



# Policy & Procedure Manual

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## **Our Mission**

The Fargo Moorhead Area Association of REALTORS® exists to:

**Protect** the rights of individual real estate ownership and the real estate industry,  
**Provide** the products and services that enhance the REALTOR®'s value in the real estate transaction,  
**Promote** and enforce the REALTOR® Code of Ethics.

## **Our Vision**

The Fargo Moorhead Area Association of REALTORS® provides our valued members innovative opportunities to achieve success and elevate our presence within the community.

## **Article 1. OFFICERS AND DIRECTORS**

Administration of the Fargo-Moorhead Area Association of REALTORS® (FM REALTORS®) shall consist of the elected Board of Directors and the Chief Executive Officer (CEO).

### **Section 1. BOARD OF DIRECTORS**

The governing body of FM REALTORS® shall be the elected positions of the Board of Directors which consists of Officers and Directors. The term of each Director shall be three (3) years and shall be staggered in such a manner that two (2) expired position are filled each year. As many Directors shall be elected each year as are required to fill vacancies.

#### **Officers:**

- **President**- serving a one-year term having been President-elect and shall succeed to the office of Immediate Past President.
- **President-elect**- serving a one-year term and shall automatically succeed to the office of President.
- **Vice President** – serving a one-year term and shall succeed, upon approval of the Board of Directors, to the office of President-elect.
- **Immediate Past-President**- serving a one-year term having been the President the preceding year.

To be eligible for election, nominees for the position of President, President-elect and Vice President must have served on a REALTOR® Board of Directors for a minimum of any one year prior to taking office.

FM REALTORS® Members elected by the General Membership to serve on the North Dakota Association of REALTORS® Board of Directors and the FM REALTORS® Member elected to the Minnesota Association of REALTORS® Board of Directors shall serve as ex-officio members of the FM REALTORS® Board of Directors. NDAR Directors shall include the FM REALTORS® President, President Elect and two elected Directors with 2-year staggered terms. If additional Directors are required, the process for appointment or election shall be determined by the current Board of Directors.

#### **Executive Committee:**

The Executive Committee shall be comprised of the President, President-elect, Vice President, Immediate Past President and Chief Executive Officer.

**Directors:**

The membership has a right to expect from every Director good faith, reasonable care and prudence in the consideration of every situation, decision or question that is presented to the Board of Directors in managing the Association affairs. Directors are required to sign an Agreement to Serve that will be effective during their term on the Board of Directors.

The Board of Directors shall have charge of the general conduct of the affairs of FM REALTORS® and shall enact rules for its government as deemed expedient providing that the same shall not be inconsistent with the FM REALTORS® Bylaws, and providing same does not conflict with this Policy Manual.

The Board of Directors shall provide management of all finances of FM REALTORS® with the input and direction of FM REALTORS® staff. The Board of Directors may, at any time, cause an audit to be made of the books and accounts of FM REALTORS® by a certified public accountant appointed by the Board of Directors and/or at the request of the CEO.

The Board of Directors shall nominate or appoint, as required, representatives of FM REALTORS®, other than elected positions, to serve in positions in State and National Associations and other associations or organizations. Such representatives shall be instructed as to their duties and responsibilities and shall be subject to replacement at the discretion of the Board of Directors or on a vote of the membership.

**Section 2. DUTIES OF THE BOARD OF DIRECTORS**

The duties of the Officers shall be such as their title, by general usage, would indicate and such as may be assigned to them by the Board of Directors.

**President**

The chief duties of the President are to (1) act as chief administrative officer and elected head of FM REALTORS®; (2) see that the basic policies, general activities and programs that will further the goals and objectives of FM REALTORS® are planned, formulated, and presented to FM REALTORS®; (3) see that the membership is kept fully informed of the conditions and operations of FM REALTORS®; (4) exercise general supervision over FM REALTORS® and all its activities and members; (5) attend all general membership meetings and meetings of the FM REALTORS® Board of Directors, NDAR meetings and Convention (typically five per year), NAR meetings (typically two per year) and other such representation as may be required to represent FM REALTORS®; (6) call special meetings when necessary; (7) be ex-officio member of all committees, outline the purpose and duties of these committees, and monitor progress; (8) represent and speak for FM REALTORS® to other organizations and to the public; (9) support and defend policies and programs adopted by FM REALTORS®; (10) promote interest and active participation in FM REALTORS®; (11) sign letters or documents when necessary to carry out the will of FM REALTORS®; (12) see that harmony is preserved and that the Bylaws and Policies of FM REALTORS® are enforced; (13) work in cooperation with those in financial responsibility to operate within an annual budget; (14) promote good will, create a favorable public image, articulate the real estate position of FM REALTORS® and develop credibility in matters relating to the real estate industry.

**President-elect**

The President-elect shall automatically succeed to the office of President upon completion of that term. The President-elect shall take office of the President upon resignation, death, incapacitation or impeachment of the President and shall complete the remaining term unless

otherwise determined by the Board of Directors. The chief duties of the President-elect are to; (1) assume and perform the duties of the President in his/her absence; (2) represent the President at conferences and meetings when directed to do so by the President or Board of Directors; (3) attend all general membership meetings and meetings of the FM REALTORS® Board of Directors, serve on the NDAR Board of Directors and attend NDAR meetings and Convention (typically five per year), NAR meetings (typically two per year), attend the August NAR Leadership Conference, and other such representation as may be required to represent FM REALTORS®; (4) appoint committee vice chairs who will serve as chairs during the President-elect's term as President; (5) assist the President in the performance of his/her duties; (6) support and defend policies and programs adopted by FM REALTORS®; (7) perform such other duties as may be delegated to him/her by the FM REALTORS® President.

### **Vice President**

The Vice President, with approval of the Board of Directors, shall become President-elect following the term of the incumbent President-elect. The chief duties of the Vice President are to; (1) assume and perform the duties of the President-elect in his/her absence; (2) attend all general membership meetings and meetings of the FM REALTORS® Board of Directors, and other such representation as may be required to represent FM REALTORS®; (3) support and defend policies and programs adopted by FM REALTORS®; (4) perform such other duties as may be delegated to him/her by the FM REALTORS® President.

### **Immediate Past President**

The Immediate Past President who served as President in the preceding year shall continue to serve in a voting capacity on the FM REALTORS® Board of Directors, support and defend policies and programs adopted by FM REALTORS® and provide assistance to the Board of Directors as necessary.

### **Local Directors**

The chief duties of the Local Directors are to: (1) direct committees assigned to him/her and serve as a voting member of committees, attend the committee meetings and report to the Board of Directors; (2) report to the President and Board of Directors on all FM REALTORS® activities handled by him/her; (3) support and defend policies and programs adopted by FM REALTORS®; (4) be responsible for the general conduct of the affairs of FM REALTORS® and assist in enacting such rules and regulations for its government as may be deemed expedient providing that the same shall not be inconsistent with the Bylaws or Policies; (4) perform such other duties as are prescribed by the President or the Board of Directors.

### **State Director(s)**

The chief duties of the State Directors are to: (1) keep informed on matters affecting real estate in the community, the state(s) and nation and contribute responsibly to FM REALTORS® on such matters; (2) make sure the aims and objectives of the State Associations are accepted and carried out at the local level; (3) bring programs and issues from the Local Association to the attention of the State Association, as required; (4) perform such other duties as are prescribed by the FM REALTORS® President. State Directors are ex-officio, non-voting members of the FM REALTORS® Board of Directors.

\*Refer to Appendix I – Code of Conduct and Agreement to Serve

\*Refer to Appendix II – Board of Directors Confidentiality Agreement



### **Section 3. CHIEF EXECUTIVE OFFICER**

There shall be a Chief Executive Officer (CEO), appointed by the Board of Directors, who shall be the chief administrative officer of the Association. The CEO shall have the authority to hire, supervise, evaluate and terminate other staff, if any, and shall perform such other duties as prescribed by the Board of Directors.

The CEO shall be an employee hired by agreement of the Board of Directors and shall conduct the day-to-day business of FM REALTORS®, including general oversight of all operations. The CEO also provides information to the Board of Directors to insure the most informed decisions for the well-being of the Association. It shall be the duty of the CEO to keep the records of the Association and carry on all necessary correspondence with the NATIONAL ASSOCIATION OF REALTORS® and the North Dakota and Minnesota Association of REALTORS®.

The CEO is directly responsible for and has the authority to accomplish a wide variety of duties for FM REALTORS® and the REALTOR® Multiple Listing Service (RMLS). The position requires a high degree of confidentiality to ensure best practices for the benefit of FM REALTORS® and general oversight of staff, including growth and training where required. The CEO is the go-to person, a liaison, and a leader while creating an environment of helping all members achieve greater results. A full job description is on file at the Association Office.

### **Section 4. CHIEF EXECUTIVE OFFICER ANNUAL PERFORMANCE EVALUATION**

The Executive Committee will conduct Chief Executive Officer Performance Evaluation, which must be completed by July 31<sup>st</sup> annually. The President shall be responsible for initiating the Performance Evaluation process prior to July 1<sup>st</sup>.

### **Section 5. ELECTION OF OFFICERS AND DIRECTORS**

REALTOR® Members may place the names of REALTORS® into nomination by submitting them to the FM REALTORS® Office in writing at least three (3) weeks prior to the election of Officers and Directors. A nominating Committee of five (5) REALTOR® Members shall be appointed by the President at least two (2) months prior to the election. They may nominate candidates for available positions and, as needed, must nominate candidates for any unfilled positions. All nominations will be disseminated to the REALTOR® Membership at least 21 days prior to the General Election. The election is held during the summer General Membership Meeting, customarily held in July or August each year. (10/11)

The election of Officers and Directors shall take place at the annual meeting. Votes may be cast in person at the Association Office during business hours one week prior to the annual meeting, or at the annual meeting during the time designated, on ballots containing the names of all candidates and the offices for which they are nominated. Electronic ballots, when implemented, will be made available to all Members eligible to vote. (02/08)

The President, with the approval of the Board of Directors, shall appoint an Election Committee of three (3) REALTOR® Members to conduct the election. In case of a tie vote, the issue shall be determined by lot (drawing, coin flip, etc.).

### **Section 6. VACANCIES**

Vacancies among the Officers and the Board of Directors shall be filled by a simple majority vote of the Board of Directors until the end of the term of the Officer or Director being replaced. (11/09)

If a seat is vacated by election, and there are a sufficient number of candidates, the vacant seat will go to the next highest vote-getter. If there is not a sufficient number of candidates, the vacancy will be appointed by the Board of Directors.

**Section 7. REMOVAL OF OFFICERS OR DIRECTORS**

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

- A petition requiring removal of an Officer or Director and signed by not less than one-third of the voting membership or a majority of all Directors shall be filed with the President or, if the President is the subject of the petition, with the next ranking Officer, and specifically set forth the reasons the individual is deemed disqualified from further service.
- Upon receipt of the petition, and not less than twenty (20) days or more than forty-five (45) days thereafter, a special meeting of the voting membership of FM REALTORS® shall be held. The sole business of the meeting shall be to consider the charge against the Officer or Director and to render a decision on such petition.
- The special meeting shall be noticed to all voting Members at least ten (10) days prior to the meeting and shall be conducted by the President of FM REALTORS® unless the President's continued service in office is being considered at the meeting. In such case, the next ranking Officer will conduct the meeting of the hearing by the Members. Provided a quorum is present, a three-fourths vote of Members present and voting shall be required for removal from office.

**ARTICLE 2. MEETINGS**

**Section 1. ANNUAL MEETINGS**

The Annual Membership Meeting of FM REALTORS® shall be held prior to November 30 of each year. The date, place, and hour shall be designed by the Board of Directors. (02/08)

**Section 2. OTHER MEETINGS**

Meetings of the Members may be held at other times as the President or the Board of Directors may determine, or upon written request of at least ten (10) percent of the Members eligible to vote.

**Section 3. NOTICE OF MEETINGS**

Written notice shall be given to every Member entitled to participate in the meeting at least one (1) week preceding all meetings. If a special meeting is called, it shall be accompanied by a statement of the purpose of the meeting.

**Section 4. QUORUM**

Those members who attend a General Membership Meeting shall be considered a quorum necessary for the transaction of business. In the event that a meeting of the members is conducted by electronic means, including but not limited to virtual meeting those who vote electronically shall be deemed to have attended the meeting.

## **Section 5. MEETINGS OF DIRECTORS**

The Board of Directors shall designate a regular time and place of meetings. A majority of the Board of Directors shall constitute a quorum in order to conduct business.

## **Section 6. SPECIAL MEETINGS**

The Board of Directors may be called by the President or at least 50% of the Board of Directors at any time upon five (5) days written notice to all Directors.

## **Section 7. ELECTRONIC TRANSACTION OF BUSINESS**

To the fullest extent permitted by law, the Board of Directors or membership may conduct business by electronic means. If a member participates by telephone conference or by any remote electronic means in an Association meeting, conference, or other Association business, the member shall take reasonable steps to assure that the member's participation in such business of the Association is conducted in a manner which will protect the confidential and proprietary interests of the Association. By way of example and not limitation, the member, who is participating by telephone or electronic means, shall employ reasonable measures to assure that persons, who are not participating in Association business, are not able to hear communications of either the member or any other persons participating in the electronic event and further that such non-participants are unable to see materials which may be displayed on a cell phone or computer screen during the meeting. If the member is unable to successfully take such protective measures, for any reason, the member shall immediately disclose such circumstances to the President or other presiding person over the meeting, conference, or other Association business, and, if so directed by the President or other presiding person, shall immediately suspend or terminate participation. Cameras are required to be on during all official electronic meetings of the Association. Exceptions may be approved by leadership.

## **Section 8. PERIPHERAL DEVICE POLICY**

No cell phones or other peripheral devices will be allowed at FM REALTORS® Board of Directors Meetings. Exceptions may be made for special circumstances but need to be noted in Minutes. It is the responsibility of each member of the FM REALTORS® Board of Directors to notify CEO if they have a cell phone or other peripheral device present at a Board of Directors meeting.

## **Section 9. ACTION WITHOUT A MEETING**

Unless specifically prohibited by the articles of incorporation, any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting if a consent in writing setting for the action so taken shall be signed by all of the Directors. The consent shall be evidenced by one or more written, or electronic if via email, approvals, each of which sets forth the action taken and bears the signature of one or more Directors. All the approvals evidencing the consent shall be delivered to the CEO to be filed in the corporate records. The action taken shall be effective when all the Directors have approved the consent unless the consent specifies a different effective date.

## **Section 10. RULES OF ORDER**

Robert's Rules of Order, latest edition, shall be recognized as the authority governing the meetings of FM REALTORS®, its Board of Directors, and Committees in all instances wherein its provisions do not conflict with these Bylaws.

## **ARTICLE 3. COMMITTEES**

### **Section 1. COMMITTEES/TASK FORCES**

The President, with input from Committee Chairs, Vice Chairs and Directors In Charge shall appoint committee members from among the REALTOR® and Business Partner members, subject to confirmation by the Board of Directors. All committees shall have duties, functions and powers as assigned by the President and/or Board of Directors.

Committees and Task Forces include Professional Development, Forms, Civic Duties (includes RPAC Distribution Subcommittee), Outreach (includes Events and Advertising Task Forces), Communications, RPAC, Member Engagement (includes Nominating Subcommittee, YPN Subcommittee, and LEAD Subcommittee) and Forms Task Force.

### **Section 2. SPECIAL COMMITTEES**

The President shall appoint from among REALTOR® and Business Partner Members, subject to confirmation by the Board of Directors, any special task forces as deemed necessary.

### **Section 3. ORGANIZATION OF COMMITTEES AND TASK FORCES**

The size, function, duties and powers of all committees and task forces shall be determined by the President, subject to confirmation by the Board of Directors, except as otherwise provided for in these Policies.

### **Section 4. PRESIDENT**

The President shall be an ex-officio voting member of all committees and task forces and shall be notified of their meetings.

### **Section 5. DIRECTOR-IN-CHARGE**

A Director-In-Charge shall be named by the President to each FM REALTORS® committee. The President shall be an ex-officio member of the committee and shall be notified of the committee's meetings. The Director In Charge serves as a voting member of the committee and is responsible for reporting committee activities and bringing Motions forward to the Board of Directors.

### **Section 6. ACTION WITHOUT MEETING**

Any committee may act by unanimous consent in writing without a meeting. The consent shall be evidenced by one or more written, or electronic if via email, approvals, each of which sets forth the action taken and bears the signature of one or more of the committee members.

### **Section 7. ATTENDANCE BY TELEPHONE CONFERENCE OR ELECTRONIC MEANS**

Members of a committee may participate in any meeting through the use of telephone conference or by any remote electronic means which are then available. If a committee member does participate by telephone conference or remote electronic means, the member shall take reasonable steps to assure that the member's participation in such business of the Association is conducted in a manner which will protect the confidential and proprietary interests of the Association. By way of example and not limitation, the member, who is participating by telephone or by electronic means, shall employ reasonable measures to assure that persons, who are not participating in such Association business, are not able to hear communications of either the member or any other persons participating in the electronic event and further that such non-participants are unable to see materials which may be displayed on a cell phone or computer screen during the meeting. If the member is unable to

successfully take such protective measures, for any reason, the member shall immediately disclose such circumstances to the President or other person presiding over the meeting, conference, or other Association business, and, if so directed by the President or other presiding person, shall immediately suspend or terminate participation. Such participation shall be at the discretion of the President and shall constitute presence at the meeting.

## **ARTICLE 4. MEMBERSHIP QUALIFICATION AND ELECTION**

### **Section 1. 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 should familiarize him/herself with the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, the Constitution, Bylaws and Rules and Regulations of FM REALTORS®, the State and National Associations and, if elected a Member, will abide by the same. REALTOR® Members 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. Applicant consents that FM REALTORS®, through its Board of Directors or otherwise, may invite and receive information and comment about applicant from any Member or other persons, and that applicant agrees that any information and comment furnished to FM REALTORS® 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 on fmrealtor.com or nar.realtor to a copy of the Bylaws, Constitution, Rules and Regulations and Code of Ethics.

### **Section 2. QUALIFICATION**

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 FM REALTORS®, through its Board of Directors or otherwise, that he:

- Is actively engaged in the real estate profession and maintains a current, valid North Dakota and/or Minnesota broker's or salesperson's real estate license or is licensed or certified by the 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 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 as required by the FM REALTORS® Board of Directors which may include the Bylaws and Rules and Regulations of FM REALTORS®, the Bylaws of the State Association(s) of North Dakota and/or Minnesota and the Constitution, Bylaws and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and, if required by the Board of Directors pass such reasonable and nondiscriminatory written examination. (02/08)
- Shall agree, if elected, to abide by such Constitution, Bylaws, Policy, Rules and Regulations and Code of Ethics.

An individual who is actively engaged in the real estate profession other than as a sole proprietor, partner, corporate officer or branch manager in order to qualify for REALTOR®

membership shall, as required by the FM REALTORS® Board of Directors, at the time of application: (02/08)

- Be associated either as an employee or as an independent contractor with a Designated REALTOR® Member of FM REALTORS® or a Designated REALTOR® Member of another Local Association (if a Secondary Member).
- 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.
- Complete a course of instruction which may include the Bylaws and Rules and Regulations of FM REALTORS®, the Bylaws of the State Association(s) and the Constitution, Bylaws and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and, if required, shall pass such reasonable and nondiscriminatory written examination as may be required by the Association.
- Have no record of official sanctions involving unprofessional conduct.
- Shall agree in writing that, if elected to membership, he/she will abide by the Constitution, Bylaws, Rules and Regulations and the Code of Ethics.

FM REALTORS® shall also consider the following in determining an applicant's qualifications for REALTOR® membership:

- All final findings of Code of Ethics violations and violations of other membership duties in any other association within the past three (3) years.
  - Pending ethics complaints (or hearings).
  - Unsatisfied discipline pending.
  - Pending arbitration requests (or hearings).
  - Unpaid arbitration awards or unpaid financial obligations to any other REALTOR® Association or MLS.
  - Any misuse of the term REALTOR® or REALTORS® in the name of the applicant's firm.
- (02/08)

"Provisional" membership may be granted in instances where ethics complaints or arbitration requests (or hearings) are pending in other Associations or where the applicant for membership has unsatisfied discipline pending in another association, provided all other qualifications for membership have been satisfied. FM REALTORS® 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, FM REALTORS® may condition membership on the applicant's certification that he will submit to the pending ethics or arbitration proceeding in accordance with the established procedures of FM REALTORS® and will abide by the decision of the hearing panel.

### **Section 3. ELECTION**

The procedure for election to membership shall be as follows:

Applicants for REALTOR® membership shall 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. If the CEO determines

that the individual does not meet all of the qualifications for membership as established in the Association Bylaws and/or these Policies, or if the individual does not satisfy all of the requirements of membership such as completion of the mandatory New Member Orientation within 180 days from the Association's receipt of the application, membership may be terminated. Dues shall be computed from the date of application and shall be non-refundable.

#### **Section 4. STATUS CHANGES**

A REALTOR® who changes the conditions under which he holds membership shall be required to provide a written notification to FM REALTORS® within thirty (30) days. A REALTOR® (non-principal) who becomes a principal in the firm with which he has been licensed or, alternatively, becomes a principal in a new firm which will be comprised of REALTOR® principals may be required to satisfy any previously unsatisfied membership requirements applicable to REALTOR® (principal) Members but shall, during the period of transition from one status of membership to another, be subject to all of the privileges and obligations of a REALTOR® (principal). If the REALTOR® (non-principal) does not satisfy the requirements established in these Bylaws for the category of membership to which they have transferred within thirty (30) days of the date they advised FM REALTORS® 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 thirty (30) days of the date FM REALTORS® is advised of the disaffiliation with the current firm, membership will terminate automatically unless otherwise so directed by the Board of Directors.

Dues shall be prorated from the first day of the month in which the member is notified of election by the Board of Directors and shall be based on the new membership status for the remainder of the year.

### **ARTICLE 5. PRIVILEGES AND OBLIGATIONS**

#### **Section 1. BYLAWS/POLICIES VIOLATIONS**

Any Member of FM REALTORS® may be reprimanded, fined, placed on probation, suspended or expelled by the Board of Directors for a violation of the Bylaws and/or FM REALTORS® Policies and Procedures consistent with the Bylaws after a hearing as provided in the Code of Ethics and Arbitration Manual of FM REALTORS®. Although Members other than REALTORS® are not subject to the Code of Ethics nor its enforcement by FM REALTORS®, such Members are encouraged to abide by the principles established in the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and conduct their business and professional practices accordingly. Further, Members other than REALTORS® may, upon recommendation of a hearing panel of the Professional Standards Committee, be subject to discipline as described above for any conduct which, in the opinion of the Board of Directors, applied on a nondiscriminatory basis reflects adversely on the term REALTOR® or REALTORS® and the real estate industry, or for conduct that is inconsistent with, or adverse to, the objectives and purposes of FM REALTORS®, the State Association(s) and the NATIONAL ASSOCIATION OF REALTORS®.

#### **Section 2. RESIGNATIONS**

Resignations of Members shall become effective when received in writing by the Board of Directors provided, however, that if any Member submitting the resignation is indebted to FM

REALTORS® for dues, fees, fines or other assessments of FM REALTORS® or any of its services, departments, divisions or subsidiaries, FM REALTORS® may condition the right of the resigning Member to reapply for membership upon payment in full of all such monies owed.

### **Section 3. RESIGNATION/TERMINATION WITH PENDING ETHICS COMPLAINT**

If a Member resigns from FM REALTORS® 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 Associations 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 continues in effect even after membership lapses or is terminated provided that the dispute arose while the former member was a REALTOR®.

### **Section 4. SUSPENDED/EXPELLED MEMBERS**

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



principal) elects to sever his connection with the REALTOR® and affiliate with another REALTOR® Member in good standing in FM REALTORS®, whichever may apply.

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

In any action taken against a REALTOR® Member for suspension or expulsion under Section 3 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 Section 3 shall apply.

### **Section 5. INSTITUTE AFFILIATE MEMBERS**

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

### **Section 6. BUSINESS PARTNER MEMBERS**

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

### **Section 7. LOCAL REALTOR® EMERITUS MEMBERS**

An FM REALTORS® REALTOR® member may earn “FM REALTORS® REALTOR® EMERITUS” by meeting **ONE** of the following criteria:

- FM REALTOR® Members that meet the criteria and are designated “North Dakota REALTOR® EMERITUS” shall automatically receive “FM REALTORS® REALTOR® Emeritus”.
- FM REALTOR® Member that meets all of the same criteria at Minnesota REALTORS® as defined for North Dakota REALTOR® Emeritus shall upon certification by the FM REALTORS® Board of Directors be designated “FM REALTORS® REALTOR® EMERITUS”. Verification and/or documentation required.
- FM REALTOR® Member who has held membership in FM REALTORS® as a REALTOR® for a cumulative period of forty (40) years, is age 65 or older, and has completed at least five (5) years of service at the FM REALTORS® as an officer, director, member of a committee, workgroup, or taskforce shall upon certification by the FM REALTORS® Board of Directors be designated “FM REALTORS® REALTOR® EMERITUS”. Verification and/or documentation required.

### **Section 8. CERTIFICATION BY REALTOR®**

During the month of August, “Designated” REALTOR® Members of FM REALTORS® shall certify on a form provided by FM REALTORS® a complete listing of all individuals licensed or certified in the REALTOR®’s office(s) and shall designate a primary Local Association for each individual who hold membership. Designated REALTORS® shall also identify any non-member licensees in the REALTOR®’s office(s) and, if Designated REALTOR® dues have been paid to another Local Association based on said non-member licensees, the Designated REALTOR® shall identify the Local Association to which dues have been remitted. These declarations shall be used for purposes of calculating dues under Article 10, Section 2 (a) of the Bylaws. Designated REALTOR® Members shall also notify FM REALTORS® of any additional individual(s) licensed or certified with the office(s) within thirty (30) days of the date of affiliation or severance of any individual(s). Licensees with licenses held by referral companies do not need to be reported.

## **ARTICLE 6. MEMBER DUES AND FINANCIAL OBLIGATIONS**

Dues for all Members shall be payable annually in advance on the first day of December. Dues for new members shall be computed from the date of application and granting of provisional membership. Refer to Article 10 of the Bylaws for Realtor Member and Institute Affiliate dues policies and procedures.

The annual dues of each Business Partner Member, Local Life Members and NAR REALTOR® Emeriti shall be in such amount as established annually by the Board of Directors.

In the event a sales licensee or certified or licensed appraiser who holds REALTOR® membership is dropped for nonpayment of FM REALTORS® dues, and the individual remains with the designated REALTOR®'s office, the dues obligation of the Designated REALTOR®, as set forth in Article 10, Section 2 (a) of the Bylaws, will be increased to reflect the addition of a non-member license. Dues shall be calculated from the first day of the current fiscal year and are payable within thirty (30) days of the notice of termination.

### **Section 1. NONPAYMENT OF FINANCIAL OBLIGATIONS**

If dues, fees, fines, or other assessments, including amounts owed to FM REALTORS® or FM REALTOR'S® Multiple Listing Service, are not paid within one (1) month after the due date, the nonpaying Member is subject to suspension at the discretion of the Board of Directors. Two (2) months after the due date, membership of the nonpaying Member may be terminated at the discretion of the Board of Directors. Three (3) months after the due date, membership of the nonpaying Member shall automatically terminate unless within that time the amount due is paid. However, no action shall be taken to suspend or expel a Member for nonpayment of disputed amounts until the accuracy of the amount owed has been confirmed by the Board of Directors. A former Member who has had membership terminated for nonpayment of dues, fees, fines or other assessments duly levied in accordance with the provision of these Policies or the provision of other Rules and Regulations of FM REALTORS® or any of its services, departments, divisions or subsidiaries may apply for reinstatement in a manner prescribed for new applicants for membership after making payment in full of all accounts due as of the date of termination.

### **Section 2. NOTICE OF DUES, FEES, FINES, ASSESSMENTS OR OTHER FINANCIAL OBLIGATIONS OF MEMBERS**

All dues, fees, fines, assessments or other financial obligations to FM REALTORS® or FM REALTORS®'s Multiple Listing Service shall be noticed to the delinquent FM REALTORS® Member, in writing, setting forth the amount owed and the due date.

## **Article 7. FINANCIAL**

### **Section 1. CONTRACTS**

Contracts outside the scope of day-to-day operations may be signed by the President or the Chief Executive Officer only after approval of the Board of Directors. The CEO may sign contracts as required for the normal operation of the Association and those within the annual budget and goals of FM REALTORS®.

### **Section 2. CHECK WRITING AUTHORIZATION**

Checks are to be signed by the CEO or the Financial Manager.

### **Section 3. CREDIT CARD POLICY**

The CEO shall be in charge of the Association credit card.

#### **Section 4. RETURNED CHECK POLICY**

A \$25 service charge will be assessed for each check returned by the bank for insufficient funds.

#### **Section 5. DUES COLLECTION**

See FM REALTORS® Bylaws and Article 6 of these Policies.

#### **Section 6. DUES REFUNDS**

No refund of dues paid to FM REALTORS® shall be given for any reason.

#### **Section 7. EXPENSE REIMBURSEMENTS**

Any pre-approved expenses or other such expenses as defined in FM REALTORS® Policy submitted to the CEO may be reimbursed at the discretion of the CEO when accompanied by receipts. If unusual expenses occur or there are unusual circumstances, the CEO may consult the President and/or the Board of Directors. Expenses must be reported within 30 days.

#### **Section 8. TRAVEL REIMBURSEMENT**

**Mileage and Lodging Policy** – Refer to Appendix IV, for chart of meetings/events and those eligible for reimbursement. *(RECEIPTS ARE REQUIRED AS PER IRS GUIDELINES)*

**Mileage:** If mileage is paid, it shall be the policy of FM REALTORS® to reimburse mileage as defined herein at the IRS rate. Mileage to be paid only when an out-of-town meeting is conducted in excess of 50 miles of the Fargo-Moorhead area. To show fiscal responsibility to members, carpooling is encouraged. \*FM REALTORS® staff is reimbursed for all business travel at the current IRS rate.

**Lodging:** If lodging is paid, it shall be the policy of FM REALTORS® to reimburse hotel and/or lodging costs not to exceed a rate equitable with that of the headquarters hotel. Lodging for out of town single-day meetings that, under normal circumstances, could be traveled round trip in one day will not be reimbursed by FM REALTORS®.

**Meals and Other Costs:** It shall be the policy of FM REALTORS® to reimburse meal costs on a per diem basis following the GSA (U.S. General Services Administration) guidelines. Per diems are based on location and the amount provided by <https://www.gsa.gov/travel/plan-book/per-diem-rates>. If the meeting host provides a meal during travel, a deduction will be made for that meal.

Other costs shall include: standard cab fare, economy travel, and other related travel expenses. Receipts must be provided.

**NDAR & MNR Reimbursements:** If NDAR and MNR reimburses an individual for any expenses, that amount shall be deducted from the FM REALTORS® reimbursement.

**NDAR/MNR Legislative Impact Day** – FM REALTORS® Directors (to include Executive Committee), including NDAR and MNR, going to either or both Legislative Impact Days shall be reimbursed for registration, up to \$25/day for meals and costs of lodging according to the policy defined herein.

**NDAR REALTOR® of the Year Nominee** – Registration fee to Convention of the Dakotas shall be reimbursed.

### **Section 9. ALCOHOL POLICY**

FM REALTORS® will not reimburse any expense for purchase or consumption of any alcoholic beverages.

### **Section 10. PETTY CASH**

There shall be no more than \$50 cash available for incidentals and the day to day operation of FM REALTORS® within the Association Office.

### **Section 11. DEPOSITS AND EXPENDITURES**

Deposits and expenditures of funds shall be in accordance with policies established by the Board of Directors.

### **Section 12. RECORD RETENTION**

Record retention will be according to IRS guidelines and policies of the NATIONAL ASSOCIATION OF REALTORS® for: Cash receipts, Cash Disbursements, Office Equipment Records, Investment Records, Inventory Records, Rosters, General Ledger, General Journal, Payroll Records, Tax Returns, Employee Records. Membership records will be kept for two years following membership termination. Incorporation papers and building/land information will be kept permanently.

### **Section 13. CHARITABLE DONATIONS/FLOWERS/MEMORIALS**

FM REALTORS® shall have authority to collect, raise and otherwise acquire funds to be used for humanitarian purposes as deemed appropriate by the Events Committee and approved by the Board of Directors. In addition to the budget appropriated by the Board of Directors, funds may be raised by functions of the committee and collected from members and/or the public and shall be accounted for in an appropriate manner.

A budget item separate from the Events Committee budget is established for flowers or memorials to be sent to members or their families, as appropriate, in the event of illness or death. The amount shall be at the discretion of the CEO and/or the President.

### **Section 14. RESERVES AND INVESTMENTS**

#### **FM REALTORS®/RMLS Reserve Policy:**

It shall be the policy of FM REALTORS® to insure that not less than 50% of any fiscal year's annual combined (FM REALTORS® and RMLS) expense budget be set aside in a designated Reserve Fund for the continued well-being of the Association. As the annual budgets may vary, the amount required in reserve will vary accordingly. Reserve funds are only to be used in the case of a natural disaster or unforeseen catastrophic event for the general protection of the Association to protect the welfare of the Association and its members. Reserves should only be used to meet operating shortfalls, but not to fund new programs or personnel, and only when all other options have been exhausted. Reserve funds in excess of the Reserve policy of twelve (12) months herein may be reappropriated by the FM REALTORS® Board of Directors as approved by not less than 80% of the FM REALTORS® Board of Directors eligible to vote AND with the input and guidance of the CEO.

### **GENERAL**

In order to increase and maintain the Reserve fund, it shall be the policy of the Association to set aside not less than \$1,000 per month to be dedicated to the Reserve Fund. The Finance Review Committee shall provide annual recommendations to the Board of Directors for their

approval as to where and how these funds shall be invested and/or allocated through CDs, GNMA or other investments.

**Section 15. BANKING**

The CEO, with approval from the Board of Directors, shall decide which banks or trust companies the funds of FM REALTORS® shall be deposited. It is recommended that the banking institutions shall be Business Partner Members of FM REALTORS®.

**Section 16. MEMBER SERVICES EXPENSE**

Member services provided by FM REALTORS® such as keys and lock boxes shall be a pass-through to the members, meaning that the Association shall not make more than a nominal profit, if any, on same.

**Section 17. FINANCIAL AUDIT**

Financial reviews will be conducted on an annual basis. A complete financial audit will be conducted upon direction of the Board of Directors.

**Section 18. FINANCIAL REVIEW COMMITTEE**

The purpose of the Financial Review Committee is to review the financial policies and annual budget of the Association and make recommendations to the Board of Directors. The Committee will be appointed by the FM REALTORS® President after agreement with the Chief Executive Officer and the Financial Manager and will be ratified by the FM REALTORS® Board of Directors. Other guidelines are as follows:

\*There will be three-year staggered terms. Committee members can be appointed to no more than two consecutive three year terms. Terms will coincide with FM REALTORS® fiscal year.

\*Committee shall consist of the Chief Executive Officer, Financial Manager, current FM REALTORS® President, Past President, President-elect and Vice President, three Members At Large, one of which may be a current FM REALTORS® or RMLS Director.

\*Prerequisites are to be at least one of the following: a former or current Director or FM REALTORS®/ RMLS Officer, Chair of at least one FM REALTORS® committee within the past five years, able to read, interpret and understand balance sheets and profit and loss statements or have a thorough understanding of short and medium term budgeting processes, or outside Board/business management experience, not including managing a one person business.

**Section 19. FINANCIAL STATEMENT ACCESS**

Year-end Financial Statements shall be published on the FM REALTORS® website for members only access. Monthly Financial Statements are available for review by any REALTOR® member at the FM REALTORS® office during regular business hours.

**ARTICLE 8. BUSINESS POLICIES AND PRACTICES**

**Section 1. OFFICE HOURS**

8:00 AM-4:30 PM Monday through Friday from Labor Day to Memorial Day. 7:30 AM-4:30 PM Monday through Thursday and 7:30 AM-12:00 PM Fridays from Memorial Day to Labor Day.

The Association Office will be closed on New Year's (two days), Memorial Day, Independence Day, Labor Day, Thanksgiving (Thursday and Friday) and Christmas (two days). If the holiday is on Sunday, the Association Office will be closed the following Monday. If the holiday is on Saturday, the Association Office will be closed the preceding Friday.

Staff will reply to phone messages, texts, emails, etc. during office hours.

## **Section 2. OFFICE KEYS**

Office keys are held by the CEO and FM REALTORS® staff.

## **Section 3. USE OF ASSOCIATION CONFERENCE ROOM, OFFICE AND EQUIPMENT**

The Association conference room is available for member use during business hours, subject to availability. A nominal fee may apply depending on requirements. Contact FM Realtors® staff for details. Requests made by members for use of other association office space and equipment will be determined on a case by case basis by the CEO and/or President.

## **Section 4. FISCAL AND ELECTIVE YEAR**

The fiscal year of FM REALTORS® shall be January 1 to December 31. The elective year is December 1 to November 20.

## **Section 5. MEDIA INTERVIEWS/CORRESPONDENCE**

It is recommended that media requests be directed to the President or his/her designee in regard to representation of FM REALTORS®.

## **Section 6. MEMBERSHIP ROSTER**

Membership rosters will be provided only to Designated REALTOR® and Business Partner Members and will not be sold to any entity for marketing purposes. Members are encouraged to hold membership in the North Dakota Association of REALTORS® and the Minnesota Association of REALTORS®.

## **Section 7. SOLICITATIONS**

Solicitations may be presented to the Events Committee as deemed appropriate for the request.

## **Section 8. POLITICAL ENDORSEMENTS / RPAC GUIDELINES**

Political endorsements shall be at the discretion of the RPAC Distribution Committee, subject to approval by Board of Directors and may be guided by the view of FM REALTORS®.

## **Section 9. COMMUNICATION**

Written correspondence with FM REALTORS® shall be directed to the Association Office located at 1535 42<sup>nd</sup> Street South, Suite 300, Fargo, North Dakota 58104. Other forms of communication may be used: email [info@fmrealtor.com](mailto:info@fmrealtor.com); phone number (701) 235-6679.

## **Section 10. WEBSITE**

The website address is [www.fmrealtor.com](http://www.fmrealtor.com).

## **Section 11. BUSINESS PARTNER ADVERTISING**

As long as an event being sponsored by a Business Partner Member is available to all REALTORS®, the information may be advertised on the website and/or social media. If the policy becomes problematic, the issue will be readdressed by the Board of Directors.

## **Section 12. FM REALTORS® FORMS**

FM Realtors® contract forms are for Realtor® member use only. Complaints of misuse will be heard by the FM REALTORS® Board of Directors.

The Forms, whether provided in written or printed form, provided electronically, or provided in any other form or format, are provided for the exclusive use of the Members. Authorized users may not display, reproduce, transmit, retransmit, or provide Forms in any manner to any unauthorized individual, office, lender, title company, or brokerage firm with the exception of Form(s) with "Example" watermarks may be distributed to Member's clients and customers for review purposes only.

Any FM Realtors® member who sells or provides the Forms in any unauthorized manner, which includes using outdated or discontinued forms, shall be charged a minimum fine of one thousand dollars or as determined by the FM Realtors® Board of Directors.

Any unauthorized use or distribution of the Forms may result in a cease-and-desist order. If an unauthorized user does not heed cease-and-desist order, FM Realtors® may choose to pursue the unauthorized user in a manner of their discretion.

MN Realtors® and North Dakota Association of Realtors® Forms are for member use only. Members must comply with state association policy regarding the use of their forms. Complaints of misuse will be forwarded to the appropriate state association.

### **Section 13. NOTIFICATION OF NEW AGENTS**

All Designated REALTORS® shall notify the Association Office of any additions or deletions of their licensees within seven (7) days of such changes. All changes must be in writing and signed by the Designated REALTOR®.

### **Section 14. PROFESSIONAL STANDARDS COMPLIANCE PROCEDURES**

Professional Standards will be handled at the State level and will be according to either MNR or NDAR procedures. Complaints must be in writing and forwarded to the appropriate state association. Information on filing complaints may be found on the association website, fmrealtor.com. (revised 11/13)

### **Section 15. HANDICAP ACCESSIBILITY**

Handicap parking is available near the Association entrance and the conference room and restrooms are accessible. However, if other accommodations are required for meetings or appointments, the Committee, CEO and/or staff, as appropriate, may provide other arrangements or accommodations.

### **Section 16. PRIVACY AND SECURITY POLICY**

We recognize the importance of protecting the personal information you provide. We maintain the following privacy policy:

1. We gather the following types of information needed to process your transactions, fulfill your requests, and maintain our membership records:
  - Contact information you provide (for example, your personal and business addresses, phone and fax numbers, firm affiliations and titles).
  - Information you volunteer, via applications or surveys (for example, education, designations, specialties, affiliations with other real estate organizations and general demographic data).
2. We use this information to:
  - Notify you of upcoming events and programs.
3. We may share email addresses with members.

4. FM REALTORS® does not share, sell or trade e-mail addresses with non-members, but may provide you with on-line informational or marketing messages.
5. We will not share, sell or otherwise provide other information about you to third parties, except for:
  - When required by law or valid legal process, or to protect the personal safety of our members or the public.
5. We maintain security procedures and standards which we believe are as safe as today's technology permits. We test these procedures and modify them regularly as new technologies become feasible.
6. We utilize a strict Opt-Out policy for sending online notifications regarding services, products and programs. You may opt-out of bulk emails generated through flexmls. Contact FBS Data Systems or FM REALTORS® for instructions.
7. You may edit your personal contact information directly in the NRDS system or by contacting FM REALTORS®.

## **Section 17. WHISTLEBLOWER POLICY**

### **Introduction**

FM REALTORS® requires directors, officers and employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. As employees and representatives of FM REALTORS®, we must practice honesty and integrity in fulfilling our responsibilities and comply with all applicable laws and regulations.

### **Reporting Responsibility**

It is the responsibility of all directors, officers and employees to comply with all applicable laws and regulations and to report violations or suspected violations in accordance with this Whistleblower Policy.

### **Retaliation**

No director, officer or employee who in good faith reports a violation shall suffer harassment, retaliation or adverse employment consequence. An employee who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment. This Whistleblower Policy is intended to encourage and enable employees and others to raise serious concerns within the Organization prior to seeking resolution outside the Organization.

### **Reporting Violations**

The whistle blowing procedure is intended to be used for serious and sensitive issues. Such concerns, including those relating to financial reporting, unethical or illegal conduct, may be reported directly to the Chief Executive Officer or to association general counsel, Casey Chapman of Chapman and Chapman, P.C., Bismarck, ND.

Employment related concerns and other concerns should be reported through normal channels such as to the Chief Executive Officer or FM REALTORS® President.

### **Acting in Good Faith**

Anyone filing a complaint concerning a violation or suspected violation must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense which may include a fine of up to \$10,000.



## **Confidentiality**

Violations or suspected violations may be submitted on a confidential basis by the complainant or may be submitted anonymously. Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

## **Handling of Reported Violations**

The action taken in response to a report of concern under this policy will depend on the nature of the concern. Initial inquiries will be made to determine whether an investigation is appropriate, and the form that it should take. Some concerns may be resolved without the need for investigation. The Board of Directors shall receive information on each report of concern and follow-up information on actions taken. All reports will be promptly investigated and appropriate corrective action will be taken if warranted by the investigation.

## **Section 18. CONFLICT OF INTEREST STATEMENT**

Any duality of interest or possible conflict of interest on the part of any board membership should be disclosed to the other board members and made a matter of the record, either through an annual procedure or when the interest becomes a matter of board actions. A Conflict of Interest Form shall be available for reporting. Refer to Appendix V – Conflict of Interest Form.

Any board member having a duality of interest or possible conflict of interest on any matter should not vote or use his/her personal influence on the matter, and he/she should not be counted in determining the quorum for the meeting, even where permitted by law. The minutes of the meeting should reflect that a disclosure was made, the abstention from voting, and the quorum situation.

The foregoing requirements should not be construed as preventing the board member from briefly stating his/her position in the matter, nor from answering pertinent questions from other board members since his/her knowledge may be of great assistance.

The FM REALTORS® President and Chief Executive Officer are authorized and directed to see that this policy is followed.

## **Section 19. ANTITRUST STATEMENT**

FM REALTORS® is a not-for-profit organization. The association is not organized to and may not play any role in the competitive decisions of its members or their employees, nor in any way restrict competition among members or potential members. Rather it serves as a forum for a free and open discussion of diverse opinions without in any way attempting to encourage or sanction any particular business practice.

The association provides a forum for exchange of ideas in a variety of settings including its annual meeting, general membership meetings, educational programs, committee meetings, and Board meetings. The Board of Directors recognizes the possibility that the association and its activities could be viewed by some as an opportunity for anti-competitive conduct. Therefore, this policy statement clearly and unequivocally supports the policy of competition served by the antitrust laws and to communicate the Association's uncompromising policy to comply strictly in all respects with those laws.

While recognizing the importance of the principal of competition served by the antitrust laws, the association also recognizes the severity of the potential penalties that might be imposed on not only the association but its members as well in the event that certain conduct is found to violate the antitrust laws. Should the association or its members be involved in any violation of the federal/state antitrust laws, such violation can involve both civil and criminal penalties that may include imprisonment for up to 3 years as well as fines up to \$350,000 for individuals and up to \$10,000,000 for the association plus attorney fees. In addition, damage claims awarded to private parties in a civil suit are tripled for antitrust violations. Given the severity of such penalties, the Board intends to take all necessary and proper measures to ensure that violations of the antitrust laws do not occur.

## **Policy**

In order to ensure that the Association and its members comply with antitrust laws, the following principles will be observed:

- The association or any committee or activity of the association shall not be used for the purpose of bringing about or attempting to bring about any understanding or agreement, written or oral, formal or informal, expressed or implied, among two or more members or other competitors with regard to prices or terms and conditions of contracts for services or products. Therefore, discussions and exchanges of information about such topics will not be permitted at association meetings or other activities.
- There will be no discussions discouraging or withholding patronage or services from, or encouraging exclusive dealing with any supplier or purchaser or group of suppliers or purchasers of products or services, any actual or potential competitor or group of actual potential competitors, or any private or governmental entity.
- There will be no discussions about allocating or dividing geographic or service markets or customers.
- There will be no discussions about discouraging entry into or competition in any segment of the marketplace.
- There will be no discussions about whether the practices of any member, actual or potential competitor, or other person are unethical or anti-competitive, unless the discussions or complaints follow the prescribed due process provisions of the association's bylaws.
- Certain activities of the association and its members are deemed protected from antitrust laws under the First Amendment right to petition government. The antitrust exemption for these activities, referred to as the Noerr-Pennington Doctrine, protects ethical and proper actions or discussions by members designed to influence: 1) legislation at the national, state, or local level; 2) regulatory or policy-making activities (as opposed to commercial activities) of a governmental body; or 3) decisions of judicial bodies. However, the exception does not protect actions constituting a "sham" to cover anticompetitive conduct.
- Speakers at committees, educational meetings, or other business meetings of the association shall be informed that they must comply with the association's antitrust policy in the preparation and the presentation of their remarks. Meetings will follow a written agenda approved in advance by the association or its legal counsel.
- Meetings will follow a written agenda. Minutes will be prepared after the meeting to provide a concise summary of important matters discussed and actions taken or conclusions reached.

At informal discussions at the site of any association meeting all participants are expected to observe the same standards of personal conduct as are required of the association in its compliance.

## **Section 20. HARASSMENT POLICY**

The Association prohibits and will not tolerate harassment of any kind by Association staff, Association volunteer leaders, or Association members on the basis of race, color, physical, or mental disability, religion, creed, national origin, ancestry, sex (including pregnancy), sexual orientation, gender/gender identity, age (40 or over), citizenship, genetic information, past, current, or prospective service in the uniformed services, or any other characteristic protected under applicable federal, state, or local law. Harassment is prohibited on the Association property and at all Association-related or Association-sponsored events. This policy further extends to harassment on social media platforms.

All Association staff, Association volunteer leaders, and Association members are expected to behave accordingly and take appropriate measures to ensure that the conduct described herein does not occur. Appropriate disciplinary action will be taken against any Association staff, Association volunteer leader, or Association member who violates this policy. The Association is committed to enforcing this policy against all forms of harassment.

Sexual harassment means any harassment based on someone's sex or gender. It is not limited to interactions between members of the opposite sex. It includes harassment that is not sexual in nature (for example, offensive remarks about an individual's sex or gender), as well as any unwelcome sexual advances or requests for sexual favors or any other conduct of a sexual nature.

Sexual harassment includes:

- Verbal (for example, epithets, derogatory statements, threatening or obscene language, slurs, sexually-related comments or jokes, sexual innuendoes, unwelcome sexual advances, or requests for sexual favors).
- Non-Verbal (for example, suggestive or insulting sounds, or whistling).
- Physical (for example, assault or inappropriate or unwanted physical contact, such as touching, pinching, brushing the body).
- Visual (for example, displaying sexually suggestive posters, cartoons, or drawings, sending inappropriate adult-themed gifts, leering, or making obscene or sexual gestures).
- Online (for example, derogatory statements, threatening or obscene language, or sexually suggestive postings in any social media platform including Facebook, Twitter, Instagram, Snapchat, etc.).

Other types of harassment often take a similar form to sexual harassment and include harassment that is:

- Verbal (for example, epithets, derogatory statements, threatening or obscene language, slurs, derogatory comments, or jokes).
- Physical (for example, assault or inappropriate physical contact).
- Visual (for example, displaying derogatory posters, cartoons, or drawings, or making derogatory gestures).
- Online (for example, derogatory statements, threatening or obscene language, or sexually suggestive postings in any social media platform including Facebook, Twitter, Instagram, Snapchat, etc.).

This list is illustrative only, and not exhaustive. It is impossible to list every type of behavior that can be considered harassment. Any conduct that could create an offensive environment will be considered harassment in violation of this policy.

The Association will take each complaint seriously and conduct a thorough and impartial investigation. The Association will maintain a complete written record of each complaint and will maintain communication with the alleged harasser and the victim throughout the proceedings. Confidentiality will be maintained throughout the process to the extent practical and appropriate under the circumstances. The Association will take prompt and proportionate action when a violation of this policy has occurred.

Association staff:

If you are Association staff and are subjected to any conduct that you believe violates this policy or witness any such conduct, you may speak to, write, or otherwise contact your direct supervisor or, if the conduct involves your direct supervisor, the next level above your direct supervisor. Although not mandatory, a Complaint Form is available on the Association's website to make your complaint if you wish to use it. Follow the procedures set forth in the Association's Employee Handbook. Once a report has been received, a prompt and thorough investigation will be conducted by the CEO and/or Association's Legal Counsel.

Association volunteer leaders and members:

If you are an Association volunteer leader or member and are subjected to any conduct that you believe violates this policy or witness any such conduct, you may speak to, write, or otherwise contact the President of the Association ("President"). Once a report has been received, a prompt and thorough investigation will be conducted by the Executive Committee upon consultation with the Association's Legal Counsel. If the report names the President, that individual is precluded from participating in the investigation and disciplinary action and shall be replaced by the Association's President Elect or Chief Executive Officer.

No one will be subject to, and the Association prohibits, any form of discipline, reprisal, intimidation, or retaliation for good faith reporting of incidents of harassment of any kind, pursuing any harassment claim or cooperating in related investigations.

Any Association staff, Association volunteer leader, or Association member, regardless of position or title, who has subjected an individual to harassment or retaliation in violation of this policy, will be subject to discipline, up to and including termination of employment (for Association staff) or removal from any office or committee position the Association volunteer leader holds. A violation of this policy may be a factor in determining an Association member's fitness for future Association volunteer leader positions.

Association staff found in violation will have a right to appeal the decision to the Association's Chief Executive Officer. Any Association volunteer leader or Association member found in violation will have a right to appeal the decision to the Association's Board of Directors. A written request for appeal must be submitted no more than thirty (30) days after the individual receives notice of a violation of this policy.

The Association's Legal Counsel is responsible for the administration of this policy. If you have any questions regarding this policy or questions about harassment that are not addressed in this policy, please contact the Association's General Counsel.

## **Section 21. SUBSTANCE ABUSE POLICY**

The Association will not tolerate any disruption or interference with its business operations, its meetings, or any other activities, whether business or social, in which the Association is involved by sponsorship or otherwise (herein Association Activities or, as applicable, Association Activity), as a result of substance abuse. For purposes of this section, the term "substance abuse" shall

include (a) the consumption of alcohol at Association Activities unless the consumption of alcohol is specifically approved by the Association; (b) the use of marijuana or similar substances, even if medically prescribed or otherwise legal, at Association Activities unless such use has been specifically approved by the Association; (c) the use of illegal drugs at Association activities; and (d) actions of a person, who has consumed or used alcohol or drugs, whether legally or illegally, and whose conduct exhibits impairment which disrupts or interferes with Association Activities or which actually causes justifiable fear, concern or discomfort to other persons then attending an Association Activity. Each member acknowledges and agrees that the Association has an important proprietary interest in preventing disruption or interference with Association Activities and, therefore, each member acknowledges and agrees that, if the Association, in its discretion, determines that any person participating in Association Activities has committed substance abuse, the Association retains the right to terminate that person's participation in the Association Activity and to require that the person either remove themselves or be removed from the Association Activity. If determined appropriate by the Board of Directors, a violation of this policy may result in discipline as set forth in Article 12 herein.

## **Section 22. SOCIAL MEDIA POLICY**

Although the Association recognizes the right of members to utilize social media for solely personal means and also for a member's real estate, and other, business activities, the Association has a strong interest in protecting the reputation, and confidential and proprietary information, of the Association and of the members of the Association. Therefore, members are advised that reasonable caution must be exercised in social media postings in order to protect the interests of both the Association and the Association membership. Thus, without limiting the rights of Association members to exercise legitimate free speech and to reasonably pursue both business and personal social media postings, the Association sets forth the following policy considerations:

(a) If you have disclosed your membership in the Association, the North Dakota Association of REALTORS®, the Minnesota Association of REALTORS®, or the National Association of REALTORS®, you must clearly state that any views contained in your postings do not represent the views of any of these associations.

(b) Unless you have permission from the Association, you may not establish any social media account which leads viewers of the account to believe that the account is established by, sponsored by, or approved by the Association.

(c) Any member who holds a leadership position with the Association or who has been authorized to speak for the Association in any capacity should understand that viewers of the member's social media postings may believe that all of such member's social media postings are authorized by the Association or are representative of Association positions. Therefore, social media postings by such members should retain the same decorum expected during official appearances and official communications on behalf of the Association.

(d) No member shall generate any social media posting which threatens, harasses, bullies, or defames any person, or which discriminates against any person on the basis of race, gender, disability, religion, sexual orientation, political affiliation, or any status protected by law or by the policies of the Association, the North Dakota Association of REALTORS®, the Minnesota Association of REALTORS®, or the National Association of REALTORS®.

(e) Each member, in all social media postings, must protect the confidential and proprietary information of the Association, where such confidential and proprietary information can include, by way of example and not limitation, organizational policy discussions, details of current or future projects, financial information, Association member information, Association staff information, and Association affiliate information.

(f) Each member must understand that a member's social media postings, even if based upon a personal view or opinion, have the potential to harm the general reputation of the Association and of the Association members. Therefore, a member should consider a social media posting's potential impact, even if unintended, upon the Association and other members of the Association, prior to completing the social media posting.

(g) If a member becomes aware of a social media posting, whether generated by a member or by any other person, which disparages or reflects poorly upon Association, the member is encouraged to report that posting to the Association, which can then determine if any remedial action is advisable.

(h) If a social media posting by a member is found to violate this policy, the Association retains the right, after giving the member the opportunity to respond to the concern, to require the removal or editing of the social media posting or, in appropriate circumstances, to pursue discipline against the member.

### **Section 23. SOCIAL MEDIA POLICY FOR ASSOCIATION LEADERS**

Social media includes, but is not limited to websites, blogs, social networking sites, discussion groups, and listservs. Social media is a powerful and effective communication and engagement tool and the Association encourages Association leaders to utilize social media to help raise awareness of the Association's work and issues of interest to Texas REALTORS® and consumers. These Social Media Guidelines for Association Leaders ("Guidelines") are intended to enable Association leaders to maintain their ability to express themselves personally on social media, while also ensuring that the reputation and work of the Association is protected. In furtherance of these objectives, Association leaders should follow these Guidelines:

- All Association leaders are encouraged to use social media to promote the Association's mission, policy positions, advocacy efforts, and other association news.
- It is always acceptable to repost or share any Association published communications and established policy positions.
- Always be professional, respectful, and ethical when engaging in social media and avoid making statements or posting photographs that could reasonably harm the Association.
- In the capacity of an Association leader, avoid making statements contrary to NAR's public positions on federal issues, ND and MN REALTORS® public positions on state issues, and the Association's public positions on local issues, including but not limited to contrary statements about appointees, elected officials or candidates, and legislative or regulatory matters.
- When reasonably necessary or useful, include a disclaimer that views expressed by

the Association leader are personal to the individual and do not represent the official views of the Association.

- Do not disclose any confidential information.
- Do not call for a boycott of a product, service, or company.
- Avoid any connection to the Association when making personal statements of endorsement or opposition to particular products, services, or companies.
- Avoid and/or remove statements or content that create undue opposition or controversy.
- Avoid making statements or posting photographs that are inappropriate including, but not limited to discriminatory remarks, demeaning or defamatory comments, offensive material, and comments that might constitute harassment.
- Respect third-party intellectual property, and always use NAR's trademarks in accordance with NAR's Membership Marks Manual. REALTOR® means member of the National Association of REALTORS® and must not be used generically as a synonym for the occupation of "real estate agent" or "broker".

Association leaders who do not adhere to these Guidelines or who otherwise act inappropriately when engaging in social media, may be contacted by the Association's CEO and/or President to resolve the situation, which may include withdrawing, correcting, or revising the communication at issue. Please be aware that social media presence is a significant factor for the Association's Nominating Committee in determining one's fitness for an Association leadership position. Social media presence may also be a factor when applying for local and state government positions.

As used in these Guidelines, "Association leaders" includes elected and appointed officers, directors, committee chairs and vice chairs, and other members appointed to positions of leadership.

#### **Section 24. CONFIDENTIALITY POLICY**

This Confidentiality Policy (Policy) is adopted in order to ensure matters which are to remain known only to certain persons affiliated with the Association are kept that way. Association members are frequently involved in proceedings or actions that involve information that should be kept private. The purpose of this Policy is to define and set forth what information that is and to inform members and staff of procedures to be followed to ensure confidentiality.

This Policy is applicable to all members of the Association who serve in voluntary governance positions. Voluntary governance positions include all members of the Association Leadership Team, Executive Board, Board of Directors, Committees and Task Forces.

Confidential Information includes but is not limited to any information pertaining to The Association's current or anticipated operations, procedures, 3<sup>rd</sup> party relationships and agreements, work product, and personal identification information. Some examples of Confidential Information are:

- Identifying personal or financial information related to any Association employee or member (e.g. driver's license number, address, phone number, credit card number, etc.)
- Information related to any previous, current, or anticipated Professional Standards proceedings (including the Ombudsman, Mediation, Ethics, and Arbitration programs)
- Information related to Professional Development programs and the creation of such programs that is specifically identified as confidential
- Information related to the development and creation of any artwork, marketing material, graphic design, and other printed material to be used by the Association, its staff and members
- Information concerning the process used to create and publish the Association magazine, newsletters, podcasts and any other communications tool utilized by the Association
- Information related to vendor contracts and any proprietary information learned by the Association in obtaining and fulfilling its obligations pursuant to vendor contracts
- Any information related to government affairs and political involvement programming of the Association not otherwise required to be made public (e.g. process used to determine campaign contributions, discussions surrounding decisions for campaign contributions and endorsements, and membership data, etc.)
- Information pertaining to the process used to create and publish the Association Forms Library that is specifically identified as confidential
- Information related to personnel decisions (e.g. hiring, firing, promotion, reprimand, salary increases, etc.)
- Information obtained pursuant to closed meetings of Association committees, Board of Directors, Executive Board or Leadership Team
- Any other information not generally known that if disseminated could be reasonably expected to adversely affect the Association

At no time shall an Association member disclose Confidential Information unless expressly permitted to do so at the discretion or direction of the CEO of the Association. Further, unless expressly permitted to do so, at no time shall an Association member make copies of Confidential Information except as may be required in the performance of the person's job duties or voluntary governance position duties.



From time to time, it may be necessary or required for meetings of Association leadership (i.e. certain committees, Association Leadership Team, etc.) to be held in executive session. The proceedings of these meetings are confidential in nature and shall not be disclosed to individuals who were not present at the meeting.

Any information discussed at a meeting held in executive session or documents that are disseminated are to remain confidential and may not be shared with anyone not in attendance.

Members of the Association frequently provide information to the Association related to their membership requirements, contributions to the Real Estate Political Action Committee, or other reasons. Any information provided to the Association for these limited purposes shall be deemed confidential and may not be shared with any other member of the Association or with Association staff holding positions to which the information would not be relevant.

By agreeing to serve in an Association voluntary governance position, each Applicable Person agrees to abide by the terms in this Policy. Applicable Persons also acknowledge that Confidential Information learned or discovered during the course of the person's affiliation with the Association is the sole property of the Association and further agrees to leave any hard copies containing Confidential Information in the possession of the Association upon either the end of the Applicable Person's affiliation with the Association or the end of the person's service in a voluntary governance position.

## **ARTICLE 9. AWARDS & RECOGNITION**

### **Section 1. AWARDS**

The Board of Directors shall have the authorization to purchase and award FM REALTORS® members and/or Committee members with plaques, certificates, gifts and other such appropriate items including, but not limited to, Committee Chairs, Past President, REALTOR® Of The Year, Distinguished Service Awards, the Jim Fay Award, employees and other deserving persons. These expenses shall be appropriately accounted for and approved by the current sitting President and the CEO.

## **ARTICLE 10. SUBSIDIARY MULTIPLE LISTING CORPORATION (RMLS)**

### **Section 1. AUTHORITY**

FM REALTORS®, through its subsidiary, shall maintain a Multiple Listing Service (hereinafter referred to as RMLS) which shall be a separate lawful corporation of the State of North Dakota, all the stock of which shall be owned by the Fargo-Moorhead Area Association of REALTORS®.

### **Section 2. PURPOSE**

The RMLS as maintained as a subsidiary of FM REALTORS® is a means 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, customers and the public.

### **Section 3. GOVERNING DOCUMENTS**

The FM REALTORS® Board of Directors shall cause any Multiple Listing Service established by it pursuant to this Article to conform its corporate articles, charter, Constitution, Bylaws, Rules, Regulations, Policies, practices and procedures at all times to the Constitution, Bylaws, Rules,

Regulations and Policies of the NATIONAL ASSOCIATION OF REALTORS®. The RMLS Board of Directors shall be appointed by the FM REALTORS® Board of Directors.

#### **Section 4. RMLS PARTICIPANT**

Any REALTOR® of this or any other Association 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 the Association Bylaws, shall be eligible to participate in the RMLS upon agreeing in writing to conform to the rules and regulations thereof and to pay the costs incidental thereto. A nonmember applicant for MLS participation who is a principal, partner, corporate officer, or branch office manager acting on behalf of a principal, shall supply evidence satisfactory to the membership committee that they have no record of recent or pending bankruptcy; have no record of official sanctions involving unprofessional conduct; agree to complete a course of instruction (if any) covering the MLS rules and regulations and computer training related to MLS information entry and retrieval, and shall agree that if elected as a Participant, they will abide by such rules and regulations and pay the MLS fees and dues, including the nonmember differential (if any), as from time to time established. However, under no circumstances is any individual or firm, regardless of membership status, entitled to RMLS "Participation" or "Membership" unless they hold a current, valid real estate broker's license and cooperate, or are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property. Cooperation is the obligation to share information on listed property and to make property available to other brokers for showing to prospective purchasers and tenants when it is in the best interests of their clients. Use of information developed by or published by the RMLS 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 to access information developed by or published by the RMLS where access to such information is prohibited by law.

Mere possession of a broker's license is not sufficient to qualify for RMLS participation. Rather, the requirement that an individual or firm cooperate means that the Participant actively endeavors during the operation of its real estate business to list real property of the type listed on the RMLS, share information on listed property and make property available to other brokers for showing to prospective purchasers and tenants when it is in the best interests of their client(s). "Actively" means on a continual and on-going basis during the operation of the Participant's real estate business. The "actively" requirement is not intended to preclude RMLS 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 RMLS 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 RMLS 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 cooperate with respect to properties of the type that are listed on the RMLS in which participation is sought. Cooperation is the obligation to share information on listed property and to make property available to other brokers for showing to prospective purchasers and tenants when it is in the best interests of their clients. This requirement does not permit RMLS to deny participation to a Participant or potential Participant that operates a Virtual Office Website ("VOW") (including a VOW that Participant uses to refer customers to other Participants) if the Participant or potential Participant actively endeavors cooperate. RMLS may evaluate whether a Participant or

potential Participant “actively endeavors during the operation of its real estate business” to cooperate only if RMLS has a reasonable basis to believe that the Participant or potential Participant is in fact now doing so. The membership requirement shall be applied on a nondiscriminatory manner to all Participants and potential Participants.

**Section 5. SERVICE CHARGES**

The charges made for Participation in the RMLS shall be as determined, and as amended from time to time by the Board of Directors, and specified in the MLS Rules and Regulations.

**Section 6. ACCESS TO COMPARABLE AND STATISTICAL INFORMATION**

FM REALTORS® Members who are actively engaged in real estate brokerage, management, appraising, land development or building, but who do not participate in the RMLS, 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 RMLS including comparable information, sold information, and statistical reports. This information is provided for the exclusive use of RMLS subscribers and individuals affiliated with RMLS subscribers 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 RMLS Rules and Regulations. RMLS subscribers who receive such information, either as an FM REALTORS® service or through the FM REALTORS® RMLS, are subject to applicable provisions of the MLS Rules and Regulations whether they participate in the RMLS or not.

**Section 7. SUBSCRIBERS (USERS)**

Users of the RMLS include non-principal brokers, sales associates and licensed and certified appraisers affiliated with Participants.

**Section 8. REMOVAL OF OFFICERS AND DIRECTORS**

See Article 1, Section 7.

**ARTICLE 11. RMLS POLICIES**

(These policies are in addition to the RMLS Rules & Regulations)

**Section 1. LOCK BOX KEYS/EKEYS**

Lock box keys and electronic keys will not be available to city, county or township assessors/departments or to home inspectors.

Keyholders sixty (60) days or more delinquent in payment of fees to, or if agreement is terminated with, FM REALTORS® and/or RMLS, keyholder is obligated to immediately return all property of FM REALTORS®/ RMLS including, but not limited to, lock boxes. Failure to do so may result in FM REALTORS®/RMLS, at its option, collecting the lock boxes and other property from its then current location. Language is included in the Key Agreement.

**Section 2. LOCK BOX ALLOWANCE**

An annual lock box audit is to be done by FM REALTORS® staff. No Participant office shall retain more lock boxes than 125% of their active listings, excluding vacant lots, OR not more than ten (10) lock boxes above their current active listings, excluding vacant lots. Each office will be charged the current replacement cost, plus shipping, for unaccounted lock boxes, or will be assessed the current replacement cost per lock box above the defined amount herein. If boxes are returned that were previously unaccounted for, the member office shall receive a credit for the amount they were invoiced for replacement of each returned box. No credits shall be given

for boxes returned 90 days after replacement were invoiced. No credit shall be given for returned boxes from a prior lock box system. In all cases the ownership of lock boxes remains with the association.

A fine of \$250 shall be assessed to Participants for not completing lockbox audit by due date.

FM REALTORS®/RMLS may assess a surcharge of \$1.00 per lockbox per day over 125% or 10 (as per policy), if not returned after RMLS staff request. Surcharge to be billed monthly.

FM REALTORS®/RMLS has authority to retrieve lock boxes and other FM REALTORS®/RMLS property from companies suspended or out of business.

### **Section 3. COMPLAINTS AND APPEALS**

Complaints and appeals must be in writing and will be placed on the next meeting agenda of the RMLS Board of Directors unless the matter may be handled administratively by the RMLS President and CEO.

### **Section 4. RECOMMENDATIONS AND REQUESTS FOR CHANGES**

Recommendations and requests for changes to the MLS database, Rules or Procedures shall be made in writing by the Participant and will be placed on the next agenda of the RMLS Board of Directors.

### **Section 5. COMPARABLE SALES INFORMATION**

The Association Office staff will not provide comparable sales information to the general public. Persons making such a request will be advised to contact a member Participant or subscriber with staff making no reference to any individual or company.

### **Section 6. REFERRALS**

The Association Office staff will not provide referrals to specific agents to the general public.

### **Section 7. FEES REFUND**

No refund of fees paid to RMLS shall be given for any reason.

### **Section 8. UNLICENSED STAFF ACCESS**

The RMLS allows for unlicensed staff users, which are defined as individuals under the direct supervision of an MLS Participant or subscriber that perform clerical and administrative tasks. Unlicensed staff users may have access to the MLS information solely under the direction and supervision of the Participant. Each Participant shall provide the MLS with a list of all clerical users employed by or affiliated as independent contractors with the Participant and shall immediately notify the MLS of any changes, additions or deletions from the list. Participants are allowed one paid unlicensed staff access for each 25 agents. Additional unlicensed staff users are eligible for MLS access at a reduced fee as determined by the RMLS Board of Directors (currently \$100/quarter, billed annually).

## **ARTICLE 12. ENFORCEMENTS & AMENDMENTS**

### **Section 1. ENFORCEMENTS**

It shall be the duty of the Board of Directors to enforce the provision of the Bylaws and Policies of the NATIONAL ASSOCIATION OF REALTORS® without fear or favor and respecting all members of FM REALTORS®.

The Board of Directors shall have the complete and full power in accordance with the provisions of the Bylaws & Policies to expel, suspend, fine or otherwise discipline members of FM REALTORS® who contravene any of the provisions of the Bylaws and Policies, subject to the right of appeal. Professional Standards (Code of Ethics) will be handled at the State level and will be according to either MNAR or NDAR procedures. Complaints must be in writing and forwarded to the appropriate state association.

REALTORS® on the Board of Directors are required to be leaders and, if they see an infraction, they are compelled and encouraged to provide the leadership necessary to file the complaint. Directors of FM REALTORS® are strongly encouraged to take action if, and when, an issue arises.

If a complaint is phoned or emailed to the Association Office, the CEO will request that they submit the complaint in writing as the Complainant through the appropriate process. If they are not willing, or fail to do so, the CEO may contact the Respondent's broker to advise them of the agent's possible violation. Anonymous complaints will not be considered.

## **Section 2. AMENDMENTS**

These Policies and Procedures may be amended by 80% of the Board of Directors present and qualified to vote and as long as quorum is obtained and amendments stay within the guidelines of NAR Bylaws, Policies, Rules and Regulations.

## **Appendix I CODE OF CONDUCT AND AGREEMENT TO SERVE**

### **CODE OF CONDUCT and AGREEMENT TO SERVE**

FM REALTORS® and RMLS Board of Directors and NDAR/MNR Ex-Officios

#### **CODE OF CONDUCT**

The members of the FM REALTORS® Board of Directors, the RMLS Board of Directors, and NDAR/MNR Ex-Officios acknowledge and accept the scope and extent of our duties as Directors. The Board of Directors sets the tone and direction of an organization. Effective Board of Director leadership and governance helps to ensure that a nonprofit can operate to its fullest capacity. Creating an effective Board of Directors is a continual process that includes recruitment, engagement, and development. It is our responsibility to carry out our duties in a businesslike manner that is within the scope of our authority, as set forth by our bylaws and governing policies. Board of Director members must represent, with un-conflicted loyalty, the interests of the membership. This accountability supersedes the personal interests of any Board Member/Director. The Board of Directors will agree to support the vision, mission, and strategic plan/governance of FM REALTORS®. As a Director, we recognize that day to day operations is led by the FM REALTORS® CEO, and that the Board of Directors-CEO relationship is a collaborative one, and the appropriate involvement of the Board of Directors is both critical and expected. As Directors, we must act within the bounds of the authority we are trusted with, and with a clear understanding of our duty to make informed decisions on behalf of the members and staff.

#### **Leadership Agreement**

All elected, appointed leaders, and ex-officios, who wish to serve the association or the RMLS are required to annually sign and agree to the following Agreement to Serve. Failure to sign this Agreement prior to start of elective year will result in replacement on the respective Board of Directors.

#### **Principles of Obedience, Loyalty and Care**

A board member must meet certain standards of conduct and attention in carrying out his or her responsibilities to the organization for which a court will judge conduct.

**The Duty of Obedience**...forbids acts outside the scope of corporate powers. The governing board or the organization must comply with state and federal law, and conform to the organization's charter, articles of incorporation and bylaws.

**The Duty of Loyalty**...dictates that officers and directors must act in good faith and must not allow their personal interests to prevail over the interests of the organization.

**The Duty of Care**...requires directors and officers to be diligent and prudent in managing the organization's affairs. The individuals charged with governing must handle the organizational duties with such care as an ordinary prudent person would use under similar circumstances.

#### **Attendance**

Attendance is **mandatory** at all Board of Directors and Committee meetings to which you are assigned, including the Leadership Retreat. The Leadership Retreat is not applicable for RMLS

Board of Directors or NDAR/MNR Ex-officios. Should you not meet this expectation, you may be removed from the Board of Directors without due process.

**Members of the Board of Directors and Ex-Officios will:**

- Act in the best interests of, and fulfill their obligations to, organization and its constituents-members;
- Act honestly, fairly, ethically and with integrity;
- Conduct themselves in a professional, courteous and respectful manner;
- Promote membership, sponsorship, and activities;
- Recognize that every Director is voting independently based on the information provided and should be able to do so without repercussion or interference from other Board of Directors members;
- Allow every Director to express their opinions openly and without interruption;
- Be ready to receive new information or open debate that may or may not change how they cast their vote;
- Carry a positive message to the members on decisions made by the Board of Directors regardless of how a Director voted;
- Not disparage the organization in ways that would be harmful to its mission and success;
- Refer complaints to the proper level on the chain of command;
- Comply with all applicable laws, rules and regulations;
- Act in good faith, responsibly, with due care, competence and diligence, without allowing their independent judgment to be subordinated;
- Act in a manner to enhance and maintain the reputation of the organization;
- Disclose potential conflicts of interest that they may have regarding any matters that may come before the Board, and abstain from discussion and voting on any matter, in which the director has or may have a conflict of interest;
- Make available to and share with any directors any information that may be appropriate to ensure proper conduct and sound operation of the organization's governance and management;
- Maintain confidentiality of all information and discussions until such time as it is decided that a "public" statement will be made, or position taken or when authorized or legally required to disclose such information;
- Not use information acquired in the course of service for personal advantage;

**AGREEMENT TO SERVE**

I acknowledge that I have been elected to serve as an Officer or Director of the FM REALTORS®, or the RMLS Board of Directors, or as an Ex-Officio of NDAR or MNAR.

I fully understand that this position requires that I serve the members of FM REALTORS® and that I represent the members in the decisions and activities of the Board and/or MLS. I acknowledge my responsibility to always place the interest of FM REALTORS® above my personal considerations.

I understand that email communication is the primary form of communication for this Board. I will read my email promptly and notify the Association if my email address changes.

I pledge to faithfully execute the responsibilities of the office for which I have been elected. I further pledge to uphold the bylaws of the National Association of REALTORS®, the North Dakota and Minnesota Associations of REALTORS®, and FM REALTORS®.

Recognizing that I cannot adequately represent the views of the membership if I am not present at meetings, I pledge to attend every meeting of the Board of Directors to which I serve.

I will, to the best of my ability, serve as an example of FM REALTORS® Code of Conduct in all my actions, both as a Director of the Board and as a REALTOR®. I will uphold and support the decisions made by the Directors of the Association.

I acknowledge that any failure to abide by this Agreement may result in action by the Board, including removal from office.

***I, the undersigned member of the Board of Directors of the Fargo-Moorhead Area Association of REALTORS®, and/or the RMLS Board of Directors, and/or an NDAR/MNR Ex-officio, agree to observe and be bound by this Code of Conduct and Agreement to Serve as well as all other governing documents of the Association and/or MLS.***

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date Signed

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Position



## **Appendix II CONFIDENTIALITY AGREEMENT BOARD OF DIRECTORS**

### **CONFIDENTIALITY AGREEMENT BOARD OF DIRECTORS**

This Confidentiality Agreement is entered into between all members of the Board of Directors of the Fargo-Moorhead Area Association of REALTORS®.

The parties hereto will engage in discussions and, in some cases, make policy decisions concerning the financial position of the Association, members' accounts, members' files, future plans of the Association, Professional Standards Hearings Findings, employment policies, remuneration and other benefits, and other confidential and sensitive information. In order to make prudent decisions that serve the best interests of the Association and to intelligently consider all options in making these recommendations, the parties must discuss and evaluate confidential, sensitive and proprietary information. ("Confidential Information").

Each member of the Board of Directors agrees to the following:

1. "Confidential Information" as used herein, shall mean all information, documentation, concepts, data membership lists, bank records, financial records, findings from Professional Standards hearings, marketing analysis, financial projections products, services, processes, software, trade secrets and devices disclosed or made available by any of the parties hereto to any of the other parties, including without limitation, the existence of discussions concerning the possibility of additional mergers, consolidation, sales of assets, etc.
2. The parties acknowledge and agree that the Confidential Information is proprietary and may include information that disclosure of or unauthorized use of this information may cause irreparable harm to members or the association.
3. Once an issue has been discussed and a final decision has been made by a majority of the Officers and Directors, all members of the Board of Directors agree to abide by and support the decision. Prior to a final decision, the Board encourages vigorous debate among Board members. The intent of this paragraph is to make it clear, however, that once a final decision has been made, individual Board members should not make statements outside the boardroom that undermine the Board's decision, even if the Board member disagrees. The Board does not expect every member to become a vocal proponent of a Board decision, but members should understand that the Board acts as a unit and that individual members must respect the collective will of the Board.
4. The only persons with whom the parties hereto may share the Confidential Information are other Officers and Directors of the Association Board of Directors, Chief Executive Officer, Association CPAs, and Attorneys for the Association.
5. No rights or licenses, express or implied, are hereby granted to the parties hereto by any of the other parties under any patents, copyrights, or trade secrets as a result of or related to this Agreement.
6. The restrictions and obligations of this agreement shall survive any termination, cancellation, or expiration of this Agreement, and shall continue to bind the parties hereto and their successors and assigns.
7. This Agreement may be executed in any number of counterparts, all of which together shall be an original.

We, the undersigned members of the Board of Directors of the Fargo-Moorhead Area Association of REALTORS® agree to be bound by the confidentiality terms of the foregoing Confidentiality Agreement.

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Names

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Signatures

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Date

## Appendix III TRAVEL REIMBURSEMENT POLICY

### TRAVEL REIMBURSEMENT POLICY

Reimbursement as defined in FM REALTORS® for registration, travel (airfare or mileage depending upon Destination), lodging and meals will be paid to the following individuals as indicated by the chart:

	MNR or NDAR State Convention*	NDAR State Meetings *	MNR State Meetings	NAR Mid-Year Meetings	NAR Leadership Summit	NAR AE Institute	NAR Annual Convention*
FMR President	X	X	X	X			X
FMR President Elect	X	X	X	X	X		X
FMR Imm Past President	X	X	X				
FMR Vice-President	X	X	X				X
FMR CEO	X	X	X	X	X	X	X
FMR NDAR Directors	X (ND Conv)	X					
FMR MNAR Directors	X (MN Conv)		X				
FMR Directors Directors	X	X					

\*NDAR Directors shall be reimbursed as defined in FM REALTORS® Policy for registration, mileage, lodging and meals for the Convention of the Dakotas for a maximum of three (3) nights (Revised 8/10) and for NDAR meetings. MNR Directors expense reimbursement mirrors NDAR Directors for MNR Convention and MNR meetings. If NDAR or MNR reimburses an individual for any expenses, that amount shall be deducted from the FM REALTORS® reimbursement. FMR Directors are eligible to either ND or MN state convention with same reimbursement policies.

\*If FM REALTORS® Executive Committee, Director or Chair chooses to bring a guest, reimbursement of the guest's expenses will not be covered under FM REALTORS® policy.

\*Incoming President, President Elect and Vice President are reimbursed for NAR Annual Convention. Past President (to be) receives registration reimbursement only.

\*FMR Executive Committee members are reimbursed for Connections meetings.

**Appendix IV CONFLICT OF INTEREST POLICY**

**CONFLICT OF INTEREST POLICY  
Fargo-Moorhead Area Association of REALTORS®**

A conflict of interest, or an appearance of a conflict can arise whenever a transaction, or an action of the FM REALTORS® conflicts with the personal interests, financial or otherwise, of that of a board or staff member, chair, or an immediate family member of a board or staff member, chair, or the board members office.

As a volunteer or employee of the association, I recognize that I owe duties of care and loyalty to the Association. One aspect of fulfilling those duties is to avoid conflicts of interest in which my allegiance might be uniquely split between an association position or responsibility and some other professional, business, or volunteer position or responsibility. To help avoid conflicts, on this form I am disclosing other situations or areas in which it might even appear that I have conflicting duties to other entities, either directly or indirectly. I invite any further review by the Association of any aspects of these situations or areas that might be considered appropriate. Also, I will take other steps, such as avoiding deliberation and resolution of certain issues or even withdrawing from my position in the Association, if it is determined that those steps are necessary to protect against legal liability to the Association or to me arising from conflicts of interest.

I know of no professional, business, or volunteer position or responsibility, including vendor situations, which might give rise to conflicts.

Professional, business, or volunteer positions or responsibilities that might give rise to conflicts:

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Situations in which I am serving as a vendor, or am employed by or consulting with a vendor, to the Association or its members:

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Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Printed name: \_\_\_\_\_

Association Position: \_\_\_\_\_