shall be ex-officio members of all annual committees and subcommittees. The President and President-elect shall be notified of all meetings.

ARTICLE XIV - FISCAL YEAR

Section 1. Fiscal Year. The fiscal year of the Association shall be January 1 to December 31.

ARTICLE XV - RULES OF ORDER

Section 1. 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 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. Additionally, amendments to the bylaws may be included on the annual officers and directors ballot and must be approved by a majority of those

who vote in the election. The substance of the amendments must be plainly stated to all members qualified and eligible to vote.

Section 2. Notice of all meetings and/or elections at which amendments are to be considered, shall be distributed to every Member eligible to vote at least ten (10) days 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 alteration in the territorial jurisdiction of the Association shall become effective upon their approval as authorized by the Board of Directors of the NATIONAL ASSOCIATION OF REALTORS®.

ARTICLE XVII - DISSOLUTION

Section 1. Upon the dissolution of this Association, the Board of Directors, after providing for the payment of all obligations, shall distribute any remaining assets to the VIRGINIA ASSOCIATION OF REALTORS®, or, within its discretion, to any other non-profit tax exempt organization. (Amended 1/05)

ARTICLE XVIII - ASSOCIATION SPONSORED ORGANIZATIONS

Section 1. The Association shall sponsor and provide such supportive services as the Board of Directors may from time to time approve for the local Chapters of the NATIONAL ASSOCIATION OF REALTORS® Societies, Institutes and Councils located within the Local Association's area of jurisdiction.

ARTICLE XIX - INDEMNIFICATION

Section 1. Indemnification of Directors and Officers. Except as provided in Section 2 of this Article, the Association shall indemnify every individual made a party to a proceeding because he/she is or was a director or officer against liability incurred in the proceeding if: (i) he/she conducted himself/herself in good faith, and (ii) he/she believed, in the case of conduct in his/her official capacity with the Association, that his/her conduct was in its best interest and, in all other cases, that his/her conduct was at least not opposed to its best interests (or in the case of conduct with respect to an employee benefit plan, that his/her conduct was for a purpose to be in the interest of the participants of and beneficiaries of the plan); and (iii) he/she had no reasonable cause to believe in the case of any criminal proceeding, that his conduct was unlawful.

Section 2. Indemnification Not Permitted. The Association shall not indemnify any individual against his/her gross negligence or willful misconduct or against his/her liability incurred by him/her in any proceeding charging improper personal benefit to him/her, whether or not by or in the right of the Association or involving action in his/her official capacity, in which he/she was adjudged liable by a court of competent jurisdiction on the basis that personal benefit was improperly received by him/her.

Section 3. Effect of Judgment or Conviction. The termination of a proceeding by judgment, order, settlement or conviction is not, of itself, determinative that an individual did not meet the standard of conduct set forth in Section 1 of this Article or that the conduct of such individual constituted gross negligence or willful misconduct.

Section 4. Determination and Authorization. Unless ordered by a court of competent jurisdiction, any indemnification under Section 1 of this Article shall be made by the Association only as authorized in the specific case upon a determination that indemnification of the individual is permissible in the circumstances because: (i) he/she met the standards of conduct set forth in Section 1 of this Article and with respect to a proceeding by or in the right of the Association, he/she is fairly and reasonably entitled to indemnification in view of all the relevant circumstances even though he/she was judged liable; and (ii) the conduct of such individual did not constitute gross or willful misconduct. Such determination shall be made: (i) by the Board of Directors of the Association by a majority vote of a quorum consisting of

Directors not at the time parties to the proceeding; or (ii) if such a quorum cannot be obtained, by majority vote of a committee duly designated by the President and approved by the Board of Directors (in which designated Directors who are parties may participate), consisting solely of two (2) or more Directors not at the time parties to the proceeding; or (iii) by special legal counsel selected by the Board of Directors or its committee in the manner heretofore provided or, if such a quorum of the Board of Directors cannot be obtained and such a committee cannot be designated, selected by a majority vote of the Board of Directors (in which selection Directors who are parties may not participate). Authorization of indemnification, evaluation as to reasonableness of expense and determination and authorization of advancements for expenses shall be made in the same manner as the determination that indemnification is permissible, except that if the determination is made by special legal counsel, authorization of indemnification and evaluation as to reasonableness of expenses shall be made by those selecting such counsel.

Section 5. Advance for Expenses. The Association may pay for or reimburse the reasonable expense incurred by any individual who is a party to a proceeding in advance of final disposition of the proceeding if: (i) he/she furnished the Association a written statement of his good faith belief that he/she has met the standard of conduct described in Section 1 of this Article and a written undertaking, executed personally or on his behalf, to repay the advance if it is ultimately determined that indemnification of such individual in the specific case is not permissible; and (ii) a determination is made that the facts then known to those making the determination would not preclude indemnification under this Article. An undertaking furnished to the Association in accordance with the provisions of this section shall be an unlimited general obligation of the individual furnishing the same but need not be secured and may be accepted by the Association without reference to financial ability to make repayment.

Section 6. Indemnification of Employees and Agents. The Association may, but shall not be required to, indemnify the advance expenses to employees and agents of the Association to the same extent as provided in the Article with respect to Directors and Officers.

Section 7. Definitions. In this Article:

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

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

(c) "Association" means the Virginia Peninsula Association of REALTORS®, Inc. or a domestic or foreign predecessor entity of the Association in a merger or other transaction in which the predecessor's existence ceased upon the consummation of the transaction.

(d) "Expenses" includes but not limited to counsel fees.

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

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

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

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

Section 8. Provisions Not Exclusive. As authorized by the Virginia Nonstock Corporation Act, the provisions of this Article are in addition to and not in limitation of the specific powers of a corporation to indemnify Directors and Officers set forth therein. If any provisions of this article shall be adjudicated invalid or unenforceable by a court of competent jurisdiction, such adjudication shall not be deemed to invalidate or otherwise affect any provision hereof or any power of indemnity which the Association may have under the Virginia Nonstock Corporation or other laws of the Commonwealth of Virginia.