

SECTION I: GOVERNING DOCUMENTS

SDAR Vision & Mission Statement

SDAR Bylaws

SDAR Standing Rules

SDAR Articles of Incorporation

SDAR Strategic Plan

SDAR Structural Audit

Vision & Mission Statement of the South Dakota Association of REALTORS®

Vision Statement

South Dakota Association of REALTORS® is a professional organization enhancing its members ability to effectively operate in a constantly changing real estate environment.

Mission Statement

As the voice for real estate,
the South Dakota Association of REALTORS®
serves its local boards and all members by providing
timely information, quality education, political advocacy
and promoting the REALTOR® image and Code of Ethics.

Bylaws of the South Dakota Association of REALTORS®, Incorporated

Bylaws Approved by NAR

12/09

Amended

9/16/10

ARTICLE I

Name and Objects

Section 1. The name of this organization shall be South Dakota Association of REALTORS®, Incorporated, hereinafter referred to as the Association.

Section 2. The objects of this Association shall be to unite local Boards of REALTORS®, hereinafter referred to as Boards, their members, and REALTOR®/Individual Members in the State of South Dakota, for the purpose of exerting effectively a combined influence upon matters affecting real estate, to elevate the standards of the real estate business throughout the state and the professional conduct of persons engaged therein.

ARTICLE II

Membership

Section 1. The members of this Association shall consist of seven classes: (1) Member Boards, (2) Board Members, (3) REALTOR® Members, (4) Institute Affiliate Members, (5) Affiliate Members, (6) Emeritus Members, and (7) Honorary Members.

Section 2. A Member Board shall be any Board within the State of South Dakota, all the primary REALTOR® Members of which hold membership in this Association and in the National Association of REALTORS®.

Section 3. A Board Member shall be any REALTOR® Member of a Member Board as previously defined.

Section 4. A REALTOR®/Individual Member shall be any individual engaged in the real estate profession as a principal, partner, or officer of a corporation, or branch office manager acting on behalf of the firm's principal(s), and licensed or certified individuals affiliated with said REALTOR® Member whose place of business is located in an area outside the jurisdiction of any Member Board and who holds REALTOR® Membership in this Association. The Board of Directors may establish procedures and standards whereby broker associates and licensed or certified appraisers affiliated with a REALTOR® Member may become REALTOR® Members of the Association. Secondary REALTOR® membership shall also be available to individuals who hold primary membership in a board/association in another state and who desire to obtain direct membership in the State Association without holding membership in a local board/association in the State.

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

Section 6. Affiliate Members shall be real estate owners and other individuals or firms who are Affiliate Members of Member Boards.

Section 7. A REALTOR® Member who has held membership in the National Association as a REALTOR®, REALTOR®-Associate, or both, for a cumulative period of forty (40) years, upon certification by the Board of Directors shall be designated "REALTOR® EMERITUS". An individual who has been affiliated with a firm comprised of REALTOR® members for forty (40) years or more, but who was ineligible for REALTOR® or REALTOR®-ASSOCIATE membership for any portion of that time on the basis of sex, national origin, marital status or other basis now prohibited by the Bylaws of the National Association shall be eligible for REALTOR® Emeritus status.

Section 8. Honorary Members shall be individuals other than those engaged in the real estate business who have contributed notably to this Association.

ARTICLE III **Dues and Fees**

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

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

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

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

Section 3. The annual dues of REALTOR® Members other than designated REALTORS® shall be as determined annually by the Board of Directors.

Section 4. The annual dues of each Institute Affiliate Member shall be as established in Article II of the Bylaws of the NATIONAL ASSOCIATION OF REALTORS®. The Institutes, Societies and Councils of the National Association of REALTORS® shall be responsible for collecting and remitting dues to the National Association for Institute Affiliate Members (\$75.00). The National Association shall credit \$25.00 to the account of a local association for each Institute Affiliate Member whose office address is within the assigned territorial jurisdiction of that association, provided, however, if the office is location of also within the territorial jurisdiction of a Commercial Overlay Board (COB), the \$25.00 amount will be credited to the COB, unless the Institute Affiliate Member directs that the dues be distributed to the other board. The National Association shall also credit \$25.00 to the account of the state associations for each Institute Affiliate Member whose office address is located within the territorial jurisdiction of the state association. Local and State Associations may not establish any additional entrance, initiation fees or dues for Institute Affiliate Members, but may provide service packages to which Institute Affiliate Members may voluntarily subscribe.

Section 5. Upon payment to the South Dakota Association of REALTORS® of the dues required under this Article, each REALTOR® Member of Member Boards within the State, and each REALTOR®/Individual and Institute Affiliate Member from areas not within the jurisdiction of a Member Board within the state shall be deemed a REALTOR® or Institute Affiliate Member, as the case may be, in good standing of the South Dakota Association of REALTORS®. Upon payment of dues required under any other Sections of this Article, the individual making such payment shall be deemed a Member as designated in good standing of the South Dakota Association of REALTORS®.

Section 6. The annual dues of each Affiliate Member shall be determined annually by the Board of Directors.

Section 7. There shall be no annual dues for REALTOR® Emeritus Members.

Section 8. In January of each year each Member Board shall file with the South Dakota Association of REALTORS®, in such format as shall be determined by the South Dakota Association, a list of its REALTOR®, and Institute Affiliate Members and the real estate broker associates and licensed or certified appraisers employed by or affiliated as independent contractors with such REALTOR® Members, certified by the President and Secretary of the Board, and that Member Board shall pay dues for the current year on the basis of such list; provided, however, that adjustments shall be made each quarter for Members dropped or enrolled by the Member Board during the preceding quarter. On a quarterly basis, the Member Board shall report to the State Association the names and addresses of REALTOR®, and Institute Affiliate Members dropped or enrolled during the preceding quarter. Any Member Board or other Member delinquent in payment of dues by more than 90 days (March 31st) may be dropped from membership in the Association by the Board of Directors.

Section 9. From time to time the Board of Directors may find it necessary to assess a specified amount to be placed in a special dedicated fund to be used for specific purposes. There shall be no assessment for the members of the REALTOR® Emeritus category of membership.

Section 10. All monies received by the Association, for Association purposes, shall be deposited to the credit of the Association in a financial institution selected by resolution of the Board of Directors.

ARTICLE IV

Officers

Section 1. The elective officers of the Association shall be a President, President-Elect, Vice President and a Secretary/Treasurer. In the absence of the President, the President-Elect shall perform his duties. All officers shall serve for one year or until their successors are elected and qualified and shall be members of the Board of Directors. The President shall not be eligible to serve a second successive full term.

Section 2. The duties of the officers shall be such as their titles, by general usage, would indicate and such as may be assigned to them respectively by the Board of Directors from time to time, and such as are required by law and such as defined in the Policy Manual.

ARTICLE V

Board of Directors

Section 1. The governing body of the Association shall be a Board of Directors consisting of the following: (1) the Elected Officers, (2) the Immediate Past President, (3) the Presidents of the Member Boards during their term of office; in the event the President of a Member Board shall be elected an officer or Director of the Association, the Vice President or President-Elect shall be named a Director, (4) one Director from each Member Board having up to and including 50 REALTOR® Members, two (2) from each Member Board having 51 - 99 REALTOR® Members, three (3) from each Member Board having 100 - 199 REALTOR® Members, and four (4) from each Member Board having 200 - 299 REALTOR® Members, five (5) from each Member Board having 300 - 399 REALTOR® Members, six (6) from each Member Board having 400 - 499 REALTOR® Members, seven (7) from each Member Board having 500 or more REALTOR® Members; each elected for staggered terms of three years and each shall be REALTOR® Members; the number of Directors from each Member Board shall be determined by their total Board Membership as of June 30 preceding the year they begin their Directorship; (5) the NATIONAL ASSOCIATION OF REALTORS® Directors

from the State of South Dakota, and (6) the Regional Vice-President of the NATIONAL ASSOCIATION OF REALTORS® when that individual is from South Dakota. Each Member of the Association who has been duly elected as the President of a State Chapter of an Institute, Society or Council of the NATIONAL ASSOCIATION OF REALTORS® shall automatically be an ex-officio member of the Board of Directors during their term of office and shall be entitled to all the privileges of such office except the right to vote.

Section 2. The Board of Directors shall transact the business of the Association including the administering of the finances and shall have sole authority to appropriate monies. It shall annually determine the dues assessed to each membership class. The accounts of the Association shall be audited annually by a CPA.

Section 3. The Board of Directors shall meet at the annual convention of the Association and three (3) additional times each year, usually once each of the remaining quarters of the year, the time and place to be determined.

Section 4. Special meetings of the Board of Directors may be called at any time upon seven (7) days written notice by the President or by any ten (10) Directors.

Section 5. Ten (10) directors, representing at least six (6) Member Boards shall constitute a quorum of the Board of Directors.

ARTICLE VI

Executive Committee

Section 1. There shall be an Executive Committee of the Board of Directors, composed of the President, President-Elect, Vice President, Secretary/Treasurer, and Immediate Past President and the individual(s) serving as a Director of the National Association of REALTORS® (NAR Director). The Regional Vice President when a member of the Association, shall serve ex-officio without the right to vote. In the event, the Immediate Past President is elected to serve in another position, upon qualification of the Immediate Past President for the other position the President shall appoint the twice removed Past President to serve in the vacated position as a member of the Executive Committee until the next election. If the twice removed Past President is unable to serve then the preceding Past President will be appointed until the position is filled. If any person appointed to serve on the Executive Committee in the stead of the Immediate Past President is not otherwise a member of the Board of Directors, that person shall also serve as a member of the Board of Directors until the next annual election. This committee shall make recommendations to the Board of Directors, shall transact business of an emergency nature between meetings of the Board of Directors, and shall report such actions in full to the Board of Directors at its next meeting.

Section 2. The Executive Committee may employ an Executive Vice President who shall be the chief administrative officer of the Association, and who shall perform such other duties as may be detailed in a job description or delegated by the Board of Directors. The Executive Vice President shall provide a surety bond in such amount as the Board of Directors may determine the cost to be paid by the Association. The Executive Vice President, with the approval of the Board of Directors, may employ such other persons as may be necessary to conduct the activities of the Association. The Executive Committee will set the salary of the Executive Vice President within the budget approved by the Board of Directors.

Section 3. The Executive Committee may retain a lobbyist and legal and other professional counsel when required and to fix the terms thereof. They may borrow sufficient funds to conduct the business of the Association if the need arises and if the Board of Directors has given its approval. They will appropriate monies only as provided by the Board of Directors.

Section 4. The Executive Committee may meet at all times that the Board of Directors meet and at such other times as is necessary to continue the business of the Association. A quorum, consisting of at least (5) voting members of the Committee, is required to conduct all business.

ARTICLE VII

Membership Meetings

Section 1. The Association shall hold an annual membership meeting in the month of September, the time and place to be designated by the Board of Directors. The meeting shall be held at the time of the annual convention and is open to all Members.

Section 2. The association shall hold annually a convention, which shall be open to all members upon a payment of a registration fee to be determined by the Board of Directors.

Section 3. The inaugural meeting of the Association shall be held at such time and place as designated by the Board of Directors.

Section 4. The Board of Directors may call other meetings. Any call for a meeting shall state the purpose, time and place of the meeting, and shall be issued in writing at least 10 days in advance.

Section 5. Presidents of 6 Member Boards, or their accredited alternates, (State Directors) shall constitute a quorum at any membership meeting or convention.

Section 6. All members present at any meeting of this Association shall be entitled to participate in all discussions and deliberations. Only Board Members, REALTOR®/Individual Members and REALTOR® Emeritus Members (all as defined in Article II) shall be entitled to vote at membership meetings, and then only if they are Members in good standing and whose financial obligations are paid in full.

ARTICLE VIII

Divisions

Section 1. The President, subject to the approval of the Board of Directors, shall appoint members to the following standing divisions:

- a. Administrative
- b. Education
- c. Government Affairs
- d. Member Services
- e. Housing Opportunities

Section 2. The President, with the approval of the Board of Directors, may appoint such other divisions/task forces, as he/she deems advisable. The President shall be an ex-officio member of all divisions.

Section 3. Divisions shall have such duties as their titles indicate, and as described in the policy manual and as the Board of Directors may assign. All actions of divisions shall be subject to the approval of the Board of Directors.

Section 4. The Past Presidents of the Association shall constitute an Advisory Committee, which shall be available for consultation by the President or by other officers and by the Board of Directors.

ARTICLE IX

Election of Officers & Directors

Section 1. The election of officers and directors shall be held at the annual membership meeting of the Association. State Directors, whose names have been submitted by their Member Board, shall be confirmed at the annual membership meeting.

Section 2.

(a) At a regular meeting of the Board of Directors, not less than two months before the annual membership meeting, the President, with the approval of the Board of Directors, shall appoint a Nominating Committee, as defined in the policy manual, composed of five members each from different Boards. The Immediate Past President of the

Association shall serve ex-officio as chairman with the right to vote in the event of a tie. The Nominating committee shall name at least one candidate for each office and may include more than one candidate for President Elect, Vice President, and Secretary/Treasurer. The report of the committee shall be noticed to all Members in an Association newsletter at least thirty (30) days before the annual membership meeting where the election will be held. Members not named in the report but wishing to run for President Elect, Vice President or Secretary/Treasurer may apply by petition with signatures of 50 members. The petition must be filed with the Association 10 days in advance of the membership meeting where the election will be held. In the event all nominations for an office have been withdrawn, nominations may be made from the floor at the annual membership meeting by any REALTOR® Member of the Association.

(b) Election shall be by ballot and eligible voters shall cast all votes in person. The ballot shall contain the names of all candidates, in alphabetical order, and the offices for which they are nominated.

(c) The President shall appoint an Election Committee of three (3) REALTOR® Members to conduct the election. The Election Committee shall not be the Nominating Committee. In case of a tie vote of the top two (2) or more vote recipients there shall be a run-off election of those candidates. If there are three (3) or more nominees vying for a position and no one candidate receives a majority of the votes cast, a run-off election shall take place between the top two (2) vote recipients.

Section 3. National Directors and Regional Vice-Presidents. The Nominating Committee shall name at least one candidate for each National Director vacancy to be filled. The report of the Nominating Committee shall be made at the annual meeting to the Board of Directors at the Association Convention. Election shall be by ballot and all votes shall be cast in person. All REALTOR® Members of the Board of Directors are entitled to vote. The candidate(s) selected shall be subject to ratification by the NATIONAL ASSOCIATION OF REALTORS®. The Nominating Committee shall submit all qualifying and interested Regional Vice President Candidates to the Board of Directors. Election shall be by ballot and all votes shall be cast in person. The Association shall recommend the selected candidate to the Region in compliance with their Bylaws.

Section 4. Attendance is required of all officers and directors at all quarterly meetings. The Board of Directors will consider excused absences on an individual basis with prior written notification to the State Executive Vice President as stated in the policy manual. If a real estate license of any officer or director is suspended or revoked by the South Dakota Real Estate Commission or they are expelled from a Member Board, or membership herein is suspended, then the office or directorship shall be automatically vacated.

Section 5. Vacancies in Office

Elected Offices

Where a vacancy in office by death, resignation, removal or otherwise in the offices of President Elect, Vice President or Secretary/Treasurer occurs prior to the third quarterly business meeting of the elective year, the Board of Directors shall elect an eligible person to serve the unexpired term until the next annual election.

The Executive Committee shall call a special meeting for the purpose of nominating eligible persons to fill said vacancy. The Executive Committee shall provide a report to the Board of Directors of eligible persons to fill said vacancy at least twenty-four (24) hours prior to the time of the meeting.

The successor to the vacant office will be the person who obtains a majority of the votes cast at a meeting of the Directors in which a quorum is present. If more than two persons are nominated for an office and no candidate receives a majority of the votes, the candidate receiving the lowest number of votes will be eliminated, and balloting will continue in like fashion until a candidate receives a majority of the votes cast.

If the vacancy in office occurs after the second quarterly business meeting, the position shall remain vacant and be filled in accordance with the nomination process found in Article IX, Section 2 of these Bylaws.

National Directors

After appropriate and timely notice to the membership, the Executive Committee will forward all candidates to fill the vacant position of National Director to the Board of Directors prior to the next regularly scheduled Board of Directors

meeting or at a special meeting of the Board of Directors, provided that the notice requirement is met in accordance with Article V, Board of Directors, Section 4. The replacement process shall begin at the time there is an actual vacancy or when a seated National Director provides written notification of intent to vacate the position at a time definite.

The Board of Directors will elect (by simple majority) a replacement from the slate of candidates. The elected candidate will fill the position until the next annual election.

In the event that the foregoing vacancy would cause a vacancy at a subsequent National meeting, the President, with the approval of the Executive Committee, could appoint a replacement until such time the next election could be held.

State Directors

Vacancies among state directors shall be filled by the Member Board in which the vacancy occurred, until the next annual election.

ARTICLE X Administrative/Elective & Fiscal Year

Section 1. The fiscal year of the Association shall be the calendar year.

Section 2. The administrative and elective year shall be December 1 through November 30.

ARTICLE XI Code of Ethics

Section 1. The Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® is adopted as the Code of Ethics of the association and shall be considered a part of its Rules and Regulations, and the Code of Ethics and the Rules and Regulations of the Association shall, in the future, be deemed to be amended and changed whenever said Code of Ethics is amended or changed by the National Association.

ARTICLE XII Professional Standards

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

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

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

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

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

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

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

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

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

Section 2. Professional Standards hearings and the organization and procedures incident thereto shall be governed by the Code of Ethics and Arbitration Manual of the South Dakota Association of REALTORS®, as from time to time amended, which by this reference is made a part of these bylaws.

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

(a) If a REALTOR® Member (as defined in Article II, Section 4, of these bylaws) resigns or otherwise causes membership to terminate, the duty to submit to arbitration continues in effect even after membership lapses or is terminated, provided that the dispute arose while the former member was a REALTOR®.

Section 4. New member Code of Ethics orientation - Applicants for REALTOR® membership and provisional REALTOR® members (where applicable) shall complete an orientation program on the Code of Ethics of not less than two hours and thirty minutes of instructional time. This requirement does not apply to applicants for REALTOR® membership or provisional members who have completed comparable orientation in another association, provided that REALTOR® membership has been continuous, or that any break in membership is for one year or less. Failure to satisfy this requirement within 60 days of the date that provisional membership was granted will result in denial of the membership application or termination of provisional membership.

Section 5. Continuing member Code of Ethics training - Effective January 1, 2001, through December 31, 2004, and for successive four year periods thereafter, each REALTOR® member of the association shall be required to complete quadrennial ethics training of not less than two hours and thirty minutes of instructional time. This requirement will be satisfied upon presentation of documentation that the member has completed a course of instruction conducted by this or another association, the State Association of REALTORS®, the NATIONAL ASSOCIATION OF REALTORS®, or any other recognized educational institution or provider which meets the learning objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTORS® from time to time. REALTOR® members who have completed training as a requirement of membership in another association and REALTOR® members who have completed the New Member Code of Ethics Orientation during any four-year cycle shall not be required to complete additional ethics training until a new four-year cycle commences.

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

Members suspended for failing to meet the requirement for the first four (4)-year cycle (2001 through 2004) will have until December 31, 2005 to meet the requirement. Failure to meet the requirement by that time will result in automatic termination of membership. Failure to meet the requirement for the second (2005 through 2008) cycle and subsequent four (4)-year cycles will result in suspension of membership for the first two months (January and February) of the year

following the end of any four (4)-year cycle or until the requirement is met, whichever occurs sooner. On March 1 of that year, the membership of a member who is still suspended as of that date will be automatically terminated.

ARTICLE XIII

Use of the Terms REALTOR® & REALTORS®

Section 1. Use of the terms REALTOR® & REALTORS® by members shall, at all times, be subject to the provisions of the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS® and to the Rules and Regulations prescribed by its Board of Directors. The State Association shall have authority to control, jointly and in full cooperation with the NATIONAL ASSOCIATION OF REALTORS®, use of the terms within those areas of South Dakota not within the jurisdiction of a Member Board. Any misuse of the terms by members is a violation of a membership duty and may subject members to disciplinary action by the Board of Directors after a hearing as provided for in the association's Code of Ethics and Arbitration Manual.

Section 2. REALTOR® Members of the State Association shall have the privilege of using the terms REALTOR® and REALTORS® in connection with their business so long as they remain REALTOR® Members in good standing. No other class of members shall have this privilege.

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

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

ARTICLE XIV

Rules of Order

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

ARTICLE XV

Amendments

Section 1. These Bylaws may be amended by the majority vote of the members present and qualified to vote at any meeting at which a quorum is present, provided the substance of such proposed amendment or amendments shall be plainly stated in the call for the meeting, except that the Board of Directors may, at any regular or special meeting of the Board of Directors at which a quorum is present, approve amendments to the Bylaws which are mandated by NAR policy.

Section 2. Amendments to these bylaws affecting the admission or qualifications of REALTOR® and Institute Affiliate Members, the use of the terms REALTOR®, REALTORS®, or any alteration in the territorial jurisdiction of a Board shall become effective upon the approval of the Board of Directors of the National Association.

ARTICLE XVI

Harassment

Section 1. Any member of the Association may be reprimanded, placed on probation, suspended or expelled for harassment of an Association or MLS employee or Association Officer or Director after an investigation in accordance with the procedures of the Association. As used in this Section, harassment means any verbal or physical conduct including threatening or obscene language, unwelcome sexual advances, stalking, actions including strikes, shoves, kicks, or other similar physical contact, or threats to do the same, or any other conduct with the purpose or effect of unreasonably interfering with an individual's work performance by creating a hostile, intimidating or offensive work environment. The decision of the appropriate disciplinary action to be taken shall be made by the investigatory team composed of the President, President-Elect, and/or Vice President and one member of the Board of Directors

selected by the highest ranking officer not named in the complaint, upon consultation with legal counsel for the Association. Disciplinary action may include any sanction authorized in the association's Code of Ethics and Arbitration Manual. If the complaint names the President, President-Elect or Vice President, they may not participate in the proceedings and shall be replaced by the Immediate Past President or alternatively by another member of the Board of Directors selected by the highest ranking officer not named in the complaint.

ARTICLE XVII

Dissolution

Section 1. Upon the dissolution of the Association, the Board of Directors, after providing for payment of all obligations, shall distribute any remaining assets, within its discretion, to any other non profit tax-exempt organization.

STANDING RULES OF THE SOUTH DAKOTA ASSOCIATION OF REALTORS®

I. AMENDMENTS

Rule 1: These standing rules may be amended, deleted or added to at a regular or special meeting of the Board of Directors by a majority vote.

II. COMMITTEES

Rule 1: It is recommended the President selects the Committee Chair and the President-Elect selects the Vice Chair.

Rule 2: Assign the Vice Chair of each standing committee to serve as the recording secretary in the absence of a staff member.

III. ELECTIONS

Rule 1: Notice of vacancies: Notice of all officer and director vacancies to be filled and requests for nominations shall be provided to all Member Boards and Association Officers at least sixty (60) days prior to the annual meeting. (Bylaws Change 1995)

IV. MEETINGS

Rule 1: Agenda: Meeting agendas shall be prepared by the President and his/her designate and the Executive Vice President. Meeting agendas shall be adopted by the REALTOR® Members.

Rule 2: Speaking Recognition: REALTOR® Members wishing to speak shall be recognized by the chair before addressing the body. REALTOR® Members shall identify themselves by name, Member Board and responsibility.

Rule 3: Debate: No Member shall speak in debate more than twice on the same question on the same day, or longer than two minutes, without permission of the REALTOR® Members present. Permission is granted by a two-thirds (2/3) vote without debate.

Rule 4: Motions: Committee motions for consideration at the Board of Directors meeting shall be submitted to the Chair in writing on a prescribed motion form.

Rule 5: Minutes: Minutes shall be required for all meetings. The SDAR staff shall disseminate the committee and Board of Director meeting minutes following quarterly business meetings (Bylaws Change 9/05). The unofficial minutes of the membership meetings shall be mailed to each Director Member, President, Executive Vice President and Association Officers 7 days prior to the next meeting (Bylaws Change 9/05). After adoption of the unofficial minutes at the next regular or special meeting, copies may be made available for general distribution. Minutes of the Board of Directors meeting and the latest financial statements available shall be mailed to each Director with their meeting notice 10-14 days in advance of the meeting date (Bylaws Change 2/06).

Rule 6: Motion affecting policy and/or financing structure should be presented to the Executive Vice President one (1) week prior to the Board of Directors meeting.

Rule 7: No smoking, no ringing of Cellular phones or pagers at the meeting rooms. A \$25.00 fine per incident for the interruption of any SDAR business meetings due to the ringing of cellular phones and/or pagers with fines collected to be directed to the REALTOR® Foundation (Bylaws Change 2/06).

ARTICLES OF INCORPORATION

The South Dakota Association of REALTORS® received its Certificate of Incorporation Non-Profit on January 21, 1981, AMENDED November 26, 1990. The Articles of Incorporation, as amended, are on file in the SDAR Office.

STRATEGIC PLANNING FOR THE SOUTH DAKOTA ASSOCIATION OF REALTORS®

Strategic planning is an essential process in assuring the proper employment of all available resources, both human and financial. The following Strategic Plan for the South Dakota Association of REALTORS® is the Association's plan of action in verbal terms just as the Association's annual budget is a plan of action in monetary terms.

The Strategic Plan outlines the goals and objectives of the Association and drives the focus and work of each Association standing committee. Therefore, the Strategic Plan is an essential governing document of the Association.

The goals of the Association are reviewed on an annual basis by the Administrative Committee whose membership is open to Officers, Directors, Committee Leadership and interested Members. All Association standing committees are included to assure proper identification of issues, programs and services necessary to achieve the goals and mission of the Association. A Strategic Planning Task Force is appointed every 3-5 years for the purpose of updating the mission and goals of the Association.

You are encouraged to become familiar with the Strategic Plan in an effort to identify those areas of interest and involvement available to you as a Member of the South Dakota Association of REALTORS®.

STRUCTURAL AUDIT OF THE SOUTH DAKOTA ASSOCIATION OF REALTORS®

The structure of the South Dakota Association of REALTORS® determines the methods and speed by which the group can accomplish its goals. The structure group functions, roles and jobs based on the demands for work. Mechanisms that have been put into place ensure that information is processed accurately and in a timely manner.

Structural documents include the articles of incorporation, the bylaws and the policy manual. The articles of incorporation provide the legal basis for the organization and describe the purpose and mission of the group, define objectives and outline broad guidelines for governance. Bylaws regulate internal corporate procedures and provide a documented guide to structure and operations. The policy and procedures manual illustrates visually the structure of the organization and describes in more detail the duties and responsibilities of the elected officers, directors, volunteers and association staff.

The association's structural documents and procedures must never be considered final, unchangeable or irrevocable. They should regularly be reviewed, and if necessary, revised to be consistent with the mission of the association.

In continuing in its efforts to maintain a structure and governance that operates in the best interests of the members of the South Dakota Association of REALTORS®, an in depth structural audit is undertaken and completed every five years. Each year the Association leadership works to keep current with market conditions, demographic, social, technological and political trends and makes the necessary revisions to the policy and procedures manual as needed.