

# Bylaws

AMENDED SEPTEMBER 18, 2014

## ARTICLE I

### PURPOSE

The purpose of the Montana Association of REALTORS® (Hereinafter referred to throughout these Bylaws as MAR) is to unite local Boards/Associations of REALTORS®, hereinafter referred to as Boards, their members, and Individual Members in the State of Montana 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 herein.

## ARTICLE II

### MEMBERSHIP

**Section 1.** The Members of MAR shall consist of eight (8) classifications:

- 1) Member Boards
- 2) Board Members
- 3) REALTOR® Members
- 4) Institute Affiliate Members
- 5) Affiliate Members
- 6) Honorary Members
- 7) Life Members
- 8) REALTOR® Emeritus Members

Only REALTOR® Members, Life Members, REALTOR® Emeritus Members and Board Members shall be voting members of MAR.

**Section 2.** A Member Board/Association shall be any REALTOR® Board within Montana, of which all the REALTOR® members who hold primary membership in the association shall hold membership in MAR and in the NATIONAL ASSOCIATION OF REALTORS®.

**Section 3.** A Board Member shall be any REALTOR® or Institute Affiliate Member of a Member Board/Association in good standing as previously defined.

**Section 4.** A REALTOR® Member shall be any individual engaged in the real estate profession as a principal, partner, corporate officer, or branch office manager 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 MAR and who are licensed as brokers, salespersons, licensed or certified appraisers and property managers. 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 MAR without holding membership in a local Board/Association in the state.

**A. Application.** An application for membership shall be made in such manner and form as may be prescribed by the Board of Directors and made available to anyone requesting it. The application form shall contain among the statements to be signed by the applicant: that applicant agrees as a condition to membership to thoroughly familiarize him/herself with the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, the Constitution, Bylaws and Rules and Regulations of the State and National Association, and, if a REALTOR® member, will abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® including the obligation to arbitrate controversies arising out of real estate transactions as specified by Article 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. 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.

**B. Qualification for REALTOR® MEMBERS**

1. An applicant for REALTOR® membership who is a sole proprietor partner, or 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 state contiguous thereto (unless a secondary member) and shall agree that if elected to membership, he/she will abide by the Constitution, Bylaws, Rules and Regulations, and Code of Ethics of the State and National Associations.

2. 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, and shall agree in writing that if elected to membership, he/she will abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, and by the Constitution, Bylaws, and Rules and Regulations of the State and National Associations.

**Section 5.** Institute Affiliate members shall be individuals who hold a professional designation awarded by an Institute, Society, or Council affiliated with the NATIONAL ASSOCIATION OF REALTORS® that addresses a specialty area other than residential brokerage or individuals who otherwise hold a class of membership in such Institute, Society, or Council that confers the right to hold office. Any such individual, if otherwise eligible, may elect to hold REALTOR® membership, subject to payment of applicable dues for such membership.

**Section 6.** Affiliate Members shall be real estate owners and other individuals or firms located in an area outside the jurisdiction of any Member Board/Association who, while not engaged in the real estate profession as defined in Section 4 and Section 5, have interest requiring information concerning real estate, and are in sympathy with the objectives of MAR or who are Affiliate Members of Member Boards/Associations.

**Section 7.** Honorary Members shall be individuals other than those engaged in the real estate business who have contributed notably to MAR

**Section 8.** Life Members shall be members of MAR who have contributed notably to this Association and the real estate profession, and who are so designated by the action of the Board of Directors.

To be nominated for the honor of life membership in MAR, nominees must

- A. Be or have been active in MAR and must be or have been serving actively on a MAR committee or as an MAR officer or director.
- B. Be a REALTOR® member in good standing of his/her local Board within the last twelve months.
- C. Be nominated by his/her local Board, an MAR committee, or the MAR Board of Directors.
- D. Be endorsed by his/her local Board with a letter from the local Board President.

Regardless of the method of nomination, the nomination must be submitted to the MAR Board of Directors for approval. MAR will defer MAR dues and pay NAR dues for any life member. MAR will not defer or pay NAR dues when notified by the local Board/Association that the member is not in good standing.

**Section 9.** REALTOR® Emeritus members are those individuals who have been certified by the NAR Board of Directors as having held membership in the National Association as a REALTOR®, REALTOR® - Associate, or a combination of both, for a cumulative period of 40 years in one or more associations of REALTORS®. Once REALTOR® Emeritus status has been conferred by NAR, MAR will defer annual state membership dues for any REALTOR® Emeritus member.

**Section 10. Harassment.** Any member of MAR may be reprimanded, placed on probation, suspended or expelled for harassment of a MAR employee or an officer or director of MAR after an investigation in accordance with MAR procedures. As used in this section, harassment means any verbal or physical conduct including threatening or obscene language, unwelcome sexual advances, stalking, actions including strikes, shoves, kicks, or other similar physical contact, or threats to do the same, or any other conduct with the purpose or effect of unreasonably interfering with an individual's work performance by creating a hostile, intimidating or offensive work environment. The decision of the appropriate disciplinary action to be taken shall be made by the investigatory team comprised of the president, and president-elect and/or first vice president and one member of the MAR board of directors selected by the highest ranking MAR officer not named in the complaint, upon consultation with MAR's legal counsel. Disciplinary action may include any sanction authorized in the code of ethics and arbitration manual. If the complaint names the president, president-elect or first vice president, they may not participate in the proceedings and shall be replaced by

the immediate past president or, alternatively, by another member of the board of directors selected by the highest ranking officer not named in the complaint.

## ARTICLE III

### DUES

**Section 1.** The annual dues of each Member Board/Association as defined in Article II of the Bylaws shall be an amount equal to (1) annual dues to be determined from time to time according to Section 4 below, multiplied by the number of REALTOR® members who hold primary membership in the Board, plus (2) an amount equal to said annual dues times the number of real estate salespersons, brokers and licensed or certified appraisers employed by or affiliated as independent contractors with REALTOR® members of the Board/Association who are not themselves REALTORS® 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 MAR in writing of the identity of the Board to which dues have been remitted.

**Section 2.** The annual dues of each REALTOR® member actively engaged in the real estate business from areas outside the jurisdiction of a Member Board/Association shall be (1) annual dues to be determined from time to time according to Section 4 below, plus an amount equal to (2) said annual dues times the number of real estate salespersons, brokers, and licensed or certified appraisers who are employed by or affiliated as independent contractors, or who are otherwise directly or indirectly licensed with such REALTOR® members and are not REALTORS® or Institute Affiliate members. 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 2a. Hereof) provided that the licensee is not otherwise included in the computation of dues payable by the principal, partner, corporate officer, or branch officer manager of the entity. When calculating the dues when 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 salesperson, brokers, 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 (Except as provided for in section 2 (A) hereof) shall be the amount of said annual dues.

- 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, renting, managing, counseling or appraising real property. The individuals disclosed on such form shall not be deemed to be licensed with the REALTOR® filing the form for purposes of this section and shall not be included in calculating the annual dues of the designated REALTOR®.

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

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

**Section 3.** The annual dues of each Institute Affiliate member shall be as established in article II of the Bylaws of the NATIONAL ASSOCIATION OF REALTORS®.

**Section 4.** With the exception of Institute Affiliate members, annual dues of each membership classification shall be in a dollar amount to be established annually by the Board of Directors. The Board of Directors, in amounts and at times as may be deemed necessary, may establish and levy assessments in addition to annual dues.

**Section 5.** Upon payment to MAR of the dues required under the previous sections of this article, each REALTOR® and Institute Affiliate Member of Member Boards within the state and each REALTOR® and Institute Affiliate Member from areas not within the jurisdiction of a Member Board/Association within the state shall be deemed a REALTOR® or Institute Affiliate Member, as the case may be, in good standing of MAR. Upon payment of dues required under any other sections of this article, the individual making such payment shall be deemed a member in good standing with MAR.

**Section 6.** On a monthly basis, the Member Board/Association shall report to MAR the names and addresses of REALTORS®, Affiliate and Institute Affiliate Members dropped or enrolled during the preceding month. The Member Board/Association shall remit dues prorated on a monthly basis for new Members by the last day of the month following the month active Member status is granted.

**Section 7.** Any Member Board/Association or any other dues paying member delinquent in payment of dues or assessments by more than sixty (60) days from the start of the fiscal year shall be automatically dropped from membership with no exceptions.

## **ARTICLE IV**

### **OFFICERS**

**Section 1.** The elected officers of MAR shall be a President, President-elect, First Vice President, Treasurer, and a Vice President from each district of the state. With the exception of the Treasurer, the officers shall serve for one year or until their successors are elected and qualified. The Treasurer will serve a two-year term to coincide with the Association's fiscal year. The President shall not be eligible to serve a second successive term.

**Section 2.** The duties of each officer shall be as prescribed in their respective position description and as may be assigned to them by the Board of Directors or as required by law.

**Section 3.** The Executive Committee shall appoint a qualified member to fill the unexpired term of any officer (but not a director) whose position is vacated by death, illness, or voluntary retirement.

**Section 4.** The Chief Executive Officer shall serve as Corporate Secretary.

**Section 5.** All officers, with the exception of the Corporate Secretary, shall be REALTOR®members of MAR.

## **ARTICLE V**

### **PROCEDURES FOR NOMINATION AND ELECTION OF OFFICERS**

**Section 1.** The Association Management Committee shall appoint a Nominating and Credential Review Subcommittee to actively seek at least one (1) candidate for each office as defined in Article IV, Section 1, with the exception of the President and Treasurer. The Subcommittee shall publish its report to all members no less than ninety (90) days prior to the Annual Association Meeting.

**Section 2.** Additional candidates for the offices of President-elect or First Vice President may be placed in nomination by petition signed by at least 50 REALTOR®members. Signatures must be obtained from at least four MAR districts to demonstrate representation of statewide membership. All petitions shall be filed with the Association Management Committee within thirty (30) days of the publication of the Committee recommendations.

**Section 3.** Additional candidates for the offices of District Vice President may be placed in nomination by petition signed by at least 10% of the members in the district who are eligible to vote. The petition must be signed by at least three members from each of a majority of the Boards in the district. All petitions shall be filed with the Association Management Committee within thirty (30) days of the publication of the Committee recommendations.

**Section 4.** The Nominating and Credential Review Subcommittee shall review the qualifications of all applicants and petitioners and will forward all qualified candidate names to be placed on the ballot. If no candidate has been proposed for an office who meets the required criteria for the position, the Nominating and Credential Review Subcommittee may then consider candidates who do not meet the criteria for the position or may elect not to propose a candidate for that office. The Nominating and Credential Review Subcommittee will forward the slate of candidates to MAR staff for preparation of ballots.

**Section 5.** The election of officers shall take place at the Annual Association Meeting based upon written ballots. The written balloting may be conducted by U.S. mail or by electronic communication or both. Each ballot shall have the names of all candidates and the offices for which they are nominated.

**Section 6.** The written ballots shall be delivered in person, by mail, or by electronic communication to each REALTOR® member, life member, REALTOR® emeritus member and board member, and must contain the following information or as required by the existing state law.

- A. Set forth each proposed action and/or the names of all candidates and the office for which each has been nominated.
- B. Provide an opportunity to vote for or against each proposed action.
- C. Approval by written ballot pursuant to this section is valid only when the ballot indicates:
  - 1. the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action; and
  - 2. the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot;
  - 3. the number of responses needed to meet the quorum requirements;
  - 4. the percentage of approvals necessary to approve each matter other than election of directors; and
  - 5. the deadline by which a ballot must be received by MAR in order to be counted.
- D. Except as otherwise provided in the Articles or Bylaws, a written ballot may not be revoked.

**Section 7.** The Association Management Committee shall appoint an Election Subcommittee of at least five (5) REALTOR® members. The election subcommittee shall conduct the election and count valid ballots. If the election subcommittee desires to use electronic communication in conducting an election it may request that the association management committee approve said use and that the association management committee request that the leadership team approve a contract with a vendor to provide electronic balloting services.

**Section 8.** The results of the election shall be announced by the chair of the Election Subcommittee at the MAR Annual Association Meeting. The Election Subcommittee shall have final judgment on voting disputes, such decisions to be rendered immediately. In case of a tie vote, the issue shall be determined by lot.

**Section 9.** The qualified candidate(s) for Treasurer shall be recommended by the President-elect to the Board of Directors. The Treasurer shall be elected by the Board of Directors at the Annual Association meeting held in the year coinciding with completion of the current Treasurer's term of office.

**Section 10.** The President-elect shall automatically succeed to the presidency after serving his/her term as President-elect.

**Section 11.** The Board of Directors shall, for administrative purpose, divide the state into Districts. District Vice Presidents shall be elected by members of each individual district and shall not be voted on by the entire MAR membership.

## ARTICLE VI

### LEADERSHIP TEAM

There shall be a Leadership Team of the Board of Directors consisting of the President, President-elect, First Vice President, Past President, Treasurer and the Chief Executive Officer. All serve as voting members except the Chief Executive Officer. In accordance with approved MAR policies, the Leadership Team shall make recommendations to the Executive Committee; shall transact business between meetings of the Executive Committee and the Board of Directors; and shall be responsible for approving all contracts entered into by the Association, including the contract with the Chief Executive Officer. While the Chief Executive Officer retains authority for hiring and terminating employees of the Association, the Leadership Team is responsible for overseeing other matters related to Association staff. Actions taken by the Leadership Team shall be reported in full to the Board of Directors at its next meeting.

## ARTICLE VII

### EXECUTIVE COMMITTEE

There shall be an Executive Committee of the Board of Directors, consisting of the President, President-elect, First Vice President, Immediate Past President, District Vice Presidents, Treasurer, and the Chairs of the Association Management, Communications, Political Affairs, Professional Development and Risk Management Committees. All serve as voting members. This Committee shall make recommendations to the Board of Directors; shall transact business between meetings of the Board of Directors; and shall report such actions in full to the Board of Directors at its next meeting. The Treasurer-elect, CEO and MAR Legal Counsel serve as ex-officio members without the right to vote.

## ARTICLE VIII

### BOARD OF DIRECTORS

**Section 1.** The governance of MAR shall be vested in a Board of Directors, consisting of the following:

- 1) All elected and appointed officers for the Association during their term of office
- 2) The Chairs of the Association Management, Communications, Political Affairs, Professional Development and Risk Management Committees
- 3) Immediate Past President for a one-year term
- 4) The Presidents of Member Boards during their term of office
- 5) A director for each one hundred (100) Board Members or fraction thereof in each Member Board/Association, elected by their local Board/Association for a term of three (3) years
- 6) Presidents of state chapters of Societies, Institutes, and Councils
- 7) MAR National Directors
- 8) NAR Regional Vice President, if from Montana
- 9) Any MAR member serving on the NAR Board of Directors

**Section 2.** One Director shall serve for a term of three (3) years whose special responsibility shall be to coordinate with and represent the interest of Members-at-Large. At the end of this Director term or upon a vacancy of this position, the current President shall fill this position.

**Section 3.** All Directors shall be REALTOR® members of MAR.

**Section 4.** The Board of Directors shall administer the finances of MAR and shall have sole authority to appropriate money. The accounts of the Association shall be audited or reviewed annually by a certified public accountant.

**Section 5.** The Board of Directors shall meet a minimum of three (3) times each year. The time and place of said meetings shall be approved by the Board of Directors. Regular meetings of the Board must be preceded by at least ten (10) days written notice to each director of the date, time, and place of the meeting. Notice shall be by publication, direct mail, or electronic means.

**Section 6.** Special meetings of the Board of Directors may be called at any time by the President or by twenty-five percent (25%) of the directors upon ten (10) days written notice. Notice shall be by written notice or electronic means.

**Section 7.** A quorum for any meeting of the Board of Directors shall consist of at least one-third of the actual number of directors (not counting vacant director positions), including both a majority of the officers and either the President or President-elect. If a quorum is present when a vote is taken, the affirmative vote of a majority of directors present is the act of the Board unless these Bylaws or Montana law require the vote of a greater number of directors. Proxies may not be used for purposes of voting at any meeting.

**Section 8.** In accordance with approved MAR policies, the Leadership Team shall retain legal counsel, accountants, and other professional advisors, and establish terms of the contracts.

**Section 9.** Vacancy of any director position, elected by a Member Board/Association, shall be filled by the Member Board/Association represented by said director within sixty (60) days of date of vacancy and, if the director position is not filled within sixty (60) days, MAR President may appoint a director for said vacancy from the appropriate Member Board/Association. Vacancy of any director position, held by virtue of an elected or appointed office or position in a Member Board/Association, MAR, or the NATIONAL ASSOCIATION OF REALTORS®, shall be filled by the individual succeeding to such office or position.

**Section 10.** Unexcused absence by a director from two (2) consecutive Board meetings shall be adequate cause for the Board of Directors to remove such director, upon majority vote of a quorum of the directors. An unexcused absence shall be defined as an absence when either an excuse is not submitted to the President in advance of such meeting or such excuse is not deemed valid by a majority of the Board attending the meeting for which the excuse applies.

## ARTICLE IX

### ANNUAL AND SPECIAL MEMBERSHIP MEETINGS

**Section 1.** MAR shall hold an Annual Association Meeting of the membership. Such meeting shall be at the time and place as designated by the Board of Directors. A quorum shall consist of the members present at any properly noticed meetings.

**Section 2.** Special membership meetings may be called by the Board of Directors or as specified by state law. Any call for such meeting shall state the purpose, time, and place of the meeting, and shall be issued in writing at least ten (10) days in advance. Notice shall be by publication, direct mail, or electronic means.

**Section 3.** Proxies may not be used for purposes of voting at any meeting.

## ARTICLE X

### CHIEF EXECUTIVE OFFICER

The Board of Directors shall employ a Chief Executive Officer who shall be the chief administrative officer and Corporate Secretary of the Association. The Chief Executive Officer shall be hired, and when appropriate, terminated in accordance with MAR policies. The Chief Executive Officer shall perform the duties set forth in the job description for the position and such additional duties as the President, Board of Directors, and/or Executive Committee may direct.

## ARTICLE XI

### COMMITTEES/SUBCOMMITTEES/WORKING GROUPS/PAGS

**Section 1.** The President, subject to the approval of the Board of Directors and in accordance with approved MAR policies, shall have the authority to appoint members to the following committees or groups to implement the objectives of the Association:

- |                             |   |
|-----------------------------|---|
| A. Political Affairs        | H. Professional Standards   |
| B. Risk Management          | I. Grievance  |
| C. Professional Development | J. Executive  |
| D. Association Management   | K. Finance and Audit  |
| E. Communications           | L. Legal Action Committee   |
| F. RPAC                     | M. All Subcommittees, with the exception of those established by RPAC and Issues Mobilization, unless otherwise limited by these Bylaws |
| G. Issues Mobilization      |   |

The groups shall have such composition, terms, and responsibilities as stated in MAR policies. The President and President-elect shall be ex-officio members of all Committees, Subcommittees, and PAGS.

**Section 2.** The President shall have the authority to appoint Presidential Advisory Groups (PAGS) at the President's discretion. Any such PAG appointed shall report directly to the President and shall terminate with the presidency.

**Section 3.** Committees, Subcommittees, and Formal and Informal Working Groups shall have such duties as determined in MAR policy, as the Board of Directors may assign, or at the direction of the Leadership Team or Executive Committee.

**Section 4.** Regular and special meetings of Committees, Subcommittees, Formal and Informal Working Groups, and PAGS must be preceded by at least 2 days notice, in writing or by other electronic means given to each member notifying them of the date, time, and place of the meeting. A quorum for any meeting consists of at least one-third of the members. If a quorum is present when a vote is taken, the affirmative vote of a majority of the members present is the act of the Committee, Subcommittee, Formal and Informal Working Group or PAG.

**Section 5.** Committees, Subcommittees, Formal and Informal Working Groups or Presidential Advisory Groups may act by meeting held by telephone conference call, electronic mail, fax, or other electronic means, provided that the notice of the regular or special meeting be given in the manner required by these Bylaws and in the absence of same in the manner set forth in the Montana Code Annotated.

**Section 6.** Any notice called for in these Bylaws, including but not limited to notices of membership, Board, and Committee meetings or of the matters to take place at any such meetings, shall be deemed sufficient if the notice is published by direct mail, electronic mail, or fax and if the publication of such notice is distributed to the membership in a fashion to comply with the various time requirements for such notice found in these Bylaws. This section is not intended to limit the provision of notices by any other means available by law.

## ARTICLE XII

### FISCAL AND ELECTIVE YEAR

**Section 1.** The fiscal year of MAR shall be the calendar year.

**Section 2.** The elective year of MAR shall be from the day after the last day of the NAR Convention through the last day of the NAR Convention the following year.

## ARTICLE XIII

### CODE OF ETHICS

The Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, as interpreted from time to time in the Standards of Practice and the compilation of Interpretations of the Code of Ethics prepared by the NATIONAL ASSOCIATION OF REALTORS®, considered a part of MAR's Policy Statements. Such Policy Statements of MAR shall, in the future, be deemed to be amended whenever the Code of Ethics is amended by the NATIONAL ASSOCIATION OF REALTORS®.

## ARTICLE XIV

### PROFESSIONAL STANDARDS

**Section 1.** A local Board, prior to referring an ethics complaint or arbitration request for review to MAR should exhaust all efforts to conduct either the original hearing or the appeal or procedural review. Signatory Boards may refer the matter to MAR in accordance with the Multi-Board Agreement.

**Section 2.** 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 directly to MAR for processing under the following circumstances:

- A. Allegations of unethical conduct made against a REALTOR® who is directly a member of MAR and not a member of any local Board.
- B. Contractual disputes (and specific non-contractual disputes as defined in Standard of Practice 17-4) between REALTORS® who are directly members of MAR and are not members of any Board.
- C. 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 MAR and a REALTOR® who is a member of a Board.
- D. Other allegations of unethical conduct and contractual disputes (and specific non-contractual disputes as defined in Standard of Practice 17-4) in accordance with the Multi-Board Agreement.

**Section 3.** 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 4.** If a REALTOR® (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.

**Section 5.** 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®, as may be permitted by state law.

**Section 6.** 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 30 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 7.** 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 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.

## ARTICLE XV

### USE OF THE TERMS REALTOR® AND REALTORS®

**Section 1.** Use of the terms REALTOR® or REALTORS® by members shall at all times be subject to the provisions of the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS® and to the Rules and Regulations prescribed by its Board of Directors. MAR shall have the authority to control, jointly and in full cooperation with the NATIONAL ASSOCIATION OF REALTORS® use of the terms within those areas of the state of Montana not within the jurisdiction of a member board. Any misuse of the terms by members is a violation of a membership duty and may subject members to disciplinary actions by the Board of Directors after a hearing as provided for in the Association's code of ethics and arbitration manual.

**Section 2.** REALTOR® members of the Association shall have the privilege of using the terms REALTORS® or REALTORS® in connection with their business, subject to NATIONAL ASSOCIATION OF REALTORS® rules and regulations, and 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 firm, partnership, or corporation may use the terms REALTOR® or REALTORS® only if all of the principals of such firm, partnership, or corporation who are actively engaged in the real estate business within the state or a state contiguous thereto are REALTOR® or Institute Affiliate members.

**Section 4.** An Institute Affiliate Member shall not use the terms REALTOR® or REALTORS® and shall not use the imprint of the emblem seal of the NATIONAL ASSOCIATION OF REALTORS®.

## **ARTICLE XVI**

### **INSURANCE**

MAR will maintain the following insurance coverages:

Section 1. All standard NAR policies available to state associations.

Section 2. A Commercial Crime Insurance policy for embezzlement and fraud shall be provided to cover MAR staff, President, President-elect, First Vice President, and Treasurer.

Section 3. MAR will maintain such other insurance coverages as determined from time to time by the Board of Directors.

## **ARTICLE XVII**

### **AMENDMENTS TO BYLAWS**

**Section 1.** These Bylaws may be amended at any meeting of the membership by the affirmative vote of two-thirds of the REALTOR® members present and voting, provided that a quorum is present, and provided further that written notice of the substance of any proposed amendment shall first have been sent to each REALTOR® member at least thirty (30) days in advance of the meeting. Said notice may be given and recognized as official by publication in the REALTOR® Digest, the official publication of MAR, by direct mail, or by other electronic means.

**Section 2.** Amendments to these Bylaws affecting the admission or qualifications of REALTOR® members and Institute Affiliate members, the use of the terms REALTOR®, REALTORS®, 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®

## **ARTICLE XVIII**

### **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 MAR or state law.

## **ARTICLE XIX**

### **DISSOLUTION**

Upon the dissolution or winding up of the affairs of MAR the Board of Directors, after providing for payment of all obligations, shall distribute the remaining assets to one or more other non-profit and tax exempt organizations.

(Note: Where the terms Member Board or Board Member are used in context of a Board of REALTORS®, the term Board implies both Board and Association.)