

## BYLAWS

# HAMPTON ROADS REALTORS® ASSOCIATION, INC.

Approved by HRRRA Board February 23, 2017  
Approved by HRRRA Membership December 13, 2019  
Approved by HRRRA Board February 27, 2020  
Approved by HRRRA Board October 28, 2020

### ARTICLE I - NAME

Section 1. *Name. The name of this organization shall be the Hampton Roads REALTORS® Association, 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 interest of home and other real property ownership;*

Section 5. *To unite those engaged in the real estate profession with the Virginia Association of REALTORS® and the National Association of REALTORS®, thereby furthering their own objectives throughout the state and nation, and obtaining the benefits and privileges of membership therein.*

Section 6. *To designate, for the benefit of the public, individuals authorized to use the terms REALTOR® or 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® are the Cities of Chesapeake, Franklin, Norfolk, Portsmouth, Suffolk, Virginia Beach, and Windsor, Virginia; and the Counties of Southampton and Isle of Wight (except the town of Smithfield), Virginia.*

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

*There shall be several classes of members as follows:*

A. *REALTOR® Members, whether primary or secondary shall be:*

1. *Principals and Managers. Individuals who are licensed by the Virginia Real Estate Board, or who are licensed by the Virginia Appraisal Board to engage in the appraisal of real property, and who, as sole proprietors, principals, partners, corporate officers, branch office managers, or trustees, are actively engaged 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.*

*The individual shall have no record of official sanctions involving unprofessional conduct and shall have no recent or pending bankruptcy. All persons who are partners in a partnership, principals, or all officers in a corporation, or each trustee of a trust, who are actively engaged in the real estate professions within the Commonwealth or a state contiguous thereto shall qualify for REALTOR® membership only, and each is required to hold REALTOR® Membership in an Association of REALTORS® within the Commonwealth or a state contiguous thereto unless otherwise qualified for Institute Affiliate Membership as described in these Bylaws.*

*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 B. of Article IV.*

2. *Other persons. Individuals licensed by the Virginia Real Estate Board who are engaged in the real estate profession other than as sole proprietors, principals, partners, corporate officers, branch office managers, or trustees, or who are licensed by the Virginia Appraisal Board to engage in the appraisal of real property, and are associated with a REALTOR® Member and meet the qualifications set out in Article V.*
3. *Franchise REALTOR® Membership. Corporate officers (who may be licensed or unlicensed) of a real estate brokerage franchise organization with at least one hundred fifty (150) 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 local board, state association and National Association.*

4. *Primary and secondary REALTOR® Members. An individual is a primary member if the Association pays state and National dues based on such member. An individual is a secondary Member if state and National dues are remitted through another Association. One of the principals in a real estate firm must be a Designated REALTOR® member of the Association in order for licensees affiliated with the firm to select the Association as their "primary" Association.*
5. *Designated REALTOR® Members. Each firm shall designate in writing one REALTOR® Member who shall be responsible for all duties and obligations of Membership including the obligation to arbitrate pursuant to Article 17 of the Code of Ethics and the payment of Association dues as established in Article X. The "Designated REALTOR®" must be a sole proprietor, principal, partner, corporate officer, trustee, or branch office manager acting on behalf of the firm's principal(s) and must meet all other qualifications for REALTOR® Membership established in Article V.*
- B. *Institute Affiliate Members. Institute members shall be individuals who hold a professional designation awarded by an Institute, Society, or Council affiliated with the National Association of REALTORS® that addresses a specialty area other than residential brokerage or individuals who otherwise hold a class of membership in such Institute, Society, or Council that confers the right to hold office. Any such individual, if otherwise eligible, may elect to hold REALTOR® membership, subject to payment of applicable dues for such membership.*
- C. *Affiliate Members shall be real estate owners and other individuals or firms who, while not engaged in the real estate profession as defined in Sections A. or B., have interests requiring information concerning real estate, and are in sympathy with the objectives of the Association.*
- D. *Public Service members shall be individuals who are interested in the real estate profession as employees of or affiliated with educational, public utility, governmental, institutional or other similar organizations, but are not engaged in the real estate profession on their own account or associated with an established real estate business.*
- E. *REALTORS® who are members in good standing of the Commercial Real Estate Council shall, upon application, be given Secondary Member status in the Association, if not already a Primary Member.*
- F. *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.*
- G. *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.*
- H. *Life Members shall be REALTOR® Members who are at least sixty years of age, and have been engaged in the real estate profession and have been a member of one or more Member Boards or Associations of the National Association of REALTORS® continuously for at least thirty (30) years.*
- I. *Subscriber Members shall be persons who have interests requiring information concerning real estate but who do not fit into any other membership class.*

*NOTE 1: One or more of the requirements for REALTOR® membership set forth above in Article IV, may be deleted at the association's discretion. However, associations may NOT adopt membership qualifications more rigorous than specified in the Membership Qualification Criteria for REALTOR® Membership, approved by the Board of Directors of the National Association.*

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

## ARTICLE V - APPLICATION, QUALIFICATION AND ELECTION

### A. *Application.*

1. *An application for membership shall be made in such a manner and form as may be prescribed by the Board of Directors and made available to anyone requesting it.*

*The Board of Directors may adopt an application fee for REALTOR® Membership in reasonable amount, not exceeding three times the amount of the annual dues for REALTOR® Membership, which shall be required to accompany each application for REALTOR® Membership and which shall become the property of the Association upon final approval of the application.*

2. *Applications for REALTOR® and Institute Affiliate Membership shall contain among the statements to be signed by the applicant:*

- a. *That applicant agrees as a condition of membership to thoroughly familiarize himself or herself with the Code of Ethics of the National Association of REALTORS®, the Constitution, Bylaws, and Rules and Regulations of the Association, the Virginia and National Associations, and if elected a member, will abide by the Constitutions, Bylaws, and Rules and Regulations of the Association, the Virginia and National Associations; and,*

- b. *That the applicant consents that the Association, through its Membership Committee or otherwise, may invite and receive information and comment about the 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.*

3. *Applications for REALTOR® Membership shall also contain a statement that the applicant will agree to i) abide by the Code of Ethics of the National Association of REALTORS®, including the obligation to arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics, and as further specified in the Code of Ethics and Arbitration Manual of the National Association of REALTORS®, as from time to time amended, ii) complete an orientation course covering the Bylaws, Rules and Regulations of the Association, the Bylaws of the Virginia Association, and the Constitution, Bylaws and Code of Ethics of the National Association of REALTORS®, and iii) pass such reasonable and nondiscriminatory written examination thereon as may be required.*

### B. *Qualification.*

1. *Honorary members may be proposed by any voting member of the Association and shall be selected by the voting members of the Association by majority vote at any regular business meeting of the members.*

2. The Executive Vice President (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.

3. 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 the time frame outlined below from the association's receipt of their application, membership may, at the discretion of the board of directors, be terminated. 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.

4. 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.

5. 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)

6. *Upon approval by the Board of Directors for membership, dues will be paid within thirty (30) days of billing or pursuant to an alternative payment plan authorized by the Board of Directors, and all applicants for REALTOR® membership shall successfully complete an orientation course within the next three scheduled classes, to be given as prescribed by the Board of Directors prior to final acceptance for membership.*

7. *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 three scheduled Orientation classes from the date of application (or, alternatively, the date that provisional membership was granted), will result in denial of the membership application or termination of provisional membership.*

*Note: Orientation programs must meet the learning objectives and minimum criteria established from time to time by the NATIONAL ASSOCIATION OF REALTORS®.*

8. *Any applicant failing to meet the criteria above within the stated times shall be considered to have*

*abandoned the application for membership and will be considered a nonmember licensee and be charged for accordingly. If the applicant is a real estate licensee or a licensed or certified appraiser as described under Article IV, the Designated REALTOR® shall be billed immediately for his or her resulting personal dues increase. If the applicant thereafter desires membership, the applicant must reapply in accordance with the procedures set forth in this Article. Any time limits stated in this Article may be extended at the sole discretion of the Board of Directors for good cause shown. The Designated REALTOR®'s personal dues increase shall be prorated from the month in which the applicant was first licensed with him or her, which is presumed to be from the first day of the current fiscal year unless the Designated REALTOR® or the Association provides evidence to the contrary.*

## ARTICLE VI - PRIVILEGES AND OBLIGATIONS

### Section 1.

- A. Only Life and REALTOR® Members, whether primary or secondary, whose financial obligations to the Association are paid in full, shall be entitled to vote. There shall be no proxy voting. Only Life and REALTOR® Members entitled to vote may hold office.*
- B. All members shall abide by the Bylaws of the Association.*
- C. Life and REALTOR® Members shall abide by the Code of Ethics and Arbitration Manual of the National Association of REALTORS®, including the obligation to arbitrate controversies arising out of real estate transactions.*
- D. Each REALTOR® Member who is a principal in a real estate firm shall insure that the Association receives in writing the name of the Designated REALTOR® of that firm. The Designated REALTOR® shall be responsible for the actions of all salespersons who are not REALTORS® within that organization.*
- E. Designated REALTOR® Members of the Association shall certify to the Association during the month of April on a form provided by the Association, a complete listing of all individuals licensed or certified in the REALTORS®' office(s) and shall designate a primary Association for each individual who holds membership. Designated REALTORS® shall also identify any non-member licensees in the REALTORS®' 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. Designated REALTORS® shall also notify the Association of any additional individuals licensed or certified with the firm within thirty (30) days of the date of affiliation or severance of the individual.*
- F. REALTORS® who are members of the Commercial Real Estate Council shall have only those rights and duties set forth in the agreement for establishment of the CREC and its governing documents and any other rights specified by the Association.*
- G. All other classes of members shall have the rights and privileges and be subject to obligations prescribed by the Board of Directors.*
- H. Legal Liability Training. Within two years of the date of election to membership, and every two years thereafter, each REALTOR® and Life Member of the Association shall be encouraged to demonstrate that they have completed a course of instruction on antitrust laws, agency laws, civil rights laws or the*

REALTORS® Code of Ethics, its interpretation and meaning and/or the procedures related to its enforcement.

*This program will be considered satisfied upon presentation of evidence that the member has completed an educational program conducted by another Member Board or Association, the Virginia Association, the National Association, or any of its affiliated institutes, societies, or councils, or any other recognized educational institution which, in the opinion of the Board of Directors, is an adequate substitute for the training programs conducted by the Association.*

NOTE: Any education requirement must comply with Interpretation No. 37 of Article I, Section 2, Bylaws, NATIONAL ASSOCIATION OF REALTORS®.

- I. *Sexual Harassment. Any Member of the Association may be reprimanded, placed on probation, suspended or expelled for harassment of an Association or MLS employee or Association Officer or Director after a an investigation in accordance with the procedures of the Association. As used in the 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 Chairman of the Board, and Chairman-Elect and/or Vice Chairman 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 Chairman of the Board, Chairman-Elect or Vice Chairman, they may not participate in the proceedings and shall be replaced by the Immediate Past Chairman or, alternatively, by another member of the Board of Directors selected by the highest ranking officer not named in the complaint.*
  
- J. *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®, 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 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 for which REALTOR® membership shall be suspended until such time as the training is completed.*

*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.*

NOTE: Orientation programs must meet the learning objectives and minimum criteria established

*from time to time by the NATIONAL ASSOCIATION OF REALTORS®. (Adopted 1/01)*

**K. 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 (30) 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 ninety (90) days of the date they advised the Association of their change in status, their new membership application will terminate automatically unless otherwise so directed by the Board of Directors.*

*A REALTOR® who is transferring their license from one firm comprised of REALTOR® principals to another firm comprised of REALTOR® principals shall be subject to all of the privileges and obligations of membership during the period of transition. If the transfer is not completed within ninety (90) 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.*

**Section 2. Suspensions, Resignations, Expulsion and Reinstatement.**

**A.** *After a hearing as provided in the Code of Ethics and Arbitration Manual of the National Association of REALTORS®, 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 or for any conduct which, in the opinion of the Board of Directors, reflects adversely on this Association or the purposes for which it is organized.*

**B.** *A member suspended by the Board of Directors shall not have the right to vote or hold office or to use the term REALTOR® or REALTORS® during the period of suspension. If a REALTOR® or Life Member is a principal in a firm, partnership, corporation or trust, or a branch office manager under Article IV, that firm, partnership, corporation or trust shall not use the terms REALTOR® or REALTORS® in connection with its practice during the period of suspension, or until readmission to active membership, or unless and until the REALTOR® or Life Member thus suspended or expelled has severed connections with the firm, partnership, corporation or trust. In order for the suspended or expelled REALTOR® or Life Member to sever connections with the firm, partnership, corporation or trust, the member must:*

- 1. Resign any office as an officer, director or branch office manager of the firm;*
- 2. Dispose of stock or ownership interest, if any, to the end that no control or voting rights within the firm are retained; and*
- 3. Cease and desist from performing any duties or acts involving the supervision and direction of sales personnel. In the event such suspended or expelled REALTOR® or Life Member fails or refuses to*

*sever connections as herein defined, the memberships of other REALTORS® or Life Members associated with the firm, partnership, corporation or trust, shall be subject to suspension or termination during the period of suspension or termination of said REALTOR® or Life Member provided, however, that REALTOR® or Life Member other than the REALTOR® or Life Member suspended or expelled, shall have the right to notice and a hearing as provided in the Code of Ethics and Arbitration Manual before such suspension or termination of membership shall be effective.*

- C. A member may submit a letter of resignation of membership to the Board of Directors and, upon payment of all financial obligations to the Association, upon payment of all awards in arbitration, and upon submission to pending ethics proceedings, the Board of Directors shall accept the resignation.*
- D. 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®.*
- E. The Board of Directors may reinstate a former member to membership without requiring the former member to pay an additional application fee or to attend the orientation course, if the former member applies for reinstatement within the period of time after termination, which is established from time to time by the Board of Directors.*
- F. If a Member resigns from the Board 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 ethic 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®.*

*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®.*

## ARTICLE VII - PROFESSIONAL STANDARDS AND ARBITRATION

*Section 1. The responsibility of the Association and of Association Members relating to the enforcement of the Code of Ethics, the disciplining of Members, the arbitration of disputes, and the organization and procedures incident thereto shall be governed by the Code of Ethics and Arbitration Manual of the National Association of REALTORS®, as amended from time to time, which is by this reference incorporated into these Bylaws, provided, however, that any provision deemed inconsistent with state law shall be deleted or amended to comply with state law.*

*Section 2. It shall be the duty and responsibility of every REALTOR® and Life 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 Virginia Association of REALTORS®, the Constitution and Bylaws of the National Association of REALTORS®, and to abide by the Code of Ethics of the National Association of*

*REALTORS<sup>®</sup>, including the duty to arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics, and as further defined and in accordance with the procedures set forth in the Code of Ethics and Arbitration Manual of this Association as from time to time amended.*

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

#### **ARTICLE VIII - USE OF THE TERMS REALTOR<sup>®</sup> AND REALTORS<sup>®</sup>**

*Section 1. Use of the terms REALTOR<sup>®</sup> and REALTORS<sup>®</sup> by Members shall, at all times, be subject to the provisions of the Constitution and Bylaws of the National Association of REALTORS<sup>®</sup> and to the Rules and Regulations prescribed by its Board of Directors. The Association shall have authority to control, jointly and in full cooperation with the National Association of REALTORS<sup>®</sup>, 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<sup>®</sup> or Life Members of the Association shall have the privilege of using the terms REALTOR<sup>®</sup> and REALTORS<sup>®</sup> in connection with their places of business within the Commonwealth or a state contiguous thereto so long as they remain REALTOR<sup>®</sup> or Life Members in good standing. No other class of Members shall have this privilege.*

*Section 3. A REALTOR<sup>®</sup> or Life Member who is a principal of a real estate firm, partnership, or corporation may use the terms REALTOR<sup>®</sup> or REALTORS<sup>®</sup> only if all of the principals of such firm, partnership, or corporation who are actively engaged in the real estate profession within the Commonwealth or a state contiguous thereto are REALTOR<sup>®</sup> or Life Members of the Association or Institute Affiliate Members as described in Article IV.*

*In the case of a REALTOR<sup>®</sup> 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<sup>®</sup> or REALTORS<sup>®</sup> 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<sup>®</sup> 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<sup>®</sup> membership, the term REALTOR<sup>®</sup> or REALTORS<sup>®</sup> may not be used in any reference to those additional places of business.*

*Section 4. Institute Affiliate Members shall not use the terms REALTOR<sup>®</sup> or REALTORS<sup>®</sup>, nor the imprint of the emblem seal of the National Association of REALTORS<sup>®</sup>.*

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

*Section 1. The Association shall be a Member of the National Association of REALTORS<sup>®</sup> and the Virginia Association of REALTORS<sup>®</sup>. By reason of the Association's membership, each REALTOR<sup>®</sup> or Life Member of the Association shall be entitled to membership in the National Association of REALTORS<sup>®</sup> and the Virginia Association of REALTORS<sup>®</sup> 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<sup>®</sup> and Life 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 Life and REALTOR® Members. The Association and all of its Members agree to abide by the Constitution and Bylaws, Rules and Regulations, and policies of the National Association and the Virginia Association of REALTORS®.*

## ARTICLE X - DUES, FEES AND ASSESSMENTS

*A. The annual dues of members shall be as follows:*

- 1. REALTORS®. The annual dues of each Designated REALTOR® Member shall be in such amount as established by the Board of Directors as part of the annual budget process, plus an amount equal to the dues required of the Association by Virginia Association of REALTORS® and National Association of REALTORS® which are attributable to the member, plus a like amount multiplied by the number of real estate licensees and licensed or certified appraisers 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 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 Article V 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 Commonwealth 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® in the office where the Designated REALTOR® holds membership, and any other offices of the firm located within the jurisdiction of the Association.*

*For the purposes of this Section, REALTOR® Member of a Member Association shall be held to be any Member who has a place of business within 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 REALTOR® if the license of the individual is held by the REALTOR®, or by any broker who is licensed with the REALTOR®, or by any entity in which the REALTOR® has a direct or indirect ownership interest and which is engaged in other aspects of the real estate business (except as provided for in this Section) provided that such licensee is not otherwise included in the computation of dues payable the principal, partner, corporate officer, or branch office manager of the entity.*

*A REALTOR® with a direct or indirect ownership interest in an entity engaged exclusively in soliciting and/or referring clients and customer 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 customer 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.*

- 2. Institute Affiliate Members. The annual dues of each Institute Affiliate Member shall be as established in Article II of the Bylaws of the National Association of REALTORS®.*
- 3. The annual dues for other classes of membership shall be in such amounts as established by the Board of Directors as part of the annual budget process. Honorary and Student Members shall pay no dues.*

*B. Dues shall be payable in such amounts and on a schedule established by the Board of Directors.*

*C. Charges for services rendered including, but not limited to, meals, maps and supplies shall be due upon receipt of same. The Board of Directors may establish such reasonable fees for membership applications, late dues, and such other fees and charges as it from time to time deems appropriate. Termination of membership shall not relieve an individual of responsibility for payment of such fees, charges, dues or assessments.*

*D. Upon recommendation of the Board of Directors, additional assessments for members may be approved by a two-thirds (2/3) vote at a regularly-scheduled business meeting of the Association provided the assessment is levied on all members of a particular class of members. Notice of a proposed assessment shall be included in the notice of the meeting at which it is to be considered.*

*E. If dues, fees, charges or assessments are not paid as prescribed by the Board of Directors, the member is subject to suspension and termination by the Board of Directors. The Board of Directors may take such action as it deems appropriate, including instituting legal action to collect dues, fees, charges and assessments owed the Association, and receive, in addition, its reasonable attorney's fees and court costs.*

*F. No rebate of any dues payable to the Association, including that portion equal to the amount of state and National dues which have been paid, shall be made to any member upon termination of membership for any cause except at the sole discretion of the Board of Directors for good cause shown.*

## **ARTICLE XI - COUNCILS**

**Section 1. Purpose and role of Councils.**

*A. Each member shall be given the opportunity to select one or more Councils which focus on that member's chosen specialty, but such selection is not mandatory.*

- B. Councils will endeavor to identify the unique needs of the specialists and develop programs to meet those needs. Networking opportunities among peers will be made available.*
- C. Councils will customize their services and establish any fee structures, as approved by the Council participants.*

**Section 2. Establishment and Disestablishment of Councils.**

- A. The Board of Directors shall establish policies and criteria for the establishment and disestablishment of Councils.*
- B. The Board of Directors shall have sole authority to establish and disestablish Councils.*

**Section 3. Council Leadership.**

- A. Each Council will have a Moderator nominated by the Nominating Committee and elected by the membership.*
- B. Each Council will select its own Vice-Moderators.*
- C. Councils will compete for Association resources, providing budget input and requests through the Budget and Finance Committee.*

**ARTICLE XII - OFFICERS AND DIRECTORS**

**Section 1. Officers.**

- A. The elected officers of the Association shall be a Chairman of the Board, a Chairman-Elect, and Vice Chairman-Finance. All officers shall be REALTOR® or Life Members of the Association who have served a minimum of one year as a member of the Board of Directors. All officers are by election except that of Chairman of the Board. The Chairman-Elect serves the term for which elected and succeeds to the office of Chairman the following year.*
- B. The officers shall have such powers and duties as usually pertain to their respective offices as well as such powers and duties as may from time to time be conferred by the Board of Directors.*
  - 1. The Chairman of the Board shall be the top elected officer and shall preside at meetings of the Association, the Board of Directors, and the Executive Committee. The Chairman shall appoint a parliamentarian.*
  - 2. In the absence or inability of the Chairman to perform the duties of the office, the Chairman-Elect shall perform the duties of the Chairman.*
  - 3. The Vice Chairman-Finance shall be appointed Chairman of the Budget and Finance Committee and, in consultation with that Committee and the Executive Vice President, shall prepare a budget for the ensuing fiscal year and give financial reports of the Association at meetings of the Members and the Board of Directors.*

**Section 2. Board of Directors.**

A. *The Board of Directors shall consist of the officers and the Immediate Past Chairman, known as ex-officio directors, the Moderator of each council, and a quantity of at-large directors. The Chairmen of the Boards of any Association-owned multiple listing services, as defined in Article XIV, shall also serve as ex-officio directors. The total number of directors and ex-officio directors on the Board shall never total less than fifteen (15).*

1. *The Immediate Past Chairman shall be the living REALTOR® or Life Member who most recently served a full term in the office of Chairman of this Association.*
2. *All directors, except for ex-officio directors, and the Affiliate and Appraiser Council Moderators, shall be REALTOR® or Life Members of the Association.*

B. *The Association shall be organized into three At-Large Areas. The Suffolk-Franklin Area shall include the cities of Suffolk and Franklin, and the counties of Southampton and Isle of Wight. The Portsmouth-Chesapeake Area shall include the cities of Portsmouth and Chesapeake. The Norfolk-Virginia Beach Area shall include the cities of Norfolk and Virginia Beach.*

*Area representation on the Board of Directors shall be computed by dividing the Area membership by 500. One At-Large Director shall be elected for every 500 members in an Area. Fractions remaining do not entitle the area to another Director.*

*Each Area shall be represented by a minimum of two At-Large Directors, regardless of member count.*

C. *The Board of Directors shall focus on the organization, approve all committee appointments, consider membership applications, adopt a budget, authorize an annual certified audit of the books and accounts of the Association by a Certified Public Accountant, employ the Executive Vice President/Management Company, develop and approve the Strategic Plan, develop and approve the Annual Plan of Action, approve positions on industry and governmental issues, guide and coordinate the activities of any specialty councils within the Association, deal with matters that affect more than one council, receive committee and staff recommendations with action required only if budget amendments are required, review and affirm interim actions of the Executive Committee, and adopt policies and procedures as needed to carry on the business of the Association.*

### Section 3. Nominations.

A. *By the regular business meeting of the Board in April, a Nominating Committee of six members entitled to vote shall be proposed by the Chairman of the Board and elected by the Board of Directors. A majority vote shall elect. The Immediate Past Chairman shall be the seventh voting member and shall chair. No two members from the same firm may be elected to this committee. At least one member from each At-Large Area must be elected. A Nominating Committee member shall not be able to serve more than two successive terms.*

B. *The Nominating Committee shall submit the name of one nominee for each Office, Executive Committee At-Large position, Council Moderator and At-Large Directorship to be filled. The Nominating Committee shall include the list of nominees in the notice of the July or August meeting of the Association and shall post the same information in the Association offices at least ten (10) days prior to that meeting.*

C. *Additional nominations may be made at that meeting of the Association by the members entitled to vote. There shall be no further nominations after the adjournment of that meeting.*

*D. A written agreement to serve if elected must be obtained from each nominee prior to nomination and be filed with the Executive Vice President upon nomination.*

**Section 4. Election.**

*Election of opposed Officers, Executive Committee At-Large positions, Council Moderators, and Directors shall be elected by ballot on the day of the annual meeting of the Association in September at such places and times as the Board of Directors shall designate and so notify the membership, provided a quorum of votes are cast. A plurality vote shall elect. Write in candidates will not be accepted. All unopposed positions may be elected as a slate by voice vote at the September meeting.*

**Section 5. Term of Office.**

**A. Officers and Executive Committee At-Large.**

- 1. The term of office for each Officer and Executive Committee At-Large position shall be one year or until the successor is elected and shall begin January 1 following election.*
- 2. The Vice Chairman-Finance shall not be eligible to serve in the same office for more than two consecutive terms.*
- 3. No Executive Committee At-Large member may serve for more than two consecutive terms.*
- 4. A term equaling or exceeding one-half term or more shall be considered a full term.*

**B. Directors.**

- 1. The term of office for each At-large Director, except for Ex-officio Directors, shall be two years or until the successor is elected and shall begin January 1 following the election.*
- 2. The term of office for each Director/Council Moderator shall be one year or until the successor is elected and shall begin January 1 following election.*
- 3. No Director, other than Ex-officio Directors, may serve for more than two consecutive terms.*
- 4. A term equaling or exceeding one-half term or more shall be considered a full term.*

**Section 6. Vacancies.**

**A. Officers.**

- 1. A vacancy in the office of Chairman of the Board shall be filled by the Chairman-Elect.*
- 2. A vacancy in the office of Chairman-Elect shall be filled by the Vice Chairman-Finance who shall assume those duties on an interim basis until a new Chairman-Elect is elected by the members.*
- 3. A vacancy in the of Vice Chairman-Finance or Executive Committee At-Large position shall be filled by the Board of Directors by majority vote.*

**B. Directors.**

1. *A vacancy in the office of Director, whether Council Moderator or At-Large, other than Ex-officio Director, shall be filled by a majority vote of the Board of Directors.*
2. *If a Director is absent from any two meetings of the Board of Directors during any 12-month period, without being excused by the Chairman of the Board, or in the event a Director or Executive Committee Member is absent from any three such meetings during any 12-month period, regardless of excuse, the Board of Directors may remove such Director or Executive Committee Member by majority vote of the remaining Directors.*

### ARTICLE XIII - EXECUTIVE COMMITTEE

*Section 1. The Executive Committee shall consist of the Chairman of the Board, the Chairman-Elect, the Vice Chairman-Finance, three At-Large members, and the Immediate Past Chairman. Each At-Large Area must be represented. Multi-office regional brokers must be represented.*

*Section 2. The Executive Committee have the authority to take action between meetings of the Board, as authorized within the guidelines of established policy, plans and budgets, as approved by the Board of Directors. The Executive Committee shall focus on the industry, provide vision and planning guidance to the organization and industry, interact on VAR and NAR politics, and monitor progress on the Plan of Action and Business Plans.*

### ARTICLE XIV - MEETINGS

*Section 1. Association.*

- A. *Unless otherwise ordered by the Board of Directors, regular business meetings shall be held at least semiannually.*
- B. *The annual meeting shall be held in September and shall be held for the purpose of electing officers and directors, receiving reports of officers and committee chairmen, and for considering any other business that may arise.*
- C. *Special meetings of the Association shall be held at the call of the Board of Directors or upon the written request of any fifty (50) REALTOR® or Life Members entitled to vote.*
- D. *The quorum for meetings of the Association shall be fifty (50) members entitled to vote.*
- E. *Notice of meetings shall be given members not less than ten (10) nor more than fifty (50) days previous to the date of the scheduled meeting.*
- F. *Each REALTOR® Member shall be entitled to one (1) vote and all votes shall be cast in person, unless proxy voting and detailed procedures have been approved by the Board of Directors for that specific meeting.*

*Section 2. Board of Directors.*

- A. *Regular meetings of the Board of Directors shall be held every other month on a date and at a time*

*selected by the Board of Directors.*

- B. Special meetings of the Board of Directors shall be held at the call of the Chairman of the Board or upon the written request of six (6) members of the Board of Directors.*
- C. The quorum for meetings of the Board of Directors shall be eleven (11) members of the Board of Directors.*

### *Section 3. Executive Committee*

- A. Meetings of the Executive Committee shall be held each month on a date and at a time selected by the Executive Committee.*
- B. Special Meetings of the Executive Committee shall be held upon the call of the Chairman of the Board or upon written request of any three (3) members of the Executive Committee.*
- C. The quorum for meetings of the Executive Committee shall be four (4) members of the Executive Committee.*

### *Section 4. Councils*

*Meetings of any Council shall be on such dates and at such times as selected by members of the Council.*

## **ARTICLE XV - COMMITTEES**

*Section 1. The Chairman of the Board shall be an ex-officio member of all committees except the Nominating Committee.*

*Section 2. The Chairman of the Board shall appoint among the REALTORS® and Life Members the following standing committees: Budget & Finance, Grievance, and Professional Standards. Professional Standards and Grievance Committee appointments shall be made subject to confirmation by the Board of Directors.*

*Section 3. The Chairman of the Board shall appoint such other committees and task forces as deemed necessary to carry out the adopted programs of the Association.*

*Section 4. Committees shall have such duties, functions and powers as may be assigned to them by the Chairman of the Board, Executive Committee or the Board of Directors, except as otherwise provided in these Bylaws or Association's policy manual.*

*A quorum for a scheduled and announced standing committee shall consist of at least 25% of the membership of the committee.*

## **ARTICLE XVI - FINANCE**

*Section 1. The fiscal year of the Association shall be January 1 through December 31.*

*Section 2. All monies received by the Association for any purpose shall be deposited in a federally insured*

*financial institution or institutions selected by the Executive Committee, or shall be invested in the name of the Association in securities or other investment vehicles consistent with the investment policy of the Association, as approved by the Board of Directors and amended from time to time.*

*Section 3. The Board of Directors shall adopt a budget prior to the beginning of each ensuing fiscal year.*

*Section 4. Unbudgeted capital expenditures exceeding 10% of the Association's assets may not be made unless authorized by a quorum of the Association members present and eligible to vote.*

*Section 5. Special Funds. The Board of Directors may establish special funds for the purposes stated below:*

*A. Legal Action Fund. There shall be a fund called the Legal Action Fund, which shall be kept in a separate interest-bearing account and shall be maintained at a minimum level of fifty thousand dollars (\$50,000). All interest shall accrue to this account. It shall be used for the purposes listed herein when authorized by the Board of Directors.*

- 1. Enforcement of the Bylaws, Rules and Regulations, and the Code of Ethics and Arbitration Manual of the National Association of REALTORS®,*
- 2. Defense of the Association,*
- 3. Support of members, after consultation and recommendation of the Association attorney, in cases that would affect REALTORS®,*
- 4. Legal action necessary to defend or oppose legislation at the local, state and national level such as real estate and property rights related issues, and other expenditures as deemed appropriate by the Board of Directors.*

*B. Issues Mobilization Fund. This fund may be established for use in support of or opposition to public policy issues directly or indirectly affecting the real estate business in the Association's jurisdiction.*

## **ARTICLE XVII - OFFICES**

*Section 1. Association Offices.*

- A. The business at the offices shall be under the direction of the Executive Vice President.*
- B. Funds shall be allocated in the budget for necessary personnel and other expenses of operating the offices.*
- C. The Executive Vice President shall be bonded by a surety company in the amount set by the Board of Directors, and the cost of the bond shall be paid by the Association.*
- D. The Association shall maintain offices in both the eastern and the western areas of the jurisdiction.*

*Section 2. The Executive Vice President shall, in addition to other duties:*

- A. Serve as the Chief Executive Officer, exercising general supervision over the office, employing and discharging all employees of the Association, and determining the general office procedures in keeping with the Bylaws and established policy.*

- B. Maintain the permanent files of the Association, serve as Corporate Secretary, and attend meetings of the Association, Board of Directors, and Executive Committee.*
- C. Carry out the duties delegated by the Chairman of the Board, Executive Committee and the Board of Directors, and assist all committees in coordination of all Association meetings, activities, and functions.*
- D. Receive, deposit, and disburse all funds in accordance with the policies, procedures, and budgets as approved by the Board of Directors.*

## ARTICLE XVIII - 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, its Executive Committee, its Councils, and committees, in all instances wherein its provisions do not conflict with these Bylaws.*

## ARTICLE XIX - AMENDMENTS

*Section 1. These Bylaws may be amended by an affirmative 2/3 vote of the REALTOR® and Life 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. In addition, the Board of Directors may amend these Bylaws without vote of the members if the amendment is (i) mandated by the Board of Directors of the National Association of REALTORS® and is not required by Virginia laws to be included in the articles of incorporation, and relates to the Association's name, objectives, jurisdiction, professional standards and arbitration, use of the terms REALTOR® and REALTORS®, state and national membership, rules of order, or dissolution; or (ii) is recommended by the Board of Directors or legal counsel of the National Association of REALTORS® to bring these Bylaws into compliance with existing National Association rules, regulations, or member policies.*

*Section 2. Proposed amendments shall be submitted to the membership for consideration within 120 days after receipt by the Association from the maker unless the maker and the Board of Directors mutually agree otherwise.*

*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 XX - DISSOLUTION

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

## ARTICLE XXI - SUBSIDIARY MULTIPLE LISTING CORPORATION

*Section 1. Authority. The Association may maintain for the use of its Members a Multiple Listing Service, which shall be a lawful corporation of the Commonwealth of Virginia, all stock of which shall be owned by*

*this Association.*

**Section 2. Purpose.** *A Multiple Listing Service (MLS) 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;*
- *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;*
- *participants engaging in real estate appraisal contribute to common data bases; 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 to its Corporate Charter, Constitution, Bylaws, Rules, Regulations, Policies, Practices, and Procedures at all times, and to the Constitution and Bylaws, Rules, Regulations, and Policies of the National Association of REALTORS®.*

**Section 4. Participation.** *Any REALTOR® Member of this or any other Association who is a principal, partner, or corporate officer, trustee, or branch manager acting on behalf of the principal, without further qualification, except as otherwise stipulated in these Bylaws, shall be eligible to participate in Multiple Listing upon agreeing in writing to conform to the Rules and Regulations thereof and to pay the costs incidental thereto. However, under no circumstances is any individual or firm, regardless of membership status, entitled to Multiple Listing Service "Membership" or "Participation" unless they hold a current, valid real estate broker's license and offer or accept compensation to and from other Participants or are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property. Use of information developed by or published by an Association Multiple Listing Service is strictly limited to the activities authorized under a Participant's licensure(s) or certification and unauthorized uses are prohibited. Further, none of the forgoing is intended to convey "Participation," or "Membership" or any right of access to information developed or published by an Association 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 compensations made by listing brokers or agents in the MLS. "Actively" means on a continual and ongoing basis during the operation of the participant's real estate business. The "actively" requirement is not intended to preclude MLS participation by a participant or potential participant that operates a real estate business on a part-time, seasonal, or similarly time-limited basis or that has its business interrupted by periods of relative inactivity occasioned by market conditions. Similarly, the requirement is not intended to deny MLS participation to a participant or potential participant who has not achieved a minimum number of transactions despite good faith efforts. Nor is it intended to permit an MLS to deny participation based on the level of service provided by the participant or potential participant as long as the level of service satisfies state law.*

*The key is that the participant or potential participant actively endeavors to make or accept offers of cooperation and compensation with respect to properties of the type that are listed on the MLS in which participation is sought. This requirement does not permit an MLS to deny participation to a participant or potential participant that operates a "Virtual Office Website" (VOW) (including a VOW that the participant*

*uses to refer customers to other participants) if the participant or potential participant actively endeavors to make or accept offers of cooperation and compensation. An MLS may evaluate whether a participant or potential participant actively endeavors during the operation of its real estate business to offer or accept cooperation and compensation only if the MLS has a reasonable basis to believe that the participant or potential participant is in fact not doing so. The membership requirement shall be applied in a nondiscriminatory manner to all participants and potential participants.*

*Section 5. Access to Comparable and Statistical Information. Association Members who are actively engaged in real estate brokerage, management, appraising, land development or building, but who do not participate in the MLS, are nonetheless entitled to receive, by purchase or lease, all information other than current listing information that is generated wholly or in part by the MLS including "comparable" information, "sold" information, and statistical reports. This information is provided for the exclusive use of Association Members and individuals affiliated with Association Members who are also engaged in the real estate business and may not be transmitted, retransmitted, or provided in any manner to any unauthorized individual, office, or firm except as otherwise specified in the MLS Rules and Regulations. Association Members who receive such information, either as an Association service or through the Association's MLS, are subject to the applicable provisions of the MLS Rules and Regulations whether they participate in the MLS or not.*

*Section 6. Subscribers. Subscribers (or users) of the MLS include non-principal brokers, sales associates, and licensed and certified appraisers affiliated with participants.*

*Subscribers may also include affiliated unlicensed administrative and clerical staff, personal assistants, and individuals seeking licensure or certification as real estate appraisers who under the direct supervision of an MLS Participant or the Participant's licensed designee.*