

SOLD on North Dakota

NDAR BYLAWS

North Dakota Association of REALTORS®

www.ndrealtors.com

Adopted September 8, 1983
Amended February 15, 2005
Amended January 24, 2008
Amended September 18, 2008
Amended February 8, 2011
Amended October 23, 2013
Amended February 18, 2015



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ARTICLE I **NAME AND OBJECTS**

Section 1. Name

The name of the organization shall be: North Dakota Association of REALTORS®, Incorporated, hereinafter referred to as the Association.

Section 2. Objects

The objects of this Association shall be to unite local Boards of REALTORS®, hereinafter referred to as Boards, their Members and Individual Members in the State of North Dakota for the purpose of exerting effectively a combined influence upon matters affecting real estate, to elevate the standards of the real estate business throughout the state and the professional conduct of persons engaged therein.

ARTICLE II **MEMBERSHIP**

Section 1. Member Classifications

A. Member Board

Any Board within the State of North Dakota, of which, all of their REALTORS® and REALTOR® Associates hold membership in this Association and in the National Association of REALTORS®.

B. Member

An individual who is a REALTOR® or REALTOR® Associate of a Member Board.

C. Member at Large

(1) A REALTOR® Member shall be any individual engaged in the real estate profession as a principal, partner, corporate officer, or branch office manager acting on behalf of the firm's principal(s), and licensed or certified individuals affiliated with said REALTOR® Member whose place of business is located in an area outside the jurisdiction of any Member Board who meets the qualifications for REALTOR® membership established by the state association (which must be consistent with NAR's Membership Qualification Criteria). Secondary REALTOR® membership shall also be available to individuals who hold primary membership in a board/association in another state and who desire to obtain direct membership in the state association without holding membership in a local board/association in the state.

(2) REALTOR-ASSOCIATE® Members shall be individuals who are engaged in the real estate profession other than as principals, partners, corporate officers or branch office managers and do not qualify for or seek REALTOR® membership. Salespersons or licensed or certified appraisers who are employed by or affiliated as independent contractors with a REALTOR® Member of this

Association shall be eligible for REALTOR-ASSOCIATE® membership. REALTOR-ASSOCIATE® membership shall also be available to individuals who hold primary membership in an association in another state and who desire to obtain direct membership in the state association without holding membership in a local association in the state.

D. Institute Affiliate Member

Institute Affiliate members shall be individuals who hold a professional designation awarded by a qualified Institute, Society or Council affiliated with the NATIONAL ASSOCIATION OF REALTORS® that addresses a specialty area other than residential brokerage or individuals who otherwise hold a class of membership in such Institute, Society or Council that confers the right to hold office. Any such individual, if otherwise eligible, may elect to hold REALTOR® or REALTOR-ASSOCIATE® membership, subject to payment of applicable dues for such membership. *(Updated 2-15)*

E. Affiliate Member

An individual or institution, who is an Affiliate Member of a Member Board.

F. Honorary Member

An individual who has contributed in a notable and lasting manner towards the betterment of the Association. Nomination for such a membership is made to the Association's Board of Directors by a Member Board or by the Association's Membership Services Committee.

G. Life Member

An individual who meets the qualifications which have been established by policy of the Association's Board of Directors.

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 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.

*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.

NOTE 1: 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.

- (b) Individuals who are actively engaged in the real estate profession other than as sole proprietors, partners, corporate officers, or branch office managers, in order to qualify for REALTOR® membership, shall at the time of application, be associated either as an employee or as an independent contractor with a designated REALTOR® member of the association or a designated REALTOR® member of another association (if a secondary member) and must maintain a current, valid real estate broker's or salesperson's license or be licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, has no record of official sanctions involving unprofessional conduct*, shall complete a course of instruction covering the Bylaws of the State Association, and the *Constitution and Bylaws* and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, and shall pass such reasonable and nondiscriminatory written examinations thereon as may be required by the membership committee and shall agree in writing that if elected to membership he/she will abide by such *Constitution, Bylaws, Rules and Regulations*, and the Code of Ethics.

*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. (Adopted 5/07)
- (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 II, Section 4(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 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)

- (d) The board of directors (or its appointed designee) shall review and act on all applications for membership. An application may not be rejected without providing the applicant with an opportunity to appear before the board of directors to make such statements as he/she deems relevant. If the board of directors determines that the application should be rejected, it shall record its reasons with the CEO. 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.
- (e) 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.
- (f) 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 as established in Article II of the Bylaws. The “designated REALTOR®” must be a sole proprietor, partner, corporate officer, or branch office manager acting on behalf of the firm's principal(s) and must meet all other qualifications for REALTOR® membership established in Article II, Section 4 of the Bylaws.
- (g) Any REALTOR® member of the association may be disciplined by the board of directors for violations of these Bylaws, 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.
- (h) If a REALTOR® member is a sole proprietor in a firm, a partner in a partnership or an officer in a corporation and is suspended or expelled, the firm, partnership, or corporation shall not use the terms REALTOR® or REALTORS® in connection with its business during the period of suspension, or until readmission to REALTOR® membership, or unless connection with the firm, partnership, or corporation is severed, whichever may apply. The membership of all other principals, partners, or corporate officers shall suspend or terminate during the period of suspension of the disciplined member, or until readmission of the disciplined member, or unless connection of the disciplined member with the firm, partnership, or corporation is severed, whichever may apply. Further, the membership of REALTORS® other than principals who are employed by or affiliated as independent contractors with the disciplined member shall suspend or terminate during the period of suspension of the disciplined member or until readmission of the disciplined member or until connection of the disciplined member with the firm, partnership, or corporation is severed, or unless the REALTOR® member (non-principal) elects to sever his/her connection with the REALTOR® and affiliate with another REALTOR® member in good standing in the association, whichever may apply.

If a REALTOR® member who is other than a principal in a firm, partnership, or corporation is suspended or expelled, the use of the terms REALTOR® or REALTORS® by the firm, partnership, or corporation shall not be affected.
- (i) In any action taken against a REALTOR® member for suspension or expulsion under Section 4(h) hereof, notice of such action shall be given to all REALTORS® employed by or affiliated as independent contractors with such REALTOR® member and they shall be advised that the provisions in Article II, Section 4(h) shall apply. *(section added 2-15)*

ARTICLE III

DUES

Section 1. The Amount of the Dues

A. Member Board

(1) The annual dues of each Member Board, as determined by the Board of Directors annually shall be an amount equal to (1) \$ times the number of REALTOR® and REALTOR-ASSOCIATE® Members who hold primary membership in the Board, plus (2) an amount equal to \$ times the number of real estate salespersons and licensed or certified appraisers employed by or affiliated as independent contractors with REALTOR® Members of the Board who are not themselves REALTOR® or REALTOR-ASSOCIATE® or Institute Affiliate Members. In calculating the dues payable by a member Board, nonmembers, as defined in the preceding sentence, shall not be included in the computation of dues if dues have been paid in another Board in the State or a state contiguous thereto, provided the Board notifies the State Association in writing of the identity of the Board to which dues have been remitted.

(2) The annual dues of each REALTOR® Member actively engaged in the real estate business from areas not within the jurisdiction of a Member Board shall be (1) determined annually by the Board of Directors plus an amount equal to (2) \$ times the number of real estate salespersons and licensed or certified appraisers who (a) are employed by or affiliated as independent contractors, or who are otherwise directly or indirectly licensed with such REALTOR® member, and (b) are not REALTORS® or REALTOR-ASSOCIATES® or Institute Affiliate Member, provided however, that if two or more REALTORS® are principals of the same firm, partnership, or corporation, then only that REALTOR® designated from time to time in writing (the "designated" REALTOR®) by the firm, partnership, or corporation shall be required to pay that portion of the dues which is computed on the basis of the real estate salespersons and licensed or certified appraisers employed by or affiliated as independent contractors with such firm, partnership, or corporation, and the dues of the remaining REALTORS® who are principals of such firm, partnership, or corporation shall be determined by the Board of Directors annually.

An individual shall be deemed to be licensed with a REALTOR® if the license of the individual is held by the REALTOR®, or any broker who is licensed with the REALTOR®, or by any entity in which the REALTOR® has a direct or indirect ownership interest and which is engaged in other aspects of the real estate business (except as provided for in Section 2(a) hereof) provided that the licensee is not otherwise included in the computation of dues payable by the principal, partner, corporate officer, or branch office manager of the entity. (added 2-15)

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

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

(3) The annual dues of each REALTOR® or REALTOR-ASSOCIATE® member holding secondary membership directly in the state association shall be determined annually by the Board of Directors.

B. Member

The annual dues are paid, on behalf of the Member, in the manner as set forth in A of this Section.

C. Member at Large Associate

The annual dues are paid, on behalf of the Member at Large Associate, in the manner as set forth in C of this Section.

D. Institute Affiliate Member

The annual dues for Institute Affiliate Membership in the State Association shall be as established in Article II of the Bylaws of the NATIONAL ASSOCIATION OF REALTORS®.

E. Affiliate Member

The annual dues shall be in such amount as determined annually by the Board of Directors.

Section 2. The Payment of the Dues

On or before December 31, of any given year, each Member Board shall file with the Association, in such format as determined by the Association, a list of its members (as defined in Article III, Section 1 (c) of the Constitution of the National Association of REALTORS®) and of real estate licensees affiliated with a designated REALTOR® Member of a Member Board who are not themselves either a REALTOR® or REALTOR® Associate or Institute Affiliate Member of the Member Board.

Likewise, a Member at Large shall file with the Association, a list of the REALTOR® and REALTOR® Associates affiliated with the Member at Large, and a list of the real estate licensees affiliated with the Member at Large who themselves are not a REALTOR® or REALTOR® Associate or Institute Affiliate Member .

Likewise, each Member Board shall file with the Association a list of its Institute Affiliate Members and Affiliate Members.

The lists shall be certified by the President and Secretary of the Member Board or, as it may apply, by the Member at Large.

Upon the filing of the respective lists, the Member Board and the Member at Large shall pay the dues to the Association as indicated in this Article under Section 1. On a quarterly calendar basis, the Member Board and the Member at Large shall file with the Association a list of adds and drops with their being corresponding adjustments being made in the annual dues.

Section 3. Member in Good Standing

When payment of the appropriate dues are made to the Association and in the manner prescribed, Members shall be deemed to be in good standing with all of the rights and privileges of their membership classification. Dues not paid to the Association on or before December 31, in any given year, will result in the member being dropped as a member of the Association.

Section 4. New Member Code of Ethics Orientation. Applicants for REALTOR® and REALTOR-ASSOCIATE® membership 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 who have completed comparable orientation in another association, provided that membership has been continuous, or that any break in membership is for one year or less.

Failure to satisfy this requirement within 180 days of the date of application will result in denial of the membership application.

Note: This orientation program must meet the learning objectives and minimum criteria established from time to time by the National Association of REALTORS®.

Section 5. Continuing Member Code of Ethics Training . Effective January 1, 2001, through December 31, 2004, and for successive four year periods thereafter, each REALTOR® and REALTOR-ASSOCIATE® member of the association shall be required to complete quadrennial ethics training of not less than two hours and thirty minutes of instructional time. This requirement will be satisfied upon presentation of documentation that the member has completed a course of instruction conducted by this or another association, 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. Members who have completed training as a requirement of membership in another association and members who have completed the New Member Code of Ethics Orientation during any four year cycle shall not be required to complete additional ethics training until a new four year cycle commences.

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

Members suspended for failing to meet the requirement for the first four (4) year cycle (2001 through 2004) will have until December 31, 2005 to meet the requirement. Failure to meet the requirement by that time will result in automatic termination of membership.

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

ARTICLE IV **OFFICERS**

Section 1. Elective Officers

The elective officers of the Association shall be a President, President Elect, a Vice President, a Secretary and a Treasurer. Effective 9-1-97 the elected officers of the Association shall be: a President, President-Elect, Vice President, and a Secretary. Effective 9-1-98, the elected officers of the Association shall be a President, President-Elect, and a Vice President. In the absence of the President, the President Elect shall perform his duties. All officers shall serve for one year or until their successors are elected and qualified.

Section 2. Duties

The duties of the officers shall be such as their titles, by general usage, would indicate and such as may be assigned to them respectfully by the Board of Directors from time to time, and such as are required by law.

Section 3. Surety Bond

The Executive Vice President shall provide a surety bond in such amount as the Board of Directors may determine the cost to be paid by the Association.

Section 4. Executive Vice President

The Board of Directors may employ an Executive Vice President who shall be the chief administrative officer of the Association, who may be elected to serve as the elected Secretary, subject to the President and the Executive Committee, and who shall perform such other duties as may be delegated to him/her by the Board of Directors. He/she shall provide a surety bond in such amount as the Board of Directors may determine the cost to be paid by the Association. The Executive Vice President, with the approval of the Board of Directors, may employ such other persons as may be necessary to conduct the activities of the Association.

Section 5. Professional Counsel

The Board of Directors may retain legal and other professional counsel and fix the terms of compensation thereof.

ARTICLE V
BOARD OF DIRECTORS

Section 1. Members

The government of the Association shall be vested in a Board of Directors. Only Members of the Association, as listed in Article II, Section I. B, C, and D, are eligible to sit on the Board of Directors. The Members of the Board of Directors shall be:

- A. All elected officers of the Association as listed, and for a term, as set forth in Article IV, Section 1.
- B. Directors at Large. Effective 9-1-96, there shall be 3 Directors at Large, effective 9-1-97, there will be 2 Directors at Large, and effective 9-1-98, there will be 1 Director at Large for one year only.
- C. Effective 9-1-97, each local Board shall be entitled to one Director for each fraction of 100 members.
- D. Those individuals who represent North Dakota as Directors of the National Association of REALTORS®. (They shall serve in staggered terms and in such number and for such period of time as determined by the National Association of REALTORS®.)
- E. The Immediate Past-President of the Association.
- F. Members of NDAR not serving as NDAR Director or director ex-officio but who serve in any capacity on the NAR Executive Committee (as defined within NAR's Constitution and Bylaws, Article V Section 1. (A)) shall serve during the term of their national position as an ex-officio member of the NDAR Board of Directors. Those members serving in the capacity of Vice President and Liaison or higher for NAR shall also serve as an ex-officio member of the NDAR Board of Directors for the year preceding their national term. *(added 2/11)*
- G. Ex-officio members (these individuals do not have power to vote nor do they need to meet the membership eligibility requirements of the regular Board.)
 - 1. The Executive Officer from each Member Board.
 - 2. The President or (designated alternate) from any North Dakota society, council or institution.
 - 3. The Executive Officer (or designated alternate) from the North Dakota Real Estate

Commission.

Section 2. Finances

The Board of Directors shall administer the finances of the Association and shall have sole authority to appropriate money.

Section 3. Meetings

The Board of Directors shall meet in conjunction with the annual membership meeting.

Section 4. Executive Committee

There shall be an Executive Committee of the Board of Directors (composed of the President, President Elect, Vice President, Immediate Past President, and one Director appointed by the President).

Section 5. Special Meetings

Special meetings of the Board of Directors may be called at any time upon five days written notice by the President or by a majority of the Executive Committee or by a majority of the Board of Directors.

Section 6. Quorum

Fifty percent of the Directors shall constitute a quorum of the Board of Directors.

ARTICLE VI
MEETINGS

Section 1. Annual Membership Meeting

The Association shall have an Annual Membership Meeting for its Members in the month of September at a time and place as has been designated by the Board of Directors. The meeting will always be held in conjunction with the Annual Convention of the Association. Members, as listed in Article II, Section 1, B, C, and D, and who are considered to be in good standing per Article III, Section 3, are entitled to fully participate and vote on all matters which come before the Annual Membership Meeting without any further restriction as to qualifications.

A. Voting procedures for REALTOR® Members.

Voting in Person:

REALTOR® and REALTOR® associate members who are present at the annual or special membership meeting and who are members in good standing (Article III Section 3) shall be entitled to vote at such meetings.

Absentee Voting:

REALTORS® and REALTOR® Associates who are members in good standing (Article III Section 3) and who are not present at the annual or special membership meeting may vote by absentee ballot. Absentee ballots will be published to members by the Association with descriptions of the substance of any proposals at least 30 days prior to a membership meeting.

B. Absentee Ballots.

Absentee ballots must be received by the Association office 10 days prior to the annual membership meeting.

Section 2. Annual Convention

The Association shall have an Annual Convention in conjunction with the Annual Membership meeting. The convention shall be open to all Members upon the payment of registration fees as have been approved by the Board of Directors.

Section 3. Special Meetings

From time to time, meetings of the Membership may be called by the Board of Directors. The notice of any such meeting shall be in writing and will state the purpose, time, place, and be issued at least ten (10) days in advance. All Members, who are entitled to participate in the Annual Membership Meeting, are also entitled to fully participate and vote on matters before the Special Meeting without any further restriction as to qualification.

Section 4. Quorum

A quorum, for any meeting of the General Membership, shall consist of a minimum of one Director (or certified alternate) from at least five of the Member Boards of the Association.

ARTICLE VII
COMMITTEES

Section 1(a). Committees

The Board of Directors shall appoint such committees necessary to carry out objectives of the Association and shall prescribe the authority of each such committee.

Section 1(b). MLS as a Committee of an All REALTOR® Board

Section 1—Authority: The North Dakota Association of REALTORS® shall maintain for the use of its members a Multiple Listing Service, which shall be subject to the bylaws of the North Dakota Association of REALTORS® and such rules and regulations as may be hereinafter adopted.

Section 2—Purpose: A Multiple Listing Service is a means by which authorized Participants make blanket unilateral offers of compensation to other Participants (acting as subagents, buyer agents, or in other agency or non-agency capacities defined by law); by which cooperation among participants is enhanced; by which information is accumulated and disseminated to enable authorized Participants to prepare appraisals, analyses, and other valuations of real property for bona fide clients and customers; by which Participants engaging in real estate appraisal contribute to common databases; and is a facility for the orderly correlation and dissemination of listing information so participants may better serve their clients and the public. Entitlement to compensation is determined by the cooperating broker's performance as a procuring cause of the sale (or lease).

Section 3—Participation: Any REALTOR® of this or any other Board who is a principal, partner, corporate officer, or branch office manager acting on behalf of a principal, without further qualification, except as otherwise stipulated in these bylaws, shall be eligible to participate in Multiple Listing upon agreeing in writing to conform to the rules and regulations thereof and to pay the costs incidental thereto. However, under no circumstances is any individual or firm, regardless of membership status, entitled to Multiple Listing Service "membership" or "participation" unless they hold a current, valid real estate broker's license and offer or accept compensation to and from other Participants or are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property. Use of information developed by or published by a Board Multiple Listing Service is strictly limited to the activities authorized under a Participant's licensure(s) or certification and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey "participation" or "membership" or any right of access to information

developed by or published by a Board Multiple Listing Service where access to such information is prohibited by law. *(Updated 1-15)*

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

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

Section 4—Supervision: The activity shall be operated under the supervision of the Multiple Listing Committee in accordance with the rules and regulations, subject to the approval of the Board of Directors of the North Dakota Association of REALTORS®.

Section 5—Appointment of Committee: The President shall appoint, subject to confirmation by the Board of Directors, a Multiple Listing Committee of 5 REALTOR® members. (1 from the Board of Directors plus 4 broker members at large) The Committee members so named shall serve three-year staggered terms. The committee shall select its chairperson from among the members thereof. (The chairperson may be designated by the president.)

Section 6—Vacancies: Vacancies in unexpired terms shall be filled as in the case of original appointees.

Section 7—Attendance: Any Committee member who fails to attend three (3) consecutive regular or special meetings of the Committee, without excuse acceptable to the Chairperson of the Committee, shall be deemed to have resigned from the Committee and the vacancy shall be filled as herein provided for original appointees.

Section 8—Subscribers:

Subscribers (or users) of the MLS include non-principal brokers, sales associates, and licensed and certified appraisers affiliated with participants. Subscribers also include affiliated unlicensed administrative and clerical staff, personal assistants, and individuals seeking licensure or certification as real estate appraisers who are under the direct supervision of an MLS participant or the participant's licensed designee. *(Updated 1-15 to match NAR's definition of MLS subscribers in the 2014 model bylaws)*

ARTICLE VIII
ELECTION OF OFFICERS & DIRECTORS

Section 1. Nominations Task Force

The Task Force shall nominate at least one candidate for each office and position on the Board of Directors, which is filled by election of the membership. Additional candidates, who must be members in good standing, may be placed into nominations by submitting a nominating petition, provided by the Association that contains signatures of at least 50 members in good standing. Such petition must be received at the Association office no later than 45 days before the election.

Nominations by the Nominating Committee and by petitions shall be disseminated to the general membership at least 30 days prior to the election. The election is held during the Annual Membership Meeting of the Association.

As the need should arise, the Task Force shall additionally nominate candidates for the position of Director to the National Association of REALTORS®.

Section 2. Election

The election of the Officers and Directors for the Association shall be done at the Annual Membership Meeting with those Members being eligible to vote being those members listed in Article II, Section 1, B, C, and D. The winner of any contested election shall be the one who has received the most votes.

The nomination of a candidate as a Director of the National Association of REALTORS® shall be done by a majority vote of the Board of Directors at any regular or special meeting of the Board of Directors. The winner of any contested election shall be the one who has received the most votes. In the event of a tie, a run-off election between the tie votes shall be held.

ARTICLE IX
VACANCIES ON THE BOARD OF DIRECTORS

Section 1. Absence by Officers and Directors

By a two-thirds vote, the Board of Directors shall declare vacant any Membership or Board of Directors elected position on the Board of Directors when such individual has been absent, without reasonable excuse, two consecutive meetings of the Board.

Section 2. Vacancy

A. Elective Officers Vacancies

If the office of the President becomes vacant, the President-Elect shall complete the remaining term and then continue on to complete the term for which they were originally elected. If the office of the President-Elect becomes vacant, it shall remain vacant until the election at the next Annual Membership Meeting when both the position of President and President-Elect will be filled by a vote of the Members. When the office of Vice President becomes vacant, the President, with the approval of the Board of Directors, shall appoint a member to fill the unexpired term.

B. Board of Directors Vacancies

When a position of Director from each local Board becomes vacant, such local Board shall appoint a member to fill the unexpired term.

ARTICLE X
FISCAL AND ELECTED YEAR

Section 1. Fiscal Year

The fiscal year of the Association shall be a calendar year.

Section 2. Elective Year

The elective year of the Association shall be December 1 to November 30.

ARTICLE XI
CODE OF ETHICS

Section 1. Code of Ethics

The Code of Ethics of the National Association of REALTORS® is adopted as the Code of Ethics of the Association and shall be considered a part of its Rules and Regulations, and the Code of Ethics and the Rules and Regulations of the Association shall, in the future, be deemed to be amended and changed whenever said Code of Ethics is amended or changed by the National Association of REALTORS®.

(Explanation: Current NAR requirements state that local Boards under 200 members may not provide Code Enforcement or Arbitration Procedures. Therefore, the following Boards have, by contract, relinquished the Code Enforcement Procedures to the State Association: Badlands Board, Williston Board, Minot Board, Grand Forks Board, Jamestown Board, Fargo Moorhead Association and the Wahpeton Breckenridge Area Board)

ARTICLE XII
PROFESSIONAL STANDARDS- Referral to State Association
(Applicable only to: Bismarck/Mandan Board)

Section 1. A local Board, prior to referring an ethics complaint or arbitration request for review to the State Association, should exhaust all efforts to impanel an impartial tribunal to conduct either the original hearing or the appeal or procedural review. These efforts may include the appointment of knowledgeable members of the Board on an ad hoc basis to serve on either a Hearing Panel or on behalf of the Board of Directors. If, because of notoriety, etc., the Board cannot impanel an impartial tribunal, the Board may refer the matter to the State Association, and the State Association may delegate to another Board or a regional enforcement facility, the authority to hear the case on behalf of the State Association. No Board or regional enforcement facility, however, may be required to accept this delegation of authority. If no other entity is amenable to conducting the review, the State Association shall be responsible for conducting the hearing.

Section 1. Allegations of ethical violations and contractual disputes (and specific non-contractual disputes as defined in Standard of Practice 17-4) between REALTORS® and between REALTORS® and their customers or clients may be submitted to an ethics or arbitration panel at the State Association level under the following circumstances:

(a) Allegations of unethical conduct made against a REALTOR® or REALTOR-ASSOCIATE® who is directly a member of the State Association and not a member of any local Board.

(b) Allegations of unethical conduct made against a REALTOR® or REALTOR-ASSOCIATE® in the instance in which the local Board, because of size or other valid reason, determines that it cannot provide a due process hearing of the matter and petitions the State Association to conduct a hearing.

(c) Contractual disputes (and specific non-contractual disputes as defined in Standard of Practice 17-4) between REALTORS® who are not members of the same Board where the matter has been referred to the State Association by both local Boards.

(d) Contractual disputes (and specific non-contractual disputes as defined in Standard of Practice 17-4) between REALTORS® who are directly members of the State Association and are not members of any Board.

(e) Contractual disputes (and specific non-contractual disputes as defined in Standard of Practice 17-4) between a REALTOR® who does not hold membership in any Board, but is directly a member of the State Association, and a REALTOR® who is a member of a Board.

(f) Contractual disputes (and specific non-contractual disputes as defined in Standard of Practice 17-4) between REALTOR® Members of the same Board where the Board with good and sufficient reason is unable to arbitrate the controversy. (Explanation: This provision is not designed to relieve a local Board of its primary responsibility to resolve differences arising between members of the same Board. The section recognizes that in some Boards with limited membership, usual arbitration procedures may be impossible.)

(g) Contractual disputes between a customer or a client and a REALTOR® where the Board with good and sufficient reason is unable to arbitrate the dispute or the REALTOR® is a direct member of the State Association.

Section 2. Hearings

Professional Standards hearings and the organization and procedures incident thereto shall be governed by the Code of Ethics and Arbitration Manual of the National Association of REALTORS®, as from time to time amended, which by this reference is made a part of these Bylaws.

Section 3. If a REALTOR® Member (as defined in Article II, Section 4, of these bylaws) resigns from the Board or otherwise causes membership to terminate with an ethics complaint pending, that Board of Directors may condition the right of the resigning Member to reapply for membership upon the applicant's certification that he/she will submit to the pending ethics proceeding and will abide by the decision of the hearing panel.

If a REALTOR® Member (as defined in Article II, Section 4, of these bylaws) 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®.

ARTICLE XIII

USE OF THE TERMS

REALTOR®, REALTORS®, AND REALTOR® ASSOCIATE

Section 1. Use by Members

Use of the terms REALTOR®, REALTORS®, or REALTOR® Associate 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 State Association shall have the authority to control, jointly and in full cooperation with the National Association of REALTORS®, the use of the terms within those areas of North Dakota not within the jurisdiction of Member Board of the National Association of REALTORS®. 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 State Association shall have the privilege of using the terms REALTOR® and REALTORS® in connection with their business so long as they remain REALTOR® Members in good standing. No other class of members shall have this privilege.
- Section 3. A REALTOR® Member who is a principal of a real estate firm, partnership or corporation may use the terms REALTOR® or 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® or Institute Affiliate Members.
- Section 4. REALTOR-ASSOCIATE® Members of the State Association shall have the right to use the term REALTOR-ASSOCIATE® so long as they remain REALTOR-ASSOCIATE® Members in good standing and the REALTOR® Member with whom they are associated or by whom they are employed is also a REALTOR® Member in good standing.
- Section 5. Institute Affiliate Member
- An Institute Affiliate Member shall not use the terms REALTOR®, REALTORS®, or REALTOR® Associate and shall not use the imprint of the emblem seal of the National Association of REALTORS®.

ARTICLE XIV

DISTRICTS

- Section 1. Districts
- The Board of Directors shall, for administrative purposes, divide the state into districts. Each district will be served by one Local Board.

ARTICLE XV

RULES OF ORDER

- Section 1. Robert's Rules of Order
- Robert's Rules of Order, latest edition, shall be recognized as the authority governing all meetings and conferences when not in conflict with the Bylaws of the Association.

ARTICLE XVI

AMENDMENTS

- Section 1. Procedure
- These Bylaws may be amended at any meeting of the membership by the affirmative vote of two-thirds of the members present and absentee ballot voting, provided that a quorum is present. Notice of the substance of any proposed amendment shall be published to members at least 30 days prior to a membership meeting; additional amendments made at the membership meeting require a two-thirds majority vote for passage. Absentee ballots must be received at the Association office from the REALTOR® or REALTOR® Associate member at least 10 days prior to the opening day of such membership meeting.
- The Board of Directors may, at any regular or special meeting of the Board of Directors at which a quorum is present, approve amendments to the Bylaws which are mandated by NAR policy.

Section 2. Approval

Amendments to these Bylaws affecting the admission or qualifications of REALTOR® and REALTOR®-Associate, Members and Institute Affiliate Members, the use of the terms REALTOR®, REALTORS®, or REALTOR® Associate, or any alteration in the territorial jurisdiction of a Board shall become effective upon the approval of the Board of Directors of the National Association of REALTORS®. *(Updated 1-15)*

ARTICLE XVII
DISSOLUTION

Section 1. Dissolution

Upon the dissolution or winding up of the affairs of the Association, the Board of Directors, after providing for payment of all obligations, shall distribute any remaining assets to the North Dakota Real Estate Education Foundation, Inc., or within its discretion, to any other non-profit and tax exempt organization.