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GRAR MISSION STATEMENT

The Grand Rapids Association of REALTORS (GRAR) is working toward the advancement of the West Michigan real estate community.

GRAR VISION STATEMENT

Collectively contributing to the professional success of our members and the growth of West Michigan.

The Many Benefits of REALTOR® Membership!

Member Services

- Real Estate Forms (hard-copy & free e-forms)
- REALTOR® Store (onsite and [online](#))
- Supra Electronic Lockbox System
- E-mail Accounts
- Facebook Group
- Online Voting Programs
- Online Membership Roster
- [Meeting Space Rental](#)
- Comprehensive Document Library
- [Marketplace \(GRAR's mini-Craigslist\)](#)
- REALTOR® Logos
- Awards Program (REALTOR®-of-the-Year, Good Neighbor, Young Professional, Most Congenial, Committee/Task Force Appreciation, etc.)
- [National Benefits Package](#) (Marketing Tools, Technology, Insurance, Travel, etc.)
- [State Benefits Package](#) (accident & auto insurance, dental & health insurance, shipping discounts, etc.)
- Access to HUD Keys
- Call Support by [Professional Staff](#)



Publications & Subscriptions

- Government Affairs Bulletin (monthly)
- Press Releases (monthly)
- Professional Standards Bulletin (quarterly)
- REALTOR® Report (weekly news)
- Statistical Reports (monthly)
- Welcome Home West Michigan (quarterly)
- [Real Trends Subscription](#) (Provided to all broker members - a \$350 value!)
- Publication Archive
- Monthly Video Updates from the GRAR Board of Directors

Multiple Listing Service (MLS)

- MLS Database (22 counties wide)
- The MLS Exchange Inc. (An MLS Cooperative for Designated REALTORS®)
- Tax, CMA, and Other Data Software
- Open House Search
- Data Verification & Quality Assurance
- Comparable & Statistical Data
- Calculators (Balloon, Mortgage, Seller's Net Sheet)
- Data Feeds to Third Party Aggregators

Education & Events

- Annual Brokers Meeting
- Candidate School (Public Affairs/Advocacy)
- Code of Ethics Training
- Continuing Education Courses
- Core Knowledge Refund for New Members
- Professional Designation Programs
- Fair Housing & Diversity Training
- HAFA Program
- Installation & Awards Breakfast
- Legal Updates
- Lunch-n-Learn Topical Seminars



- Marketing Tips & Techniques
- New Designed REALTOR® Orientation
- New REALTOR® Member Orientation
- Nuts & Bolts of Residential Leasing
- Politics & Pints Networking Sessions
- RE BarCamp
- Risk Reduction Resources
- Social Media & Blogging Seminars
- SWMRIC (MLS) Training
- Today's Changing REALTOR® Seminar
- "Walking the Halls" w/Local School Districts
- "Young Professionals" Networking Events

Public Website

- Over 78,000 Unique Visitors (monthly)
- Property Search
- Find a REALTOR®
- Open House Search
- Neighborhoods
- Schools
- Economic Development Resources
- Buying & Selling Tips
- Foreclosure Resources
- Helpful Links



Dispute Resolution Services

- Professional Standards Program for Business Disputes &/or Ethics Complaints
- Enforcement of the REALTOR® Code of Ethics
- Mediation Program
- Legal Action Fund
- Professional Expectations Program/Pledge
- Report Suspicions of Mortgage Fraud Tool

Public Affairs & Advocacy

- Protection of Private Property Rights
- Communication with Elected Officials
- Identification of Candidates that Support REALTOR® Issues
- Monitoring of Ballot Initiatives
- RPAC
- Promotion of Affordable Housing Initiatives

Volunteer & Leadership Opportunities

- Committees, Task Forces, & Focus Groups
- Board of Directors
- Key Person Assignments to Local Municipalities
- Community Liaison Assignments
- Community Outreach Programs
- Volunteer Day at local non-profit organization



ASSOCIATION WEBSITE

GRAR offers a password protected, private side to its www.grar.com website that is separate from the MLS database. To access it, REALTOR and Affiliate members visit www.grar.com, click on MEMBER LOG-IN (upper right hand corner of the page), and then enter their MLS User ID (without the ric.g in front) and Password when prompted.

This private website provides a variety of useful tools, programs, and services, such as:

HOME:

- Link to the MLS.
- Link to the GRAR public website.



GRAR BLOGS:

- President's Blog.
- Information Services Blog.
- CEO Blog.
- REALTOR Family News Blog.



RRLS:

- Access to the Residential Rental Listing Section database.



SEARCH CAPABILITIES:

- Affiliate member search.
- Association roster search.
- County public tax info.
- Daily activity.
- Other MLS and Property Databases.



ASSOCIATION SERVICES:

- Calendar of Events.
- Roster of approved IDX/virtual tour providers.



- REGIS map service.
- Roster of the Board of Directors.
- Summary of recent actions by the Board of Directors.
- Communications menu.
- Director resume form.
- Document Library.
- Education links.
- Governing documents (Bylaws, Code of Ethics, MLS Rules & Regulations, etc.).
- ListServ archives.
- Member records center.
- Monday Marketplace.
- New member comprehension exam.
- Professional Standards resources.
- REALTOR safety tips, stories, and techniques.
- Risk reduction resources.
- Photo roster upload.
- SentiLock news and information.
- Weekly mailing archives.



Archives

CALCULATORS:

- Balloon calculator.
- Mortgage calculator.
- Sellers net sheet.



E-MAIL:

- @grar.com e-mail.
- Send office e-mail.

HELP:

- GRAR forums.
- GRAR staff roster.
- Local numbers to access the Internet or MLS.
- MLS photo transform tool.



NEWS & ANNOUNCEMENTS:

- The center screen contains important news and announcements that are updated regularly. These announcements often include information regarding upcoming events/classes, new benefits or programs, changes or revisions to the standard real estate forms, etc.



DOCUMENT LIBRARY

WHAT IS IT?

The GRAR Document Library is an on-line archive of news, announcements, white papers, meeting minutes, resources, etc. that is available to GRAR members.

HOW DO I ACCESS IT?

Visit <http://www.grar.com/member/DocIndex.mac/AllCategories> and enter your MLS User ID (without the ric.g in front) and Password.

CATEGORIES:

Documents are indexed and searchable by key word in the following categories:

Advertising/Marketing Campaigns, Board of Directors Actions, Business Plan Documents, Cultural Awareness, CAR Connection, DLEG, Education and Networking Events, Financial Reports, Forms – Administrative, Forms – Real Estate, Governing Documents (Bylaws, Rules & Regulations, Code of Ethics, etc.), Grand Rapids REALTOR (monthly publication), Legal News/Updates/Opinions, Legislative/Political, Marketplace, Meeting Packets, Membership/Member Records, Minutes/Reports, Monthly Statistical Reports, MLS Policies, News Articles, Other/Misc., Professional Standards, Risk Reduction, Rosters/Contact Information, REALTOR Store, SentiLock, Solid Earth Conversion, Tech/Computer News, Weekly Mailing.

DO I HAVE ACCESS TO EVERYTHING?

There are a few sections of the Document Library wherein access is limited to certain Task Forces, Focus Groups, or Committees; however, most categories are open to all members.

WHY WOULD I USE THE DOCUMENT LIBRARY?

Perhaps you are looking for a notice that was published several weeks ago in the weekly mailing regarding mortgage fraud. If so, you would visit the Document Library to access the Weekly Mailing archives and search by “mortgage fraud.”

Maybe you lost your copy of the MLS Rules and Regulations and would like another. If so, you would visit the Document Library and go straight to the Governing Documents section.

A customer asks you about current market conditions and you visit the Document Library to pull the most recent press release from the Monthly Statistical Reports.

The reasons for visiting this online resource are limitless!



AGENCY

REALTORS add value to the real estate transaction by representing the interests of their clients. Consumers can choose from a variety of business relationships with real estate professionals (see the examples provided below).

Every broker is required to have an established policy in the area of agency. You are encouraged to find out what your company policy is. Any questions you may have about how to handle an agency issue will depend on what your company policy is. In other words, your company policy determines which form of agency you will practice.

SELLER'S AGENT:

- A seller's agent, under a listing agreement with the seller, acts solely on the behalf of the seller. A seller can authorize a seller's agent to work with subagents, buyer's agents and/or transaction coordinators. A subagent of the seller is one who has agreed to work with the listing agent, and who, like the listing agent, acts solely on behalf of the seller. Seller's agents and their subagents will disclose to the seller known information about the buyer which may be used to the benefit of the seller.
- A seller's agent shall promote the interests of the seller above those of everyone else, including self.
- A seller's agent will hold confidential the seller's motivation for selling or the seller's willingness to accept other than the listed price.
- A seller's agent will present all offers.
- A seller's agent will disclose all facts that might influence the seller's decision to accept an offer to purchase, including knowledge of the buyer's willingness to pay a higher price, if known.
- An exclusive seller's agent is one who represents the sellers at all times and never the buyers, even where the broker acts as both the listing and the selling office or where the broker sells another broker's listings. Buyers are customers, never clients.
- Certain individual services may be waived by the seller through execution of a limited service agreement.

BUYER'S AGENT:

- A buyer's agent, under a buyer agency agreement with the buyer, acts solely on behalf of the buyer. A subagent of the buyer is one who has agreed to work with the buyer's agent, and who, like the buyer's agent, acts solely on behalf of the buyer. Buyer's agents and their subagents will disclose to the buyer known information about the seller which may be used to benefit the buyer.
- A buyer's agent shall promote the interests of the buyer above those of everyone else, including self.

- A buyer's agent shall keep confidential the buyer's motivation for buying or the buyer's willingness to pay a higher than listed price.
- A buyer's agent will present all offers on behalf of the buyer.
- A buyer's agent will disclose to the buyer all facts that might influence the buyer's decision to make an offer to purchase, including the seller's willingness to accept less than the listed price.
- Certain individual services may be waived by the buyer through execution of a limited service agreement.

DUAL AGENTS:

- A real estate licensee can be the agent of both the buyer and the seller (with the broker's permission), provided that written, informed consent is obtained from the buyer and seller.
- Brokers must establish a company policy re: dual agency. Please see your broker to review your company policy.

- Do's:

- Disclose all material facts about the property.
- Treat the buyer and seller honestly.
- Provide information about the property and neighborhood within U.S. Department of Housing and Urban Development (HUD) guidelines.
- Assist in the standard purchase agreement.
- Work diligently to complete the sale after the purchase agreement is accepted.
- Convey all of the buyer's questions to the seller and obtain answers in writing.
- Disclose the buyer's ability to buy and the seller's ability to sell.
- Explain real estate terms and procedures.
- Explain closing costs and procedures.
- Help the buyer obtain financing.
- Help the buyer arrange for property inspections.



- Don'ts:

- Work to the detriment of either party.
- Discuss the motivation of either party.
- Disclose the price the seller will accept or the price the buyer will pay.
- Disclose the terms other than those in the agreements.
- Say anything that would hinder the bargaining position of either party.



- You are not a dual agent unless you are also representing the buyer. In order to represent the buyer, you should have a signed agency agreement. **Be sure not to confuse the Disclosure Regarding Agency Relationship form as a contract. This is not a contract.** The listing agreement is the creation of your agency relationship with the seller and a separate buyer's agency agreement is the creation of your agency relationship with the buyer. Remember that all listings belong to the brokerage firm, not to individual agents. Therefore, dual agency can be created (if this is your company

policy and forms you use reflect this policy) if you have a buyer under contract and are showing any company listing.

TRANSACTION COORDINATOR:

- A transaction coordinator is responsible for managing and monitoring the transaction process by working with agents, clients, escrow companies and property management companies.
- A transaction coordinator is also responsible for maintaining escrow files, and the production, coordination and processing of all information and documents pertaining to the sale and escrow of each home.
- A transaction coordinator cannot use skills, knowledge or influence (including negotiating skills) to advance the transaction.

DESIGNATED AGENCY:

- A buyer or seller with a designated agency agreement is represented only by agents specifically named in the agreement. Any agents of the firm not named in the agreement do not represent the buyer or seller. The named “designated” agent acts solely on behalf of his/her client and may only share confidential information about the client with the agent’s supervisory broker who is also named in the agreement. Other agents in the firm have no duties to the buyer or seller and may act solely on behalf of another party in the transaction.

RESOURCES:

- Field Guide to Agency Disclosure - <http://www.realtor.org/library/library/fg702>
- Field Guide to Buyer Brokerage - <http://www.realtor.org/library/library/fg111>



AVOIDING ANTITRUST ISSUES

Antitrust laws were designed to provide economic liberty for all businesses, large and small, and to preserve free and open competition as a rule of trade.

The objective is to provide the broadest possible choice of goods, services, and prices to the consumer. The by-product of these objectives provides the business community with relief from unfair competitive practices. Therefore, the real estate industry and each of its associated representatives benefit from these laws as well.

THE LAW IN BRIEF

The Sherman Act:

- Sec. 1: Prohibits combinations, agreements or conspiracies between two or more persons, firms, corporations, or associations that unreasonably restrain trade.
- Sec. 2: Prohibits the monopolization or attempted monopolization of any market for a particular product or service.

The Federal Trade Commission Act:

This Act authorized the Federal Trade Commission (FTC) to enforce federal anti-trust laws (including the FTC Act) that prohibit "unfair methods of competition" and "deceptive practices;" to seek injunctions; and to sue in federal courts to recover refunds for customers injured by violation of FTC rules or orders.

HOW DOES IT RELATE TO REAL ESTATE?

Although the antitrust laws cover a lot of areas, the most sensitive with respect to real estate include:

Price/Term Fixing: Competitors may charge similar prices for the same services. This isn't illegal as long as each competitor sets prices independently.

Helpful tips:

- Avoid using words such as "standard, typical, average, or usual" when discussing compensation and/or terms.
- Avoid having conversations with competitors concerning commissions, fees, charges, etc.



Territorial Assignments: Agreements between competitors to divide the market geographically, by price range, type of property, or some other segmentation are considered anticompetitive because it is a conspiracy to establish dominance in a particular market. This isn't the same as an individual

company's practice of specializing in certain properties, such as historic buildings or custom-built housing.

Helpful tip:

- Document your decisions to focus on certain property types with marketing and demographic studies.

Boycotts: Boycotts occur when a group of businesses agree not to do business with a particular party. A typical group boycott allegation in the real estate brokerage business involves a claim that two or more brokerages have agreed to refuse to cooperate, or to cooperate on less favorable terms, with a third brokerage company. The intent is to eliminate that company as a competitor or to force it to abandon certain practices. Another form of boycott would occur if several companies collectively determined not to use a particular service provider, such as a certain newspaper.



Helpful tip:

- Make decisions on whether to do business with other real estate companies or service providers based on your company's own judgments, goals, and experiences.

Association Meetings: Associations are groups of competitors who come together to promote their common business interests. As such, they are vulnerable to allegations that agreements by members to use identical business practices are illegal conspiracies.

Helpful tip:

- Remain alert to discussions at meetings relating to commission rates, pricing structures, listing policies, or marketing practices of other brokers.
- Avoid discussions where an issue becomes member specific.
- Don't be offended if GRAR Staff directs discussion away from an area that might be risky.

EVIDENCE:

Proof of anti-trust violations almost always consists of evidence obtained from the defendants themselves and their associates, for example, from their records, files, and statements. Therefore, it is extremely important that even the appearance of wrongdoing be avoided. Ambiguous phrases or overstatements may be difficult to explain or defend in the context of an investigation or trial. Also, it is important to keep in mind that anti-trust violations are frequently proved via circumstantial evidence.



MAKE A NOISY EXIT:

If you suspect that a discussion is crossing the line with respect to antitrust, don't quietly walk away -- make a noisy exit. Indicate affirmatively that you are excusing yourself from the discussion or take some other action that will cause others to later remember that you exited the meeting/event. Antitrust litigation is costly to defend and it often takes many months before a court date is scheduled. Unfortunately, by that point, the details are sketchy in the minds of the participants. Make sure that they recall your refusal to participate -- be polite, but firm.

**BYLAWS
OF THE
GRAND RAPIDS ASSOCIATION OF REALTORS®**

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**BYLAWS OF THE
GRAND RAPIDS ASSOCIATION OF REALTORS®**

ARTICLE 1 - LOCATION

SECTION 1.1: PRINCIPAL OFFICE

The Grand Rapids Association of REALTORS® (hereinafter in these Bylaws referred to as the "Association") shall have its principal office within its geographic territory (as defined in these Bylaws).

SECTION 1.2: REALTORS®

Inclusion and retention of the Registered Collective Membership Mark REALTORS® in the name of the Association shall be governed by the Constitution and Bylaws of the National Association of REALTORS® as from time to time amended.

ARTICLE 2 - OBJECTS

SECTION 2.1: NON-PROFIT CORPORATION

The Association is a non-profit corporation organized under the laws of the State of Michigan.

SECTION 2.2: OBJECTS

The objects of the Association are:

"The purpose or purposes of this corporation are as follows: To provide a unified medium for owners of real property and for those engaged in the business of buying, selling, leasing, managing, appraising and improving and financing real property for themselves or for others, whereby their collective and individual interests may be safe-guarded and advanced.

To provide an organization for the collection and dissemination of information concerning real property among its members and among the public at large.

To promote and maintain high standards of conduct in the real estate profession as expressed in the Code of Ethics of the National Association of REALTORS®, except as may otherwise be provided in these Bylaws.

To provide a medium for the enforcement of fair trade practices and business ethics as defined in the Bylaws.

To provide a local organization within its geographic territory, to act as a member unit of the National Association of REALTORS® and the Michigan Association of REALTORS® and to obtain all privileges of membership in said association for its members."

SECTION 2.3: OTHER OBJECTS

In addition to the objects specified in Section 2.2 above, the Association may designate, for the benefit of the public, those individuals within its jurisdiction authorized to use the term REALTOR® and REALTORS®, as licensed, prescribed and controlled by the National Association of REALTORS®.

ARTICLE 3 - JURISDICTION

SECTION 3.1: GEOGRAPHIC TERRITORY

The territorial jurisdiction of the Association as a member of the National Association of REALTORS® shall include all of Kent County, Michigan, the townships of Thornapple, Irving, Carlton, Woodland, Yankee Springs, Rutland, Hastings, and Castleton in Barry County, plus forty-two (42) square miles in the southeast portion of Ottawa County, Michigan, which is described as follows:

"A territory or area embracing 42 square miles in the southeastern portion of Ottawa County, more particularly described as, sections 25 to 27 and sections 34 to 36 inclusive of Tallmadge Township; the entire eastern one half of Georgetown Township, embracing sections 1, 2, 3, 10, 11, 12, 13, 14, 15, 22, 23, 24, 25, 26, 27, 34, 35, and 36 of Georgetown Township, together with the entire eastern one half of Jamestown Township, which embraces sections 1, 2, 3, 10, 11, 12, 13, 14, 15, 22, 23, 24, 25, 26, 27, 34, 35, and 36 of Jamestown Township, the entire area being 14 miles from north to south and three miles from east to west."

SECTION 3.2: JURISDICTION

Territorial jurisdiction is defined to mean:

(a) The right and duty to control the use of the terms REALTOR® and REALTORS® subject to the conditions set forth in these Bylaws and those of the National Association of REALTORS®, in return for which the Association agrees to protect and safeguard the property rights of the National Association in the terms.

(b) The right to have as a REALTOR® member any person engaged in the real estate profession, including brokerage, management, mortgage financing, appraising, land development and building, and other related aspects of the real estate profession whose principal place of business is located within the jurisdiction of this or any other member Board/Association.

ARTICLE 4 - MEMBERSHIP

SECTION 4.1: NATURAL PERSONS

Only individual natural persons shall be eligible for membership in the Association, except as provided in Section 5.6(a).

SECTION 4.2: CLASSIFICATION OF MEMBERSHIP

The Association shall have four classes of members:

- (a) REALTOR® Members;
- (b) Life Members;
- (c) Affiliate Members; and
- (d) Institute Affiliate Members

SECTION 4.3: REQUIREMENTS FOR MEMBERSHIP

All members of every class shall first be required to meet the qualifications for membership of that class which are prescribed by the Bylaws, or by the Directors where the Bylaws do not specifically cover the matter, and shall then be elected in the manner herein prescribed, and, upon election, shall be required to pay such fees and dues as may be established from time to time in accordance with these Bylaws.

SECTION 4.4: MEMBERSHIP PLEDGES

All members of the Association shall be required to sign a pledge, which may be incorporated into the membership application, to observe the requirements of the Bylaws of the Association, the Code of Ethics of the Association and the National Association of REALTORS®, and such other Rules and Regulations as may from time to time be established by the Association.

ARTICLE 5 - ELECTION AND QUALIFICATION OF MEMBERS

SECTION 5.1: APPLICATION FOR MEMBERSHIP

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 (1) that the applicant has or had access to, has carefully reviewed, and, if elected a member, will abide by the Bylaws and the Rules and Regulations of the Association, the Code of Ethics of the National Association of REALTORS®, including the obligation to arbitrate controversies arising out of real estate transactions as specified in these Bylaws and (2) that applicant consents that the Association may invite and receive information and comment about the applicant from any member or other person, and that applicant agrees that any information or comment furnished to the Association by any person in response to the invitation shall be conclusively deemed to be privileged and shall not form the basis, in whole or in part, for any action for slander, libel, defamation of character or any other tort. The applicant shall, with the form of application, have access to a copy of the Bylaws, Rules and Regulations, and Code of Ethics referred to above.

Any application fee related to a change in membership status by a then current member shall be reduced by an amount equal to any application fee previously paid by the applicant, except that in no event shall the Association refund any application fees related to any change in membership status.

SECTION 5.2: REALTOR® MEMBERS

The following qualifications and provisions govern the membership of REALTOR® members:

- (a) An applicant for REALTOR® membership shall meet all of the following qualifications:

(i) The applicant must be applying for REALTOR® membership to actively engage in the real estate business for his/her own account or in association with an established real estate office within the state; and

(ii) The applicant must be duly licensed as a real estate Broker or associate Broker, salesperson, limited real estate appraiser, licensed or certified appraiser, or other real estate sales or appraiser license types, as may be added or modified by the State of Michigan (subject to approval by the Board of Directors); and

(iii) The applicant shall complete a course of instruction covering the Bylaws and Rules and Regulations of the Association, the Bylaws of the Michigan Association of REALTORS® and the Constitution, Bylaws, and Code of Ethics of the National Association of REALTORS® and shall pass such reasonable and nondiscriminatory written examination thereon as may be required by the Directors, and shall agree that, if elected to membership, to abide by such Constitution, Bylaws, Rules and Regulations, and Code of Ethics; and

(iv) The applicant must have no record of official sanctions involving unprofessional conduct*; and

*No record of official sanctions involving unprofessional conduct is intended to mean that the Association may only consider judgments within the past three (3) years of violations of (1) civil rights laws; (2) real estate license laws; (3) or other laws or rules prohibiting unprofessional conduct against the applicant rendered by the courts, Professional Standards Committee, or other lawful authorities.

(v) The Association will also consider the following in determining an applicant's qualifications for REALTOR membership:

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

Provisional membership may be granted in instances where ethics complaints or arbitration requests (or hearings) are pending in other associations or where the applicant for membership has unsatisfied discipline pending in another association (provided all other qualifications for membership have been satisfied). The Association may reconsider the provisional membership status of such individuals when all pending ethics and arbitration matters (and related discipline) have been resolved or if such matters are not resolved within six months from the date that provisional membership is approved. Provisional members shall be considered REALTORS and shall be subject to all of the same privileges and obligations of REALTOR membership. If a member resigns from another association with an ethics complaint or arbitration request pending, the Association may condition provisional membership on the applicant's certification that he/she will submit to the pending ethics or arbitration proceeding (in accordance with the established procedures of the association to which the applicant has made application) and will abide by the decision of the hearing panel.

(vi) An applicant who is a sole proprietor, principal, partner or corporate officer must have no recent or pending bankruptcy**.

**No recent or pending bankruptcy is intended to mean that the applicant or any real estate firm in which the applicant is a sole proprietor, principal, partner, or corporate officer, is not involved in any pending bankruptcy or insolvency proceedings or, has not been adjudged bankrupt in the past three (3) years. If a bankruptcy proceeding as described above exists, membership may not be rejected unless the Association establishes that its interests and those of its members and the public could not be adequately protected by requiring that the bankrupt applicant pay cash in advance for Association and MLS fees for up to one (1) year from the date that membership is approved or from the date that the applicant is discharged from bankruptcy (whichever is later).

(b) An individual is a primary member if the Association pays State and National dues based on such member. An individual is a secondary member if State and National dues are remitted through another association. One of the principals in a real estate firm must be a Designated REALTOR® member of the Association in order for licensees affiliated with the firm to select the Association as their primary Association.

(c) Each firm shall designate in writing one REALTOR® member for each branch office location who shall be responsible for all duties and obligations of membership including the obligation to arbitrate pursuant to the Code of Ethics and the payment of Association dues as established in Article VI of the Bylaws. The “Designated REALTOR®” must be a sole proprietor, principal, partner, corporate officer or branch office manager acting on behalf of the firm’s principal(s) and must meet all other qualifications for REALTOR® membership as established in these bylaws.

(d) A person admitted to REALTOR® membership shall be required to maintain the qualifications for REALTOR® membership which are required of an applicant for such membership. If a REALTOR® member fails to maintain such qualifications, the REALTOR® member may be charged with a violation of these Bylaws, and shall be subject to appropriate disciplinary action as provided in these Bylaws.

(e) All REALTOR® members shall promote the interests and welfare of the Association and the real estate profession.

(f) If a REALTOR® Member is a sole proprietor, principal, partner or a corporate officer and is suspended or expelled, the membership of all other principals, partners, or corporate officers shall be suspended during the period of suspension of the disciplined Member, or until readmission of the disciplined Member, or until the connection of the disciplined Member with the firm, partnership, or corporation is severed, whichever may apply. Further, the membership of REALTORS® other than the principals who are employed by or affiliated as independent contractors with the disciplined Member shall be suspended during the period of suspension of the disciplined Member or until readmission of the disciplined Member or until connection of the disciplined Member with the firm, partnership, or corporation is severed, or until the REALTOR® Member (non-principal) elects to sever his/her connection with the REALTOR® and affiliate with another REALTOR® Member in good standing in the Association, whichever may apply. If a REALTOR® Member who is other than a principal in a firm, partnership, or corporation is suspended or expelled, the use of the terms REALTOR® or REALTORS® by the firm, partnership, or corporation shall not be affected.

SECTION 5.3: MEMBERS OF FIRMS, PARTNERSHIPS AND CORPORATIONS

(a) All persons who are partners in a partnership, or all officers in a corporation or all trustees of a trust, who are actively engaged in real estate practice within the territorial jurisdiction of the Association shall qualify for REALTOR® membership only, and each is required to hold REALTOR® membership individually in this Association, in the Michigan Association of REALTORS®, and in the National Association of REALTORS®.

(b) If an applicant for REALTOR® membership in accordance with Section 5.3, subsection (a) of these bylaws fails to qualify for membership, all other principal members of the firm shall automatically become ineligible for membership, and the firm may not use the term REALTOR® or REALTORS® within the territorial jurisdiction of the Association, pending disposition of that applicant's connection with the firm or partnership.

(c) All persons who contract his/her services to two or more entities, and who are actively engaged in the appraisal of real estate within the territorial jurisdiction of the Association, shall qualify for Designated REALTOR® membership only, and each is required to hold Designated REALTOR® membership individually in this Association, in the Michigan Association of REALTORS®, and in the National Association of REALTORS®.

(d) It shall be the obligation of every Designated REALTOR® member of this Association who transfers his business office from one location to another, or who transfers his business association from one firm, partnership or corporation to another to advise the Association in writing by signed letter of the following facts no later than five (5) days after the effective date of any such transfer:

(i) The name, business address and business phone of the person, firm, partnership or corporation with which the REALTOR® member will be associated. If the change is location of office and not business association, the REALTOR® member shall notify the Association as to the new address.

(ii) If a sole proprietor is involved, identification of any assumed name under which the individual will conduct business and the name of any person other than the REALTOR® member who has or will have any direct or indirect ownership interest in the business.

(iii) If a partnership, the names of all partners and their interests.

(iv) If a company or corporation, the name of all other officers, directors, stockholders, and those licensed as brokers, and a description of the transferring member's connection with the company or corporation.

If any REALTOR® member fails to advise the Association in writing as required in this subsection (d), the Chief Executive Officer or other authorized officer shall immediately suspend all Association-sponsored services to such REALTOR® member until compliance is achieved, and such failure also may be grounds for discipline in accordance with these Bylaws.

(e) If a REALTOR® member is a principal in a firm, partnership, corporation, or trust, and his membership in the Association is suspended or terminated, the membership of all principal members shall automatically be suspended or terminated and the firm, partnership, corporation or trust of which he/she is a principal shall not use the terms REALTOR® or REALTORS® within the territorial jurisdiction of the Association in connection with its practice during the period of suspension, or until re-admission to REALTOR® membership, or unless connection with the firm, partnership, corporation, or trust is severed, whichever may apply.

(f) Every partnership, corporation, trust or other association that includes more than one Designated REALTOR® member who is actively engaged in the real estate practice within that entity shall notify the Association in writing which of the Designated REALTOR® members is the "primary Designated" REALTOR® member. The written notification shall be over the signature of the primary Designated REALTOR®, and shall be effective until a new notification is filed with the Association either naming a new primary Designated REALTOR® or containing the resignation of the existing primary Designated REALTOR®. The membership rights and privileges (but not the duties and obligations) of all such associated Designated REALTORS® shall be suspended for any period of time during which the entity of their association has failed to name a primary Designated REALTOR® as specified herein.

The "primary Designated" REALTOR® shall be:

- (i) responsible for the payment of any outstanding, undischarged obligations with respect to that portion of dues based on sales employees and independent contractors as provided in Section 6.2(a);
- (ii) responsible for notifying the Association in writing which of the REALTOR® members in each branch office location shall be the Designated REALTOR®, in accordance with Section 5.2, subsection (d) of these Bylaws;
- (iii) vicariously liable for any act or omission of any non-member broker, salesperson, limited real estate appraiser, or licensed or certified appraiser affiliated with that REALTOR®'s firm that results in a disciplinary proceeding pursuant to Section 17.3 or that results in a business dispute arbitrable under Section 17.2; and
- (iv) responsible for satisfaction of any arbitration award made under Article 17 against that REALTOR®'S firm if the firm does not satisfy the award within the allotted time.

SECTION 5.4: LIFE MEMBERSHIP

Upon written request, life membership shall be conferred upon those REALTOR® members after approval of the Directors, who have maintained membership in the Association for at least twenty (20) years, have attained their 60th birthday, and no longer engage in the active conduct of real estate brokerage or appraisal business. Life members shall not be entitled to vote or to hold elective office in the Association. Life members may apply for reinstatement to active membership upon payment of a reinstatement fee equal to one-half of the then current application fee for the applicable class of membership, and, in addition, shall pay the pro-rata share of annual dues for the un-expired portion of the Association's fiscal year. Life members shall be eligible for reinstatement to active membership only once within any three-year period.

SECTION 5.5: AFFILIATE MEMBERS

(a) Affiliate Members shall be corporations or other legal entities that provide real estate related services, or individuals who are employees of such entities, but in either case are not engaged in the sale or appraisal of real estate or the management thereof for their own account or in association with a licensed real estate broker, and who are in sympathy with the objectives of the Association. Where a corporation or other entity is the Member, that entity must, from time to time, designate one (but not more than one) of its employees to serve as its primary contact person for the Association.

(b) Other requirements for qualification for affiliate membership, in addition to those expressed in these Bylaws, may be adopted by the Board of Directors.

(c) Affiliate members shall have all the rights and privileges of the Association including serving on such committees as are designated by the Directors, except the right to use the term REALTOR® or REALTORS®, to vote, or to hold elective office in the Association.

(d) Affiliate members shall promote the interests and welfare of the Association and the real estate business.

(e) Affiliate members shall have other privileges and rights, and be subject to such further obligations as may be prescribed by the Directors.

SECTION 5.6: INSTITUTE AFFILIATE MEMBERS

(a) Institute Affiliate Members shall be individuals who hold a professional designation awarded by a qualified Institute, Society, or Council affiliated with the National Association of REALTORS®, or who otherwise maintain an active membership in one or more of the institutes, societies, or councils affiliated with the National Association of REALTORS®, but who are not engaged in the buying or selling of real estate.

(b) Other requirements for qualifications for Institute Affiliate membership, in addition to those expressed in these Bylaws, may be adopted by the Directors.

(c) Institute Affiliate members shall have all the rights and privileges of the Association including serving on committees as designated by the Directors, except the right to use the term REALTOR® or REALTORS®, to vote, to hold elective office in the Association, or to join or to participate in the Multiple Listing Service.

(d) Institute Affiliate members shall promote the interests and welfare of the Association and the real estate business.

SECTION 5.7: INVESTIGATION AND ELECTION

(a) All applications for each class of membership which, on their face, meet the requirements of these Bylaws, may be processed by Association staff, under the direction of the Chief Executive Officer, in accordance with these Bylaws. In these cases, an applicant's election to membership shall become effective when the applicant has fulfilled all of the requirements as set forth in these bylaws, and when the applicant has:

- (1) Paid the entrance or membership fee pertaining to his or her class of membership; and
- (2) Signed the pledge required.

(b) All applications for each class of membership which, on their face, do not meet the requirements of these Bylaws shall be referred to the Board of Directors. The Board of Directors shall make such examinations of the applicant as may be required to carry out the provisions of these Bylaws.

(i) The Board of Directors shall determine whether the class of membership for which the applicant is applying is one for which he/she would be eligible if otherwise possessing the qualifications of membership.

(ii) Within ninety (90) days after receipt of the application, the Directors shall review the qualifications of the applicant and then vote on the applicant's admission to membership. If the applicant receives a majority vote of the Directors, he or she shall be declared elected to membership and shall be so advised by notice in writing.

(iii) The Directors may not reject an applicant without 1) first giving the applicant an opportunity to appear before the Directors, to call witnesses in his or her behalf, to be represented by counsel and to present relevant information and make relevant statements, and 2) unless he or she has been advised, in advance, in writing, of the findings and recommendations of the Board of Directors. The Board of Directors may also have counsel present. The Board of Directors shall cause written minutes to be made of any hearing before it or may electronically or mechanically record the proceedings.

(iv) If the Directors determine that an applicant should be rejected, a written record of the reasons for rejections shall be made and filed with the Secretary.

(v) An applicant's election to membership shall become effective when the applicant has received favorable affirmative vote of the majority of all the Directors and when the applicant has:

- (1) Paid the entrance or membership fee pertaining to his or her class of membership; and
- (2) Signed the pledge required.

(c) The Board of Directors may prescribe mandatory educational programs concerned with fair housing, Code of Ethics, antitrust, agency and risk reduction matters for each class of membership as it may from time to time determine. Failure to comply with or satisfy mandatory educational program requirements shall be treated the same as nonpayment of dues, as provided in Article 6 of these Bylaws.

SECTION 5.8: INAPPROPRIATE CONDUCT

All members are entitled to criticize or otherwise complain, publicly or privately, with respect to the conduct and/or character of any employee of the Association to the extent relevant to the performance of the employee's duties on behalf of the Association; provided, however, in the event any member (i) engages in conduct which constitutes unreasonable personal attacks upon, sexual harassment of (as defined by Association policy), and/or threats to the person or privacy of any employee of the Association, or (ii) persists in continuing such criticism and/or complaint after the matter has been brought to the attention of, and acted upon by the Board of Directors, and after notice from the President of the Association that such persistence may subject the member to disciplinary action; then such member shall be subject to discipline, including expulsion, as provided in this Section. No action shall be taken under this Section against any member unless the alleged wrongful conduct has been brought to the attention of the Board of Directors, and the matter has been referred by the Board to the Grievance Committee for review and prosecution before the Professional Standards Committee, where appropriate, in accordance with Article 17 of these Bylaws, except that the Board of Directors shall be substituted for the Appeal Panel designated in Article 17 in the event of any appeal in such matter.

SECTION 5.9: MEMBERSHIP NON-TRANSFERABLE

Membership in this Association shall be personal and non-transferable.

SECTION 5.10: PERSONNEL RECORDS

Each Designated REALTOR® member shall keep on file in the office of the Association at all times a current list of all independent contractors or employees licensed or affiliated with said member who are licensed as real estate brokers or salespersons, limited real estate appraisers, and licensed and certified appraisers, and shall designate a primary association for each individual who holds 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 association based on said non-member licensees, the Designated REALTOR® shall identify the association to which dues have been remitted. These declarations shall be confirmed by the Association and shall be used for purposes of calculating dues under Article VI of the Bylaws. Designated REALTOR® members shall also notify the Association of any additional individual(s) licensed or certified with the firm(s) within 30 days of the date of affiliation or severance of the individual. A list showing the names of all members shall be published and delivered to members at least annually.

SECTION 5.11: MISCONDUCT TOWARDS ASSOCIATION

In the event any member engages in conduct which involves a breach of ethics, dishonesty, fraud or similar misconduct against the Association or its affiliates (including, without limitation, MLS Exchange, Inc.), then such member may be charged with a violation of these Bylaws and shall be subject to discipline, including expulsion, as provided in Article 17 of these Bylaws. No action shall be taken under this Section against any member unless the alleged wrongful conduct has been brought to the attention of the Board of Directors, and the matter has been referred by the Board to the Grievance Committee for review and prosecution before the Professional Standards Committee, where appropriate, in accordance with Article 17 of these Bylaws, except that the Board of Directors shall be substituted for the Appeal Panel designated in Article 17 in the event of any appeal in such matter.

ARTICLE 6 - ENTRANCE AND MEMBERSHIP FEES AND ANNUAL DUES

SECTION 6.1: APPLICATION OR ENTRANCE FEES

The Board of Directors may adopt an application fee for each class of membership in reasonable amount, not exceeding three times the amount of the annual dues applicable for membership in the Association, the Michigan Association of REALTORS® and the National Association of REALTORS® for that class. Application fees shall be non-refundable and shall become the property of the Association upon filing of the application. Application fees may be in differing amounts for each class of membership.

SECTION 6.2: DUES

The annual dues of Designated REALTOR® members shall be as follows:

(a) The annual dues for each Designated REALTOR® member shall be such amount as may be determined and fixed by the Directors for REALTOR® membership in this Association plus an amount determined by multiplying the annual dues for REALTOR® membership times the number of salespersons, brokers, valuation specialists, and licensed and certified Appraisers who 1) are either directly or indirectly employed by or affiliated with such Designated

REALTOR® member who are not REALTOR® members; and 2) are not REALTOR® members of any other association in the state; which amounts include: (i) the annual dues for membership in the National Association of REALTORS®, and (ii) the annual dues for membership in the Michigan Association of REALTORS®. In calculating the dues payable to the Association by a Designated REALTOR® member, non-member licensees as designated in Section 6.2 (a) (1) and (2) of this Article shall not be included in the computation of dues if the Designated REALTOR® has paid dues based on said non-member licensees in another association in the state, provided the Designated REALTOR® notifies the Association in writing of the identity of the Association to which dues have been remitted. Such notification shall be confirmed by the Association.

An individual shall be deemed to be licensed with a REALTOR® member if the license of the individual is held by a REALTOR® member or by an entity in which the REALTOR® has a direct or indirect ownership interest. An individual shall be deemed to be affiliated with a REALTOR® member if the individual is a limited real estate appraiser, or is licensed or certified by the State of Michigan as an Appraiser, and is an independent contractor or employee working for the REALTOR®.

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

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

If two or more REALTOR® members are principals, partners, officers, or directors of the same firm, partnership or corporation, then only the primary Designated REALTOR® member designated from time to time by such organization shall be required to pay that portion of the dues which is based on the number of employees and independent contractors affiliated with such organization.

(b) The annual dues of each REALTOR® member shall be such amount as may be determined and fixed by the Directors for REALTOR® membership in this Association, which include: (1) the annual dues for membership in the National Association of REALTORS®, and (2) the annual dues for membership in the Michigan Association of REALTORS®. Dues statements issued to REALTOR® members shall show as separate items the dues for the Association, the State Association and the National Association.

(c) The annual dues of each Affiliate member and Institute Affiliate member shall be such amount for each class of Affiliate membership or Institute Affiliate membership as may be determined and fixed by the Directors.

(d) Local dues for all members shall be payable semi-annually in advance on the first day of January and July in each year. The Michigan Association of REALTORS® dues and the National Association of REALTORS® dues shall be payable annually in advance on the first day of January in each year. The Association portion of dues of newly elected members shall begin as of the first day of the month in which they shall be notified of election, and the initial payment of dues shall be in an amount equal to the pro-rated portion of their dues from that date to the next following regular due date(s) for such dues.

(e) The local dues shall be waived for REALTOR® Members who are REALTOR® Emeriti upon approval of this status by the National Association of REALTORS®.

SECTION 6.3: NON-PAYMENT OF DUES

If dues are not paid within 30 days after the due date, the member's rights and privileges of membership shall be automatically terminated. A former member who has had his or her membership terminated may apply for reinstatement within one year from the date membership was terminated upon payment of a fee equal to one-half of the then current application fee for the applicable class of membership, after making payment in full of all past-due accounts. After one year, a former member may apply for re-admission in the manner prescribed for new applicants for membership, after making payment in full of all past-due accounts.

In the event a salesperson, affiliated broker, licensed or certified appraiser, or limited real estate appraiser who holds REALTOR® membership is terminated for nonpayment of membership dues, and the individual remains with the designated REALTOR's® firm, the dues obligation of the Designated REALTOR® will be increased to reflect the addition of a non-member licensee and such amount shall be payable within thirty (30) days of the notice of termination.

SECTION 6.4: RESIGNATIONS

Resignations from membership shall become effective when written notice is received at the Association office.

SECTION 6.5: REINSTATEMENT OF MEMBERSHIP

(a) Any member who voluntarily resigns from the Association may be granted the privilege of having his/her membership reinstated in this Association at any time within a period of one (1) year from the date of resignation upon payment of 1) a reinstatement fee equal to one-half of the then current application fee for the applicable class of membership; 2) all past-due accounts; and 3) the pro-rata share of his or her annual dues to the next following due date(s) for such dues. Members who did not fulfill the terms of the common lockbox key agreement, if applicable, are eligible for re-admission to membership in the manner prescribed for new applicants for membership, after making payment in full of all past-due accounts.

(b) If a member resigns from the Association or otherwise causes membership to terminate with an ethics complaint pending, the 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.

(c) If a member resigns from the Association or otherwise causes membership to terminate without having complied with the decision of a hearing panel or an award in arbitration, the Board of Directors may condition any reapplication or reinstatement of the former member upon his/her promise to fulfill the requirements and/or pay the award, plus any costs that have previously been established as due and payable by the former member, provided that the award has not, in the meanwhile, been otherwise satisfied.

(d) If a member resigns or otherwise causes membership to terminate, the duty to submit to arbitration continues in effect after membership lapses or is terminated, provided that the dispute arose while the former member was a REALTOR®.

ARTICLE 7 - MEETINGS

SECTION 7.1: ANNUAL MEETING

An annual meeting limited to all REALTOR® members of the Association who are licensed as brokers or certified appraisers, and REALTOR® Directors who are licensed as salespersons or licensed appraisers, shall be held during the 2nd half of each year on such date as shall be established by the Directors. Meetings of such members will be held at the principal office of the Association or at such other place in Michigan, and at such time as the Directors shall designate and specify in the notice of meeting.

SECTION 7.2: MEETINGS OF MEMBERS

Meetings of all members of the Association shall be held at such times and places as may be determined by the Directors from time to time.

SECTION 7.3: MEETINGS OF DIRECTORS

Meetings of the Directors may be held in person or by means of conference telephone or similar communication equipment by means of which all persons participating in the meeting can hear each other. Meetings shall be held at such times, not less frequently than monthly, and place(s) as the President or Directors may determine.

SECTION 7.4: PRESIDING AND RECORDING OFFICERS

The President shall preside at all meetings of the Directors and of the members. In the event the President is unable to preside, then the officers in the following order shall preside in the absence or inability of the next higher ranking officer to preside: President-Elect, Treasurer, Secretary. The Secretary shall act as Secretary of all meetings of the members and of the Directors, but in the absence of the Secretary from any such meeting, the presiding officer shall appoint any Director to act as Secretary of the meeting.

SECTION 7.5: SPECIAL MEETINGS

Special meetings limited to the REALTOR® members who are licensed as brokers or certified appraisers, and REALTOR® Directors who are licensed as salespersons or licensed appraisers, or special meetings for all the members of the Association or special meetings of the Directors shall be held upon the call of the President. The President or the President-Elect shall call such special meetings upon the written request of twenty percent of the REALTOR® members who are licensed as brokers or certified appraisers, or upon the written request of a majority of the Directors, which request shall state the purpose for which said meeting is to be called and held.

SECTION 7.6: QUORUM

Fifteen percent of the membership entitled to vote and in good standing on the date of the meeting (i.e., fifteen percent of the REALTOR® members who are licensed as brokers or certified appraisers) shall constitute a quorum for all meetings of the members of the Association. A majority of the Directors shall constitute a quorum for the transaction of business by the Directors. If, at any meeting of the members or of the Directors, there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time without further notice other than the announcement at such meeting, and when a quorum shall be present upon such adjourned day, any business may be transacted which might have been transacted at the meeting as originally called.

SECTION 7.7: NOTICES

Written notice of all meetings of members shall be sent to each member of the class invited to attend that meeting at his or her address as it appears in the membership records of the Association at least ten days prior to the meeting and any notice of a special meeting shall state the time, place and purposes thereof. Written notice of the time and place of all special meetings of the Directors shall be given to each Director at least twenty-four hours prior thereto.

SECTION 7.8: WAIVER

If a written notice of the time, place and purpose of any meeting of the members of the Association or of any special meeting of the Directors is not given, it may be waived, either before or after the meeting, by the members or the Directors, as the case may be.

ARTICLE 8 - USE OF THE TERM REALTOR® AND REALTORS®

SECTION 8.1: USE OF REALTOR® AND REALTORS®

(a) Use of the terms REALTOR® and REALTORS® 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 Association shall have the authority to control, jointly and in full cooperation with the National Association of REALTORS®, use of the terms within its jurisdiction. Any misuse of the terms by members is a violation of a membership duty and may subject members to disciplinary action after a hearing as provided for in these Bylaws.

(b) REALTOR® members of the Association shall have the privilege of using the terms REALTOR® and REALTORS® in connection with their places of business within the state so long as they remain REALTOR® members in good standing. No other class of members shall have this privilege.

(c) A REALTOR® member who is a principal of a real estate firm, partnership, or corporation may use the terms REALTOR® and REALTORS® only if all the principals of such firm, partnership, or corporation who are actively engaged in the real estate profession within the state are REALTOR® members of the Association.

(d) Institute Affiliate members shall not use the terms REALTOR® or REALTORS®, nor the imprint of the emblem seal of the National Association of REALTORS®.

ARTICLE 9 - STATE AND NATIONAL MEMBERSHIP

SECTION 9.1: MEMBERSHIP IN OTHER ASSOCIATIONS

The Association shall be a member of the National Association of REALTORS® and of the Michigan Association of REALTORS®. By virtue of such membership, all of its REALTOR® members shall also be members of the National Association of REALTORS® and the Michigan Association of REALTORS®.

The Association shall continue as a member of the Michigan Association of REALTORS® and National Association of REALTORS®, unless by a majority vote of all its REALTOR® members who are licensed as brokers or certified appraisers, a decision is made to withdraw, in which case the Michigan Association of REALTORS® and National Association of REALTORS® shall be notified at least one month in advance of the date designated for the termination of such membership.

SECTION 9.2: PROPERTY RIGHTS IN TERMS

The Association recognizes the exclusive property right of the National Association of REALTORS® in the terms REALTOR® and REALTORS®. It shall forthwith discontinue use of the terms upon ceasing to be a member of the National Association of REALTORS®, or upon a determination by the Board of Directors of the National Association of REALTORS® that it has violated the conditions imposed upon the terms.

SECTION 9.3: CODE OF ETHICS

The Association adopts the Code of Ethics of the National Association of REALTORS® and agrees to enforce the Code among its REALTOR® members, except, however where there are any inconsistencies between the Code of Ethics, and GRAR's Bylaws, and Rules and Regulations, GRAR's Bylaws and Rules and Regulations shall take precedence. The Association and all of its members agree to abide by GRAR's Bylaws, Rules and Regulations, and policies of the National Association and the Michigan Association of REALTORS®, as provided in this Section 9.3.

ARTICLE 10 - ADMINISTRATION

SECTION 10.1: MANAGEMENT BY AND AUTHORITY OF DIRECTORS

The property and lawful business of the Association shall be held and managed by a Board of Directors (herein referred to as the "Directors"), which shall possess all the powers and authority as may be necessary to carry out the purposes of the Association, as limited by the Articles of Incorporation of the Association or by these Bylaws. The Directors shall determine all matters of policy which are not reserved by these Bylaws for determination by the members. The Directors may also adopt Rules and Regulations which the Directors consider necessary or advisable to administer the proper activities of the Association and to carry out its function and purposes.

ARTICLE 11 - DIRECTORS AND THEIR ELECTION

SECTION 11.1: NUMBER AND QUALIFICATIONS

(a) The Board of Directors shall consist of thirteen (13) persons, three (3) of whom shall be REALTOR® members who are licensed as salespersons or licensed appraisers; however, in the event one or more of these three (3) Directors subsequently obtain a broker or certified appraiser's license during the course of his/her term, then the number of Directors required to be licensed as a salesperson or licensed appraiser shall be reduced accordingly for the remainder of each such Director's term; one (1) of whom shall be a Designated REALTOR® representing the seven largest firms (the "Large Firm Director"); and the balance shall be REALTOR® members who are licensed as brokers or certified appraisers; provided, however, in the event the director term of office has expired for the then President-Elect who automatically becomes President, then that person shall serve an additional one (1) year term on the Board of Directors and shall be the fourteenth (14th) member of the Board of Directors.

(b) Not more than two members who are connected with any firm, partnership, or corporation shall be eligible to act as Director at the same time, provided, however, a change in an incumbent Director's company affiliation shall disqualify that Director from serving the balance of his or her term unless one of the other directors affiliated with that company resigns prior to the effective date of the change. Notwithstanding the foregoing, this limitation shall not apply to the Director position occupied by the Large Firm Director, in which case three members who are connected with any firm, partnership, or corporation shall be eligible to act as Director at the same time.

(c) If a Director is fined, suspended, or placed on probation for violation of the Code of Ethics, or if he/she is terminated due to non-payment of financial obligations either personally or those of the firm in which he/she is a principal, stockholder or Designated REALTOR®, he/she shall be deemed to have lost his/her qualifications to serve as Director for the remainder of his/her term and such person's Directorship shall be deemed to have automatically terminated as of the date such disciplinary actions become final and effective.

SECTION 11.2: FAILURE TO ATTEND MEETINGS

Absence from four regularly scheduled meetings (annually) of the Directors shall be construed as a resignation. A Director is considered absent if he/she is not in attendance for 75% of a meeting as measured by time; provided, however, a Director is not considered absent if he/she is in attendance at another GRAR-related meeting.

SECTION 11.3: NOMINATIONS, TERM AND ELECTION OF REALTOR® DIRECTORS WHO ARE LICENSED AS BROKERS OR CERTIFIED APPRAISERS

(a) REALTOR® Directors who are licensed as brokers or certified appraisers shall be elected by other REALTOR® members who are licensed as brokers or certified appraisers. Nominations for REALTOR® Directors who are licensed as brokers or certified appraisers shall be made prior to the annual election by means of a direct primary. A ballot accompanied by a roster of the eligible REALTOR® members shall be submitted to all the REALTOR® members who are licensed as brokers or certified appraisers at least sixty five (65) days prior to the date established for the annual meeting, and each REALTOR® member entitled to vote shall designate on the ballot as many candidates as there are REALTOR® Directors to be elected. (If a REALTOR® member does not designate as many candidates as there are REALTOR® Directors to be elected, the ballot shall be declared void.) Directors shall not be nominated to serve two consecutive full terms. Furthermore, the Directors shall not appoint someone who has completed a full term in the previous 12 months to fill the vacancy of another Director. A REALTOR® shall not be eligible to be nominated as a REALTOR® Director if 1) he/she has not served as a member of a GRAR committee for at least two (2) years; 2)

his/her financial obligations (either personally, or those of the firm in which he/she is a principal, stockholder or Designated REALTOR®) to the Association are not current as of the date of the nomination up to the date of the election; or 3) he/she has been fined, placed on probation, or suspended from the membership for a violation of the Code of Ethics within a three (3) year period preceding the beginning of the term of the directorship for which nominations are being made.

(b) The annual nominating primary for election of REALTOR® Directors who are licensed as brokers or certified appraisers shall be held at least fifty six (56) days prior to the date established for the annual meeting on which day only those ballots received prior to one o'clock p.m. shall be tabulated, and the judges of the election shall confirm the results. From the candidates receiving the highest number of votes in the primary, there shall be selected six (6) nominees (or more if Section 11.7 is applicable) in the order of the number of votes each received and their names shall be placed upon the official ballot in alphabetical order.

(c) Immediately after the confirmation of the nominating primary ballots, the six nominees shall be notified of the results of the nominations. Seven (7) days following the date of the primary election, the results of the nominations shall be submitted to all REALTOR® members who are licensed as brokers or certified appraisers, together with a ballot to be used in the annual election of REALTOR® Directors.

(d) The annual election of REALTOR® Directors who are licensed as brokers or certified appraisers shall be held at least forty (40) days prior to the date established for the annual meeting on which day only those ballots received prior to one o'clock p.m. shall be tabulated and confirmed by the judges of election.

(e) No ballot shall be tabulated if it does not contain a vote for the exact number of REALTOR® Directors to be elected.

(f) Immediately following this election, announcement of the election shall be submitted to all members.

(g) At all annual REALTOR® Director elections (of those who are licensed as brokers or certified appraisers), three nominees shall be elected to serve as REALTOR® Directors for the term of three years, or until their successors are elected and qualified. The three REALTORS® receiving the highest number of votes shall be elected. The three-year term of each such newly elected REALTOR® Director shall begin January 1 following his/her election.

SECTION 11.4: NOMINATIONS, TERM AND ELECTION OF REALTOR® DIRECTORS WHO ARE LICENSED AS SALESPERSONS OR LICENSED APPRAISERS

(a) REALTOR® Directors who are licensed as salespersons or licensed appraisers shall be elected by other REALTOR® members who are licensed as salespersons or licensed appraisers. The three (3) REALTOR® Directors who are licensed as salespersons or licensed appraisers shall serve staggered terms of three (3) years each. Nominations for REALTOR® Directors who are licensed as salespersons or licensed appraisers shall be made prior to the annual election by means of a direct primary. A ballot accompanied by a roster of eligible REALTOR® members shall be submitted to all the REALTOR® members who are licensed as salespersons or licensed appraisers at least thirty seven (37) days prior to the date established for the annual meeting, and each REALTOR® member entitled to vote shall designate on the ballot as many candidates as there are REALTOR® Directors to be elected. (If a REALTOR® member does not designate as many candidates as there are REALTOR® Directors to be elected, the ballot shall be declared void.) Directors shall not be nominated to serve two consecutive full terms. Furthermore, the Directors shall not appoint someone who has completed a full term in the previous 12 months to fill the vacancy of another Director. A REALTOR® shall not be eligible to be nominated as a Director if 1) he/she has not served as a member of a GRAR committee for at least two (2) years; 2) his/her financial obligations (either personally, or those of the firm in which he/she is a principal, stockholder or Designated REALTOR®) to the Association are not current as of the date of the nomination up to the date of the election; or 3) he/she has been fined, placed on probation, or suspended from the membership for a violation of the Code of Ethics within a three (3) year period preceding the beginning of the term of the directorship for which nominations are being made.

(b) The annual nominating primary for election of REALTOR® Directors who are licensed as salespersons or licensed appraisers shall be held at least twenty eight (28) days prior to the date established for the annual meeting on which day only those ballots received prior to one o'clock p.m. shall be tabulated, and the judges of the election shall confirm the results. From the candidates receiving the highest number of votes in the primary, there shall be selected three (3) nominees (or more if Section 11.7 is applicable) in the order of the number of votes each received and their names shall be placed upon the official ballot in alphabetical order.

(c) Immediately after the confirmation of the nominating primary ballots, the three nominees shall be notified of the results of the nominations. Seven (7) days following the date of the primary election, the results of the nominations

shall be submitted to all REALTOR® members who are licensed as salespersons or licensed appraisers, together with a ballot to be used in the annual election of REALTOR® Directors.

(d) The annual election of the REALTOR® Director who is licensed as a salesperson or licensed appraiser shall be held not less than ten (10) days prior to the date established for the annual meeting on which day only those votes received prior to one o'clock p.m. shall be tabulated and confirmed by the judges of election.

(e) No vote shall be tabulated if it does not contain a vote for the exact number of Directors to be elected.

(f) No votes shall be confirmed by the judges of election until after they have met for the purpose of counting the same.

(g) At the annual REALTOR® Director election for Directors who are licensed as a salesperson or licensed appraiser, one nominee shall be elected to serve as Director for the term of three years, or until his/her successor is elected and qualified. The REALTOR® receiving the highest number of votes shall be elected. The three-year term of the newly elected Director shall begin January 1 following his/her election.

(h) Immediately following the election of this Director, announcement of the election shall be sent to all members.

SECTION 11.5: TERM AND ELECTION OF THE DESIGNATED REALTOR® DIRECTOR REPRESENTING THE SEVEN LARGEST FIRMS

At least forty-five (45) days prior to the date established for the annual meeting, the Association shall notify the Designated REALTORS® of the seven largest firms (as determined by the number of Association REALTOR® members licensed with each firm) of their individual appointment to a council (the "Large Firm Broker Council") for the ensuing twelve (12) month period, the purpose of which shall be to elect the Large Firm Director. At least twenty (20) days prior to the date established for the annual meeting, the Large Firm Broker Council shall meet to elect one (1) Designated REALTOR® representative, by majority vote, to serve as the Large Firm Director for the term of one (1) year beginning January 1 following his/her election. If the Large Firm Broker Council fails to either elect a representative or notify the Association of the name of its elected representative, the Large Firm Director position shall remain vacant for the ensuing calendar year. A change in the Large Firm Director's company affiliation or position as Designated REALTOR® shall disqualify that Director from serving the balance of his or her term, unless that change does not alter that Director's eligibility to continue to serve as a representative of the Large Firm Broker Council as defined in this Section.

SECTION 11.6: VACANCIES

Vacancies by resignation or otherwise among the Directors shall be filled by the Directors until the end of the current calendar year only, except in the case of a vacancy in the Large Firm Director position which shall be filled by the Large Firm Broker Council, unless the vacancy was caused by non-election or lack of notification pursuant to Section 11.5 of these Bylaws, in which case the position shall remain vacant. At the annual Director elections, the membership shall elect such director(s) for the remainder of any such unexpired term. REALTOR® Director vacancies for those who are licensed as salespersons or licensed appraisers shall be filled by the Directors from a list of three (3) REALTOR® members who are licensed as salespersons or licensed appraisers. Such list shall be prepared by the Candidate Review and Development Committee upon the request of the Board of Directors. Vacancies shall be filled within thirty (30) days.

SECTION 11.7: ELECTION TO FILL VACANCIES

Each additional Director vacancy to be filled due to temporary appointment under Section 11.5 shall add two candidates to the number to be nominated in the case of a vacancy of a Director who is licensed as a broker or certified appraiser, and three (3) candidates in the event of a vacancy of a Director who is licensed as a salesperson or licensed appraiser, and one to the number to be elected. Said vacancy or vacancies shall be filled for the unexpired term or terms by the nominee or nominees receiving the next highest number of votes after the three nominees (in the case of the election for REALTOR® Directors who are licensed as brokers or certified appraisers) or one nominee (in the case of the election for the REALTOR® Director who is licensed as a salesperson or licensed appraiser) who are elected to three-year terms, with the nominee(s) receiving the highest number of votes being elected to the directorships with the longest unexpired term where directorships with differing terms are to be filled. Each such newly elected Director shall take office on January 1 following his/her election.

SECTION 11.8: VOTE BY SECRET BALLOT

The REALTOR® members shall vote by such method as determined by the Board of Directors, which may include electronic methods.

SECTION 11.9: JUDGES OF ELECTION

The President, with the approval of the Directors, shall appoint three REALTOR® members who are licensed as brokers or certified appraisers to serve as judges to supervise the election for Directors who are licensed as a brokers or certified appraisers. The President, with the approval of the Directors, shall also appoint three REALTOR® members who are licensed as salespersons or licensed appraisers to serve as judges to supervise the election for Directors who are licensed as salespersons or licensed appraisers.

SECTION 11.10: TIE VOTE

In case of a tie vote in the last place, either in the primary or in the Director elections, the selection among those tied shall be made by lot under the direction of the judges in charge of the election.

ARTICLE 12 - OFFICERS AND THEIR ELECTION

SECTION 12.1: OFFICERS

The officers of the Association shall be President, President-Elect, Secretary, and Treasurer, each of whom shall serve annually for a term of one year, or until his/her successor is elected and qualified. The same person shall not occupy more than one of such offices at the same time.

SECTION 12.2: MEMBERS' RECOMMENDATION OF PRESIDENT-ELECT

At the Annual Meeting of the REALTOR® members, and the REALTOR® Directors who are licensed as salespersons or licensed appraisers, by means of an advisory vote by secret ballot if there is more than one (1) candidate, those members who are licensed as brokers or certified appraisers and the REALTOR® Directors who are licensed as salespersons or licensed appraisers shall recommend the election of a REALTOR® member (who is licensed as a broker or certified appraiser) of the Board of Directors to the office of President-Elect for the ensuing year.

SECTION 12.3: ELECTION OF OFFICERS

At the Annual Meeting of the REALTOR® members who are licensed as brokers or certified appraisers and the REALTOR® Directors who are licensed as salespersons or licensed appraisers, the current and newly elected Directors for the ensuing year shall elect for the ensuing year a President-Elect (who may or may not be the person recommended by the members), a Secretary and a Treasurer. The then current President-Elect shall automatically succeed to the office of President. All of said officers must be members of the Board of Directors for the ensuing year. Vacancies in any such offices shall be filled by the Directors from its own membership.

SECTION 12.4: PRESIDENT-ELECT

In the event of a vacancy in the office of President, or in the absence or inability to act as the President, the President-Elect shall perform the duties of the President.

SECTION 12.5: BONDS

The Chief Executive Officer, all officers handling funds of the Association, and such other employees as the Directors shall designate, shall be bonded in such amounts as the Directors shall deem necessary, the cost to be paid by the Association.

SECTION 12.6: DUTIES

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

SECTION 12.7: CHIEF EXECUTIVE OFFICER

The Directors may employ a Chief Executive Officer and may prescribe his or her function. The Chief Executive Officer shall not be a REALTOR® member of the Association.

SECTION 12.8: LEGAL COUNSEL

The Directors may retain legal counsel and fix terms of compensation.

ARTICLE 13 - FINANCES

SECTION 13.1: PROPERTY OF ASSOCIATION

Any and all payments and contributions made to the Association by members or by applicants for such membership and any receipts or income shall be the sole property of the Association and no member shall have any interest therein.

SECTION 13.2: ADMINISTRATION OF FUNDS

The Directors shall administer the finances of the Association, shall determine how the records and the books of account shall be established, or modified and maintained, and shall have sole authority to appropriate the funds of the Association, as limited by Section 13.3, and to invest such funds in their discretion.

SECTION 13.3: LIMIT OF EXPENDITURES

The Directors shall not incur an obligation or authorize an expenditure in excess of \$200.00 over the available cash on hand without the approval of the REALTOR® members of the Association (who are licensed as a brokers or certified appraisers) at the Annual Meeting or at a meeting called for that purpose.

SECTION 13.4: COMPENSATION OF CHIEF EXECUTIVE OFFICER

The Directors shall fix the compensation of the Chief Executive Officer and of any officer of the Association for his or her services.

SECTION 13.5: REIMBURSEMENT OF EXPENSES

All officers, directors and members of committees may be reimbursed for actual out-of-pocket expenses which have been incurred in connection with their duties and functions as an officer, director or member of a committee in such manner and on such basis as may be fixed and determined by resolution of the Directors.

ARTICLE 14 - COMMITTEES

SECTION 14.1: STANDING AND SPECIAL COMMITTEES

(a) **Standing Committees:** The following are hereby established as standing committees: Appellate; Candidate Review and Development Committee; Finance Committee; Grievance Committee; Legal Action Committee; and Professional Standards Committee.

(b) **Special Committees:** The Directors may from time to time create special committees with such duties, responsibilities, size and terms of office as shall be determined by the Directors.

SECTION 14.2: COMMITTEE MEMBERS AND CHAIRPERSONS

All committee members and all necessary replacements shall be appointed by the President, subject to confirmation by the Board of Directors. All committee chairpersons shall be appointed by the President subject to confirmation of the Board of Directors, except the Professional Standards Committee.

SECTION 14.3: DUTIES AND NOTICE

Standing committees and special committees shall have such duties and functions as are specified in these Bylaws or as may be assigned to them by the Directors. The President shall be an ex officio member of all standing and special committees except the Professional Standards Committee, and shall be notified of the meetings of all committees of which he/she is an ex officio member.

SECTION 14.4: COMPOSITION OF STANDING COMMITTEES

(a) **Finance Committee:** The Finance Committee shall consist of seven (7) members, one of whom shall be the Treasurer of the Association. The other six (6) members of the Finance Committee, except the Treasurer, shall be appointed for staggered terms so that the terms of two (2) members of this committee shall expire each year.

(b) **Legal Action Committee:** The Legal Action Committee shall consist of six (6) past members of the Board of Directors who shall be appointed to staggered terms of one, two and three years. No member of the committee, having served a full three (3) year term shall succeed him/herself on the committee. As the terms of these members expire, their successors shall be appointed for terms of three (3) years each.

(c) **Professional Standards Committee:** The Professional Standards Committee shall be composed of fifty-one (51) REALTOR® members in good standing. Not less than twelve (12) of these members shall be members primarily engaged in the brokerage of commercial/industrial real estate, and not less than six (6) of these members shall be members who are primarily engaged in the appraisal business. Appointments made to replace committee members upon the expiration of their terms shall be for terms of three (3) years each. Any person who has been appointed for a three-year term shall not be eligible to serve again until a period of one year has elapsed after expiration of his or her term; provided, however, in the event the term of service has expired for the then Vice-Chairperson who automatically becomes Chairperson, then that person shall serve an additional one (1) year term on the Committee and shall be the fifty-second (52) member of the committee.

No member shall be eligible for appointment to this committee who has been fined, placed on probation or suspended from membership for a violation of the Code of Ethics within a three (3) year period preceding the beginning of such term of committee membership.

Any member found guilty of a violation of the Code of Ethics during his membership on this committee which results in a fine, suspension or being placed on probation shall immediately be ineligible to continue membership on this committee and shall be replaced.

No Director shall be a member of this committee and if any member of this committee is elected as a Director, he shall resign or be removed from the committee upon the commencement of office as a director.

(d) **Appellate Committee:** The Appellate Committee shall be composed of twelve (12) members, all of whom must have been either a chairperson or a vice-chairperson of the Professional Standards Committee, or a member with a minimum of 3 years of experience on the Professional Standards Committee; provided, however, that not less than 6 members of the Appellate Committee must have had prior experience on the Review Board of the Professional Standards Committee. The members of the committee shall be appointed annually, and persons who have been disciplined by fine, probation, or suspension by decision of a Hearing Panel of the Professional Standards Committee shall be ineligible for service on the Appellate Committee for a period of three (3) years after such decision becomes final. In the event that there are not a sufficient number of willing or eligible members to serve on the committee, the President may appoint members who have had a minimum of three (3) years of experience on the Professional Standards Committee.

No member of the Professional Standards Committee shall simultaneously be a member of this committee.

(e) **Candidate Review and Development Committee:** The Candidate Review and Development Committee shall be composed of seven (7) members. The composition shall be as follows:

President-Elect shall serve as Chairperson

Immediate past REALTOR® Director (who is licensed as a salesperson or licensed appraiser)

Immediate past REALTOR® of the Year

One of the retiring REALTOR® Directors (who is licensed as a broker or certified appraiser (as appointed by the President subject to confirmation by the Board of Directors)

One chairman of a standing committee (appointed by the President subject to confirmation by the Board of Directors)

At-large REALTOR® member (who is licensed as a salesperson or licensed appraiser, as appointed by the President subject to confirmation by the Board of Directors)

At-large REALTOR® member (who is licensed as a broker or certified appraiser, as appointed by the President subject to confirmation by the Board of Directors)

In the event that the immediate past REALTOR® of the Year conflicts with an existing member of the committee, the position will be filled by the REALTOR® of the Year once removed. To the extent that the committee membership is less than 7 after the above referenced appointments have been made, then the vacancies shall be filled from the appropriate class of member (appointed by the President subject to confirmation by the Board of Directors).

(f) All other standing committees shall consist of such number of members as the Directors may from time to time determine and members shall be appointed for a term of one year.

SECTION 14.5: COMMITTEE MEMBER LIMITATIONS

Not more than two members affiliated or associated with the same firm, partnership or corporation may serve on any one of the following committees at the same time. If more than two members of any one of the following committees become affiliated or associated with the same firm, partnership, or corporation during the period of their service, the member or members whose terms on the committee would expire first shall no longer be eligible to serve on that committee: Appellate Committee; Candidate Review and Development Committee; Finance Committee; Grievance Committee; and Legal Action Committee. Not more than four members affiliated or associated with the same firm, partnership or corporation may serve on the Professional Standards Committee at the same time. If more than four members of this committee become affiliated or associated with the same firm, partnership, or corporation during the period of their service, it shall be treated in the same manner as previously stated in this Section.

SECTION 14.6: REPORTS

All committees shall make such reports to the Directors and to the Association as may be requested by the Directors or required by these Bylaws.

SECTION 14.7: ACTIONS

All actions of committees except Professional Standards Committee and Appellate Committee shall be subject to the approval of the Directors.

SECTION 14.8: ABSENCES

Any committee member who is absent from three regularly scheduled meetings of a committee annually shall automatically forfeit his or her appointment, provided that upon written request, he or she may be reinstated by action of the Directors in the exercise of their discretion.

SECTION 14.9: REMOVAL

The President, with the approval of the Directors, shall have the power and authority to remove any member from any committee at any time for any cause or reason which the Directors shall deem to be adequate, and it shall not be necessary to identify such cause or reason in the records of the Association.

SECTION 14.10: QUORUM

At all committee meetings, a majority of the members then serving shall constitute a quorum except that when a committee consists of nine or more members, five members shall constitute a quorum.

ARTICLE 15 - LIQUIDATION OR DISSOLUTION

SECTION 15.1: LIQUIDATION OR DISSOLUTION

In the event of the liquidation or dissolution of the Association (which shall require two-thirds vote of all of the REALTOR® members who are licensed as brokers or certified appraisers), after payment of all obligations, the last Board of Directors shall cause all the rights, properties and assets of the Association of every kind and nature to be assigned, transferred, conveyed and delivered to such non-profit corporation or organization as the Board of Directors shall deem most likely to use the same to carry out the general purposes and objects for which this corporation was organized, and, in the event the Board of Directors shall fail, neglect or refuse to do so, then all the property, assets and rights of the Association shall be distributed to the Grand Rapids Foundation to be used for such real estate related educational and charitable uses exclusively in promoting the welfare of persons or institutions, now or hereafter residing or situated in the jurisdictional territory of the Association.

The purpose of this Article 15 is to provide assurance to members of the Association and others that no member, director, officer or employee of the Association will individually participate or share in any division or distribution of the property, assets or rights of the Association upon the liquidation or dissolution thereof.

ARTICLE 16 - MISCELLANEOUS PROVISIONS

SECTION 16.1: STANDARD FORMS

Model business forms, office forms and legal forms used in the conduct of real estate business may be prepared under the direction of the Directors and may be offered for sale to members.

SECTION 16.2: FISCAL AND ELECTIVE YEAR

The fiscal and elective year of the Association shall begin on the first day of January.

SECTION 16.3: RULES OF ORDER

The Officer presiding shall determine the rules of procedure and shall be guided by Robert's Rules of Order. The presiding Officer's decision on any procedural matter shall be final unless appealed to and overruled by the voting members present.

SECTION 16.4: VOTING

Except as may be otherwise specifically provided in these Bylaws, only REALTOR® members who are licensed as brokers or certified appraisers and whose financial obligations (either personally, or those of the firm in which he/she is a principal, stockholder or Designated REALTOR®) to the Association are current shall be entitled to vote. Members entitled to vote may vote in person at a meeting, or by written consent, as provided in the Association's Articles of Incorporation, but voting by proxy shall not be permitted.

SECTION 16.5: AMENDMENTS

These Bylaws may be amended by an affirmative vote of a majority of the REALTOR® members who are licensed as brokers or certified appraisers and REALTOR® Directors (who are licensed as salespersons) who are eligible to vote, present at any regular or annual meeting at the Association or at any special meeting called for that purpose; provided,

however, that if at any such meeting there is no quorum present, then such amendment shall also be approved if within fourteen (14) days following the date of such meeting such amendment receives the affirmative vote of a majority of ballots cast via written or electronic means by those persons entitled to vote thereon, if the number of all votes cast via written or electronic means would have constituted a quorum at such meeting. Amendments to these Bylaws shall be proposed and submitted to the vote of the REALTOR® members who are licensed as brokers or certified appraisers only after first having been approved by the affirmative vote of two-thirds of the whole Board of Directors, or upon the signed petition of at least 20% of the REALTOR® members of the Association who are licensed as brokers or certified appraisers approving the amendment and requesting that the amendment be submitted to a regular meeting of the members or that a special meeting be called for the purpose of voting on the same.

SECTION 16.6: NOTICE OF AMENDMENTS

Due notice of the proposed amendments and of the meetings at which such amendments are to be considered must be given to every REALTOR® member who is licensed as a broker or certified appraiser at least twenty (20) days prior to the time of meeting.

SECTION 16.7: NATIONAL ASSOCIATION

Amendments to these Bylaws affecting the admission or qualification of REALTOR® and Institute Affiliate members, the use of the terms REALTOR® and REALTORS®, or any alteration in the territorial jurisdiction of the Association shall become effective upon their approval as authorized by the Board of Directors of the National Association of REALTORS®.

ARTICLE 17 - ETHICS AND ARBITRATION

SECTION 17.1: PROFESSIONAL STANDARDS AND ARBITRATION

The responsibility of the Association and of Association members relating to the enforcement of the Code of Ethics, the disciplining of Members, and the arbitration of disputes, and the organization and procedures incident thereto shall be governed by Article 17 of these Bylaws, as from time to time amended.

SECTION 17.2: AUTHORITY OF PROFESSIONAL STANDARDS COMMITTEE

The Professional Standards Committee shall perform the following functions:

(a) The committee shall constitute a Board of Arbitration with the exclusive jurisdiction and power and authority to hear and determine matters:

(i) Involving business disputes between members of the Association, if the dispute concerns the application or interpretation of these Bylaws or the Multiple Listing Service Rules and Regulations.

(ii) Involving a dispute between any member of the Association and the Association, if it concerns the application or interpretation of these Bylaws or the Multiple Listing Service Rules and Regulations.

(b) The committee shall serve as a Board of Arbitration with the power and authority to arbitrate business disputes between members and non-members as provided in this Article 17.

(c) The committee shall serve as the committee of the Association designated to investigate and/or to hear and determine charges of unethical conduct filed against any member of the Association as provided in this Article 17.

SECTION 17.3: BUSINESS DISPUTES

(a) **Business Disputes Between or With Members:** Business disputes, as defined in the NAR Code of Ethics, between members or between entities with which they are associated, as well as disputes that arise out of the application or interpretation of these bylaws or the Multiple Listing Service Rules and Regulations between members or between entities with which they are associated, or between any member and the Association, shall be resolved through the arbitration process set forth in this Article 17 rather than by recourse to other tribunals; provided, however, 1) that disputes between members affiliated with the same firm shall not be subject to this Section unless all parties voluntarily sign an agreement to arbitrate the dispute and abide by the award (if any); and 2) that in the event any such claim arises out of facts and circumstances that support additional claims so as to invoke the legal doctrine of compulsory joinder of claims, then all such claims shall be submitted to the arbitration process and if the arbitration is declined pursuant to Section 17.8, then the parties shall be relieved of their obligation to arbitrate any of such claims and all may be pursued in other tribunals.

(b) **Business Disputes With Non-Members:** Business disputes between any member or between any firm, partnership, or corporation with which a member is associated and any non-member who is not affiliated with a

member may be heard at the discretion of the Professional Standards Committee, but only if both the member (or the organization affiliated with the member) and the non-member sign an agreement to arbitrate the disputes and abide by the award, if any.

SECTION 17.4: ETHICS COMPLAINTS

Complaints of unethical conduct made against any member or against any firm, partnership, corporation or any other entity with which a member is associated may be heard at the discretion of the Professional Standards Committee if the complaint involves the application or interpretation of these Bylaws, the Multiple Listing Service Rules and Regulations, or the Code of Ethics of the National Association of REALTORS® which have been adopted by this Association.

SECTION 17.5: COMPLAINTS OF UNETHICAL CONDUCT

It shall be the duty of any member, officer or committee of the Association to file a complaint with the Professional Standards Committee concerning any alleged unethical conduct of a member of the Association, including any violation of these Bylaws, the Rules and Regulations of the Association, or the Code of Ethics. Such a complaint may also be filed by any individual who is not a member of the Association. Such complaints shall be filed and processed as provided in this Article 17.

SECTION 17.6: PROFESSIONAL STANDARDS COMMITTEE STRUCTURE

(a) The Professional Standards Committee shall elect its own vice-chairperson at a special election to be held not later than the second week of each calendar year. The President of the Association or, at his/her election, the immediate past-chairperson shall preside over this special election. The vice-chairperson shall automatically succeed to the position of chairperson the following calendar year; provided, however, if the position of vice-chairperson shall become vacant, a successor shall be elected by the same procedure as the previous vice-chairperson. Only those members who have had a minimum of two (2) years of experience on the Professional Standards Committee shall be eligible to serve as vice-chairperson.

(b) The Professional Standards Committee shall also elect one other member of the committee who has at least one year of service on the committee, and one alternate, to serve with the chairperson and vice-chairperson as the Review Board. Not more than one member who is associated with the same firm, partnership or corporation shall be eligible to serve on this Board at one time. The members of the Review Board shall serve for a term of one year, except for the vice-chairperson who shall serve a two-year term.

(c) The function of the Review Board shall be as follows:

(i) Review complaints and answers;

(ii) Determine nature of complaint (business dispute, membership dispute, charge of unethical conduct or combination of one or more);

(iii) Determine if a complaint shall be assigned to a hearing panel for hearing. (The complaining party may, within ten (10) days of the Review Board's determination, request a re-hearing of a decision not to hear upon showing of newly discovered evidence, relevant to the issues. The complaining party may also appeal a decision not to hear to the Board of Directors by filing written notice of appeal with the Chief Executive Officer within ten (10) days after the decision, which notice shall specify the reasons and grounds for appeal. The Directors shall have the authority, in the exercise of their discretion, to order the Professional Standards Committee to conduct a hearing on the complaint.);

(iv) Investigate complaints, require attendance of members and require the production of pertinent documents;

(v) Set hearing dates and assign hearings to the hearing panels;

(vi) Seek legal counsel when needed subject to such directives or policies as may be established by the Board of Directors from time to time.

(d) The Review Board shall appoint a Hearing Panel of six committee members (five of which shall constitute a quorum) whenever a determination is made that there is need for a hearing, except in those cases where the hearing involves a complaint against an Appraiser member in which case the Hearing Panel shall consist of three (3) members (three of which shall constitute a quorum). Unless otherwise determined by the Review Board, if the complaint involves a property listed or eligible to be listed on the Commercial Multiple Listing Service then the Hearing Panel

shall be composed of members engaged primarily in the brokerage of commercial/industrial properties, and if the complaint involves a property listed or eligible to be listed on the Residential Multiple Listing Service then the Hearing Panel shall be composed of members engaged primarily in the brokerage of residential properties. Unless otherwise determined by the Review Board, if the complaint involves a member who is licensed as an appraiser and/or is an appraisal related issue, then the Hearing Panel shall be composed of those members on the committee who are primarily engaged in the appraisal business. The Review Board of the Professional Standards Committee shall also designate a chairperson for each Hearing Panel. Cases shall be assigned to Hearing Panels in such a manner as to share the burden of hearings. The committee members assigned to any hearing panel and the chairperson of the Panel may be changed by the chairperson of the Professional Standards Committee for reasons of conflict of interest or unavailability provided, however, no such change may be made for any hearing after the hearing has commenced unless the hearing is recommenced or the participants consent to a substitution. Not more than one member who is associated with the same firm, partnership or corporation shall serve on the same Hearing Panel.

SECTION 17.7: PRE-HEARING PROCEDURES

The procedures for filing of complaints and for hearings shall be identical whether the complaint involves a business dispute or a matter of ethics. However, in a business dispute, the Hearing Panel shall be acting as a Board of Arbitration while in a dispute between the Association and a member or in any ethics hearing, the Hearing Panel shall be acting on behalf of the Association as a voluntary association in dealing with a member.

(a) All such matters shall be initiated by the filing of a written complaint signed by the party making the complaint. In the case of a business dispute, the complaint shall contain a statement of the basis of the claim, the facts alleged to support the claim, and the relief requested. In the case of a disciplinary complaint, the complaint must state the nature of the claim or charge and refer to the particular provision of the Bylaws, MLS Rules and Regulations, or Code of Ethics which the complaining party relies upon or claims has been violated so that the party charged (respondent) may be fully advised of the nature of the complaint. In the event a complaint by a non-member does not meet the specificity requirements of the preceding sentence, the Review Board shall formulate the specific charge by citing the provision(s) of the Bylaws, MLS Rules and Regulations, or Code of Ethics that appear(s) to have been violated based upon the written complaint, and the Review Board's formulation and the original complaint shall be submitted to the respondent for response.

No complaint shall be valid if filed more than one hundred eighty (180) days after the claim has accrued, provided, however, that this limitation period may be extended to a date one hundred eighty (180) days after the claimant first learned of the accrual of the claim where the claimant establishes, to the satisfaction of the Review Board of the Professional Standards Committee, that the accrual of the claim could not have been discovered earlier in the exercise of reasonable diligence; and provided further, that no claim shall be valid if filed more than three hundred sixty (360) days after the claim has accrued, unless extended by the Review Board as provided below. The claim shall be deemed to have "accrued" when all of the facts and circumstances necessary to form the basis of the claim have occurred or are in existence. The Review Board may extend the aforementioned limitation period for an additional period of up to one hundred eighty (180) days, in the exercise of the Review Board's sole and exclusive discretion, upon receipt of evidence demonstrating that the claimant had been making a good faith effort to resolve the dispute prior to the expiration of the limitation period.

(b) The Chief Executive Officer shall deliver or mail a copy of the complaint to the respondent, and the respondent shall file a written response to the allegations in the complaint within twenty (20) days of date of postmark or personal delivery, as the case may be. A respondent who is unable to file a written response within the original twenty (20) day period, or any extension granted, should file a written application for an extension, before the then current period expires, specifying the reason(s) why the extension is justified. Extensions may be granted or denied only by the Review Board, for such period and upon such conditions as that Board deems appropriate under the circumstances; provided, however, that the Chief Executive Officer may grant an extension for a period not exceeding the time until the next meeting of the Review Board where it appears that the applicant is making a good faith effort to make a timely response. Failure to file a response within the allowed time shall be treated the same as a failure to pay dues under Section 6.3, and may result in a separate charge against the respondent, in the discretion of the Review Board, for failure to comply with these Bylaws. The complaint and response shall be deemed privileged communications and shall not be the basis for any action alleging defamation or any other tort.

(c) Copies of the complaint and response shall be provided to members of the Review Board, as promptly as practical after the response has been filed. The Review Board shall consider the complaint and response at its next regular meeting, and shall decide if the matter meets the requirements of these Bylaws, and whether the matter should be assigned to a Hearing Panel for hearing.

(d) A copy of the decision of the Review Board shall be sent to all parties to the proceeding and, if the Review Board decides that a hearing should be held, the respondent's answer shall be forwarded to the complainant and all parties shall be notified of the scheduled hearing date.

(e) After a hearing date has been scheduled, the chairperson may grant a continuance or postponement to suit the convenience of the parties, but not more than one continuance shall be granted except for extraordinary reasons deemed sufficient by the Hearing Panel to which the matter was assigned.

(f) After a hearing between a member of the public and a member of the Association has been scheduled and if the complaint involved, in whole or in part, a business dispute, the Chief Executive Officer shall submit an arbitration agreement furnished by the Association to all of the parties whereby the parties agree to submit the dispute to arbitration and abide by the award. The parties shall be required to execute this agreement and return it to the Association at least two (2) days prior to the date of hearing as a condition precedent to the hearing.

(g) If a party to the hearing intends to be represented by legal counsel, that party shall notify the Chief Executive Officer and the other party or parties as to the name and address of the proposed legal counsel by written notice delivered at least ten (10) days prior to the date set for the hearing.

(h) The primary Designated REALTOR® or his/her REALTOR® member designee (other than the respondent) shall attend all hearings where his/her member licensee is the respondent. The Review Board reserves the right to require the primary Designated REALTOR® to attend in lieu of a designee.

(i) If a party to the hearing intends to present witnesses, that party shall make their own arrangements for witnesses to attend, and shall provide the names of the proposed witnesses to the Chief Executive Officer and the other party or parties by written notice delivered at least ten (10) days prior to the date set for the hearing.

(j) If any of the parties wish the hearing to be stenographically transcribed, that party shall notify the Chief Executive Officer at least ten (10) days prior to the date of the hearing, and that party shall pay the cost of the transcript, including the cost of a copy to be supplied to the Hearing Panel.

(k) A party shall provide all documents relevant to the issue to the Chief Executive Officer and the other party or parties at least ten (10) days prior to the date set for the hearing. No documents submitted after such ten (10) day limitation shall be received without the affirmative vote of a majority of the hearing panel.

(l) When the date of the hearing has been set, the Review Board shall assign the hearing to a Hearing Panel and copies of all materials shall be sent to each member of that Panel.

(m) It is the policy of the Association to encourage private, negotiated settlement of business disputes. However, after a complaint has been filed with the Association, no member shall, directly or indirectly, whether as part of the settlement process for resolving a business dispute or otherwise, pay anything of value or give any other consideration in exchange for the withdrawal of a complaint of unethical conduct by any nonmember or to induce such person(s) not to appear and give testimony or other evidence in support of such complaint.

SECTION 17.8: ASSOCIATION'S RIGHT TO DECLINE ARBITRATION

If either the Review Board of the Professional Standards Committee or the Hearing Panel determines that a business dispute should not be heard because the legal complexity or other unusual factors presented in the matter would require expertise other than that ordinarily possessed by real estate professionals, they shall so report to the Board of Directors, and, if the Board of Directors concurs, the arbitration shall terminate and the parties shall be relieved of their obligation to arbitrate the controversy.

SECTION 17.9: HEARING

(a) The chairperson of the Hearing Panel shall preside at each hearing. In his absence, the chairperson of the Professional Standards Committee shall appoint a chairperson pro tem.

(b) In the conduct of the hearing, the parties may present any witnesses and submit any documents relevant to the issue (subject to Section 17.6 of these Bylaws). Questions of relevancy shall be determined by the chairperson. Witnesses shall be sworn by the chairperson. Parties, or their legal counsel, if any, may cross-examine any witness and each party shall be accorded a full and fair opportunity to be heard.

(c) When summoned by a Hearing Panel to do so, it shall be a membership duty of every member to appear and testify at the hearing and to produce any records or data deemed pertinent to the case by the panel.

(d) Every party must arrange to have such witnesses as that party deems pertinent to the case present at the hearing, and the Hearing Panel may summon such members to appear as witnesses as the panel deems advisable.

(e) Each party, by virtue of membership, or by virtue of having filed a complaint if a non-member, waives any and all rights of action or claims against the Association, its members, any member of the Hearing Panel, any witness and the Board of Directors for any act or omission, including negligence, arising out of any transaction or occurrence pursuant to this Article 17.

(f) Upon the conclusion of the hearing, the Hearing Panel, as soon as is practical but not more than ten (10) days thereafter, shall consider the evidence and shall render a written decision. If the complaint involved charges of ethics violations, the decision shall also specify the reasons for its decision. If the complaint involved a business dispute, the decision shall specify the type or the amount of the award, if any. If the complaint involved charges for which the member could be disciplined, the Hearing Panel may find the charges unfounded or it may direct the imposition of such disciplinary action as it deems appropriate, as authorized in Article 17 of these Bylaws. The decision of the Hearing Panel shall be by majority vote of those present. The chairperson shall vote only when his vote would change the result, that is, to make or break a tie vote. The parties to the proceeding shall each be given a copy of the decision. If an award is made, it shall be satisfied within thirty (30) days of its rendition or as may be otherwise determined by the Hearing Panel.

(g) If the complaining party is a non-member involved in a business dispute with the member against whom he or she has made a charge of unethical conduct arising out of the same transaction, and if the non-member is not arbitrating or has refused to submit the business dispute to arbitration, the Hearing Panel may, in its discretion, and notwithstanding the provisions of subsection (f) above, withhold its decision on the charge of unethical conduct until such time as the business dispute is finally resolved. If a majority of the Hearing Panel, in the exercise of their discretion, withholds their decision, they shall render the same within fifteen (15) days after said business dispute is finally resolved.

(h) In the event of a dispute involving both an ethics complaint and a business dispute, two separate hearings shall be held, each occurring on the same day, unless the Chairperson of the second Hearing Panel declares a postponement due to his/her opinion that both hearings could not reasonably be expected to conclude within the same day. No panel member may serve on both Hearing Panels, and the parties shall each be given a copy of the decisions only upon the conclusion of both hearings.

(i) Any party adversely affected by a decision of the Hearing Panel may, within ten (10) days after its rendition, make application to the Review Board for a rehearing upon showing of newly-discovered evidence, relevant to the issues, which could not have been discovered by diligent search prior to or during the hearing.

SECTION 17.10: DISCIPLINE

(a) Any member of the Association who shall fail to conform to any award in arbitration or who, after a hearing as provided in this Article, shall be found to have violated any of the Bylaws or the Rules and Regulations of the Association or the Code of Ethics, or to have engaged in any unethical conduct, may be censured, suspended, fined, required to attend a course or seminar (which the respondent could reasonably attend taking into consideration cost, location and duration), disciplined or expelled or may be suspended for a definite or indefinite period of time from participation in the Multiple Listing Service. Restitution may be used as an additional remedy where a Hearing Panel determines, after consultation with the Association's legal counsel, that a member found guilty in an ethics hearing has been unjustly enriched as a result of his or her conduct. The names of members found guilty of a violation of the Code of Ethics or other membership duty shall be published to the membership, subject to the following qualifications:

- (i) The violator is expelled or suspended for 30 days or more; or
- (ii) The violator has had a second violation occur within three (3) years (in which case at least one of the violations must be based on conduct which occurred after the date of adoption of this procedure).

Publication of the name, the Article violated, and the discipline imposed shall be made in a written and/or electronic communication vehicle intended primarily for members of the Association. Where the violator's name is similar to another member's name, the violator's license number or office address (or both) may also be published

(b) Failure to comply with or satisfy a decision of the Hearing Panel within the prescribed time shall be treated the same as nonpayment of dues, as provided in Article 6 of these Bylaws.

SECTION 17.11: APPEAL

(a) Any member adversely affected by a decision of a Hearing Panel on a complaint of unethical conduct may appeal the decision of the hearing panel to the Appellate Committee within ten (10) days after the decision is rendered or within ten (10) days after the denial of the rehearing in case a rehearing has been applied for and denied. Arbitration decisions of business disputes may not be appealed.

(b) A member who wishes to appeal shall file a written appeal with the Chief Executive Officer. The appellant must be specific in stating reasons why the Hearing Panel reached a wrong conclusion. The following principles shall apply in the appeal process:

(i) The appeal is limited to the evidence submitted to the Hearing Panel -- new evidence may not be introduced on appeal.

(ii) The appeal is to be based on the record made at the original hearing -- the appeal is not a second hearing of the case.

(iii) The Appellate Panel will not normally overrule a finding of fact by a Hearing Panel.

(iv) The Appellate Panel normally limits its review to the correct application of the Code of Ethics and/or these Bylaws to the facts as determined by the Hearing Panel.

(v) Rulings on evidence and matters of procedure at the hearing will not be the basis for reversal of a Hearing Panel decision except where the error is so material to the outcome as to deprive the appellant of an opportunity for a full and fair hearing.

(c) Promptly after receipt of a written appeal, the Chief Executive Officer shall forward copies of the appeal to the chairperson of the Appellate Committee and the chairperson of the Hearing Panel involved. The chairperson of the Appellate Committee shall select six (6) members of the committee to serve as the Appellate Panel (five of which shall constitute a quorum) to hear the appeal plus one member to serve as an alternate in the event one of the panel members is unable to serve. Not less than three (3) of the members appointed to the panel shall have had prior experience on the Review Board of the Professional Standards Committee. One of the panel members shall be designated chairperson of the Hearing Panel to preside over the appeal, and that person, in consultation with the Chief Executive Officer, shall schedule a date for oral argument. A written response to the appeal filed by the appellant shall be filed by the chairperson of the Hearing Panel involved, or his or her designee, within the (10) days after his or her receipt of the written appeal.

(d) All briefs and other written materials containing arguments by the parties shall be filed with the Chief Executive Officer not less than ten (10) days prior to the scheduled date for oral argument. Additionally, if the appellant intends to be represented by legal counsel, that party shall notify the Chief Executive Officer and the Chairperson of the Hearing Panel as to the name and address of the proposed legal counsel by written notice delivered at least ten (10) days prior to the date set for oral argument. The appellant and the chairperson of the Hearing Panel, or their respective designees, may appear at the scheduled time and present oral argument pertinent to the matter on appeal. Upon the conclusion of the oral argument, the Appellate Panel, as soon as practical but not more than ten (10) days thereafter, shall consider the merits of the appeal and render a written decision. The decision shall be made by majority vote, and the parties shall be given a copy of the decision. The decision may affirm, modify or reverse the decision of the Hearing Panel except that alternative discipline exceeding that imposed by the Hearing Panel may not be ordered by the Appellate Panel. If the decision is adverse to the conclusion of the Hearing Panel, further proceedings may be conducted consistent with the decision of the Appellate Panel. If the decision is adverse to the appellant, no further appeals are allowed.

SECTION 17.12: OBLIGATION OF MEMBERS

The primary Designated REALTOR® with whom a REALTOR® is affiliated shall not be automatically joined in any ethics complaint. However, the primary Designated REALTOR may be joined as a respondent in the complaint by decision of the Review Board, or by determination of the Hearing Panel prior to the commencement of the hearing based on the facts of the complaint. The primary Designated REALTOR® joined in such complaint shall not be automatically found in violation of the Code of Ethics if the affiliated REALTOR® is judged in violation, but the finding should be based on the facts and merits of the case. Discipline of the primary Designated REALTOR®, if any, may vary from that imposed upon the affiliated REALTOR®.

SECTION 17.13: CONFIDENTIALITY

All information contained in the Association's files, documentary or otherwise, relating to disciplinary hearings and/or the arbitration of business disputes shall be confidential and shall not be disclosed to any person or entity other than the Association's employees, members, and legal counsel who need to know the information in the performance of their duties for the Association, and except as may be otherwise specifically provided by these bylaws. Notwithstanding the foregoing, the Board of Directors may, in instances involving matters that appear to involve a violation of law, regulation, or public trust, disclose any such information to the appropriate governmental agency or authority or to law enforcement, pursuant to the policy and procedures as may be adopted by the Board of Directors and amended from time to time.

ARTICLE 18 - INDEMNIFICATION

SECTION 18.1: OCCASIONS FOR INDEMNIFICATION

The Association shall indemnify any person who was or is a party, or who is threatened to be made a party, to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigation, by reason of the fact that he/she is or was a director or officer of the Association, or a member of any committee established by these Bylaws or by resolution of the Directors, to the full extent permitted by law.

ARTICLE 19 - MISCELLANEOUS

SECTION 19.1: NOTICES

Whenever any notice is required or permitted by these Bylaws, the notice shall be deemed effective if delivered in person, by messenger service, by electronic means, or by letter mailed first class addressed to the addressee's last known address as shown in the Association's records. Notices shall be deemed to have been given as of the time of delivery, or as of the opening of business on the next business day following posting in the case of mail.

SECTION 19.2: FINANCIAL OBLIGATIONS

If charges, fees, fines or other assessments owed to the Association are not paid within thirty (30) days after the due date, the membership of the nonpaying member shall be suspended. Sixty (60) days after the due date, membership of the nonpaying member shall be terminated, unless within that time the amount due is paid or unless an acceptable payment arrangement has been made with the member at the discretion of the Board of Directors. However, no action shall be taken to terminate a member for nonpayment of amounts until the accuracy of the amount owed has been confirmed by the Board of Directors. A former member who has had his/her membership terminated for nonpayment of charges, fees, fines or other assessments duly levied in accordance with the provisions of these Bylaws or the provisions of other Rules and Regulations of the Association or any of its services, departments, divisions or subsidiaries may apply for reinstatement in a manner prescribed in Section 6.5, after making payment in full of all accounts due as of the date of termination.

ARTICLE 20 - COMMON LOCK BOX SYSTEM

SECTION 20.1: ESTABLISHMENT OF A COMMON LOCK BOX SYSTEM

The Association shall establish a Common Lock Box System (sometimes referred to as the "System") for the use of its members and REALTOR® members of other Associations who are full MLS participants in the Association's MLS or which have entered into a reciprocal access agreement with the Grand Rapids Association of REALTORS® as herein prescribed. The purpose shall be to provide a uniform security system for those properties which are subject to inspection where access can be gained by use of a key or access card and, in addition, to provide a more economic and convenient delivery of service to the selling, buying and leasing public.

SECTION 20.2: PARTICIPATION

Participation in the Common Lock Box System shall be available to all REALTOR® members of the Association and to other members of the Association as may be authorized by the Board of Directors from time to time; or REALTOR® members of other Associations who are full MLS participants in the Association's MLS or which have entered into a reciprocal agreement with the Grand Rapids Association of REALTORS®. Any REALTOR® who is associated with a Participant in the System and who desires to obtain a key or access card, shall be required to enter into such Use Agreement as may be prescribed by the Board of Directors.

SECTION 20.3: AUTHORITY TO ADOPT RULES AND REGULATIONS

The Board of Directors may adopt a set of rules and regulations governing the use and operation of the System and prescribe the forms relating to its operation. The rules and regulations for the operation of the System and the terms and conditions of its agreements shall have the same force and effect as these Bylaws and all other Association rules upon the Designated REALTOR® or Designated REALTORS®, and upon any member who signs a Use Agreement and any violations thereof shall be subject to the obligations and procedure prescribed in Article 17 of these Bylaws.

Code of Ethics and Standards of Practice

of the NATIONAL ASSOCIATION OF REALTORS®

Effective January 1, 2014

Where the word REALTORS® is used in this Code and Preamble, it shall be deemed to include REALTOR-ASSOCIATE®s.

While the Code of Ethics establishes obligations that may be higher than those mandated by law, in any instance where the Code of Ethics and the law conflict, the obligations of the law must take precedence.

Preamble

Under all is the land. Upon its wise utilization and widely allocated ownership depend the survival and growth of free institutions and of our civilization. REALTORS® should recognize that the interests of the nation and its citizens require the highest and best use of the land and the widest distribution of land ownership. They require the creation of adequate housing, the building of functioning cities, the development of productive industries and farms, and the preservation of a healthful environment.

Such interests impose obligations beyond those of ordinary commerce. They impose grave social responsibility and a patriotic duty to which REALTORS® should dedicate themselves, and for which they should be diligent in preparing themselves. REALTORS®, therefore, are zealous to maintain and improve the standards of their calling and share with their fellow REALTORS® a common responsibility for its integrity and honor.

In recognition and appreciation of their obligations to clients, customers, the public, and each other, REALTORS® continuously strive to become and remain informed on issues affecting real estate and, as knowledgeable professionals, they willingly share the fruit of their experience and study with others. They identify and take steps, through enforcement of this Code of Ethics and by assisting appropriate regulatory bodies, to eliminate practices which may damage the public or which might discredit or bring dishonor to the real estate profession. REALTORS® having direct personal knowledge of conduct that may violate the Code of Ethics involving misappropriation of client or customer funds or property, willful discrimination, or fraud resulting in substantial economic harm, bring such matters to the attention of the appropriate Board or Association of REALTORS®. (Amended 1/00)

Realizing that cooperation with other real estate professionals promotes the best interests of those who utilize their services, REALTORS® urge exclusive representation of clients; do not attempt to gain any unfair advantage over their competitors; and they refrain from making unsolicited comments about other practitioners. In instances where their opinion is sought, or where REALTORS® believe that comment is necessary, their opinion is offered in an objective, professional manner, uninfluenced by any personal motivation or potential advantage or gain.

The term REALTOR® has come to connote competency, fairness, and high integrity resulting from adherence to a lofty ideal of moral conduct in business relations. No inducement of profit and no instruction from clients ever can justify departure from this ideal.

In the interpretation of this obligation, REALTORS® can take no safer guide than that which has been handed down through the centuries, embodied in the Golden Rule, "Whatsoever ye would that others should do to you, do ye even so to them."

Accepting this standard as their own, REALTORS® pledge to observe its spirit in all of their activities whether conducted personally, through associates or others, or via technological means, and to conduct their business in accordance with the tenets set forth below. (Amended 1/07)

Duties to Clients and Customers

Article 1

When representing a buyer, seller, landlord, tenant, or other client as an agent, REALTORS® pledge themselves to protect and promote the interests of their client. This obligation to the client is primary, but it does not relieve REALTORS® of their obligation to treat all parties honestly. When serving a buyer, seller, landlord, tenant or other party in a non-agency capacity, REALTORS® remain obligated to treat all parties honestly. (Amended 1/01)

• Standard of Practice 1-1

REALTORS®, when acting as principals in a real estate transaction, remain obligated by the duties imposed by the Code of Ethics. (Amended 1/93)

• Standard of Practice 1-2

The duties imposed by the Code of Ethics encompass all real estate-related activities and transactions whether conducted in person, electronically, or through any other means.

The duties the Code of Ethics imposes are applicable whether REALTORS® are acting as agents or in legally recognized non-agency capacities except that any duty imposed exclusively on agents by law or regulation shall not be imposed by this Code of Ethics on REALTORS® acting in non-agency capacities.

As used in this Code of Ethics, "client" means the person(s) or entity(ies) with whom a REALTOR® or a REALTOR®'s firm has an agency or legally recognized non-agency relationship; "customer" means a party to a real estate transaction who receives information, services, or benefits but has no contractual relationship with the REALTOR® or the REALTOR®'s firm; "prospect" means a purchaser, seller, tenant, or landlord who is not subject to a representation relationship with the REALTOR® or REALTOR®'s firm; "agent" means a real estate licensee (including brokers and sales associates) acting in an agency relationship as defined by state law or regulation; and "broker" means a real estate licensee (including brokers and sales associates) acting as an agent or in a legally recognized non-agency capacity. (Adopted 1/95, Amended 1/07)

• Standard of Practice 1-3

REALTORS®, in attempting to secure a listing, shall not deliberately mislead the owner as to market value.

• Standard of Practice 1-4

REALTORS®, when seeking to become a buyer/tenant representative, shall not mislead buyers or tenants as to savings or other benefits that might be realized through use of the REALTOR®'s services. (Amended 1/93)

• Standard of Practice 1-5

REALTORS® may represent the seller/landlord and buyer/tenant in the

same transaction only after full disclosure to and with informed consent of both parties. *(Adopted 1/93)*

• **Standard of Practice 1-6**

REALTORS® shall submit offers and counter-offers objectively and as quickly as possible. *(Adopted 1/93, Amended 1/95)*

• **Standard of Practice 1-7**

When acting as listing brokers, REALTORS® shall continue to submit to the seller/landlord all offers and counter-offers until closing or execution of a lease unless the seller/landlord has waived this obligation in writing. REALTORS® shall not be obligated to continue to market the property after an offer has been accepted by the seller/landlord. REALTORS® shall recommend that sellers/landlords obtain the advice of legal counsel prior to acceptance of a subsequent offer except where the acceptance is contingent on the termination of the pre-existing purchase contract or lease. *(Amended 1/93)*

• **Standard of Practice 1-8**

REALTORS®, acting as agents or brokers of buyers/tenants, shall submit to buyers/tenants all offers and counter-offers until acceptance but have no obligation to continue to show properties to their clients after an offer has been accepted unless otherwise agreed in writing. REALTORS®, acting as agents or brokers of buyers/tenants, shall recommend that buyers/tenants obtain the advice of legal counsel if there is a question as to whether a pre-existing contract has been terminated. *(Adopted 1/93, Amended 1/99)*

• **Standard of Practice 1-9**

The obligation of REALTORS® to preserve confidential information (as defined by state law) provided by their clients in the course of any agency relationship or non-agency relationship recognized by law continues after termination of agency relationships or any non-agency relationships recognized by law. REALTORS® shall not knowingly, during or following the termination of professional relationships with their clients:

- 1) reveal confidential information of clients; or
- 2) use confidential information of clients to the disadvantage of clients; or
- 3) use confidential information of clients for the REALTOR®'s advantage or the advantage of third parties unless:
 - a) clients consent after full disclosure; or
 - b) REALTORS® are required by court order; or
 - c) it is the intention of a client to commit a crime and the information is necessary to prevent the crime; or
 - d) it is necessary to defend a REALTOR® or the REALTOR®'s employees or associates against an accusation of wrongful conduct.

Information concerning latent material defects is not considered confidential information under this Code of Ethics. *(Adopted 1/93, Amended 1/01)*

• **Standard of Practice 1-10**

REALTORS® shall, consistent with the terms and conditions of their real estate licensure and their property management agreement, competently manage the property of clients with due regard for the rights, safety and health of tenants and others lawfully on the premises. *(Adopted 1/95, Amended 1/00)*

• **Standard of Practice 1-11**

REALTORS® who are employed to maintain or manage a client's property shall exercise due diligence and make reasonable efforts to protect it against reasonably foreseeable contingencies and losses. *(Adopted 1/95)*

• **Standard of Practice 1-12**

When entering into listing contracts, REALTORS® must advise sellers/landlords of:

- 1) the REALTOR®'s company policies regarding cooperation and the amount(s) of any compensation that will be offered to subagents, buyer/tenant agents, and/or brokers acting in legally recognized non-agency capacities;

- 2) the fact that buyer/tenant agents or brokers, even if compensated by listing brokers, or by sellers/landlords may represent the interests of buyers/tenants; and
- 3) any potential for listing brokers to act as disclosed dual agents, e.g., buyer/tenant agents. *(Adopted 1/93, Renumbered 1/98, Amended 1/03)*

• **Standard of Practice 1-13**

When entering into buyer/tenant agreements, REALTORS® must advise potential clients of:

- 1) the REALTOR®'s company policies regarding cooperation;
- 2) the amount of compensation to be paid by the client;
- 3) the potential for additional or offsetting compensation from other brokers, from the seller or landlord, or from other parties;
- 4) any potential for the buyer/tenant representative to act as a disclosed dual agent, e.g., listing broker, subagent, landlord's agent, etc., and
- 5) the possibility that sellers or sellers' representatives may not treat the existence, terms, or conditions of offers as confidential unless confidentiality is required by law, regulation, or by any confidentiality agreement between the parties. *(Adopted 1/93, Renumbered 1/98, Amended 1/06)*

• **Standard of Practice 1-14**

Fees for preparing appraisals or other valuations shall not be contingent upon the amount of the appraisal or valuation. *(Adopted 1/02)*

• **Standard of Practice 1-15**

REALTORS®, in response to inquiries from buyers or cooperating brokers shall, with the sellers' approval, disclose the existence of offers on the property. Where disclosure is authorized, REALTORS® shall also disclose, if asked, whether offers were obtained by the listing licensee, another licensee in the listing firm, or by a cooperating broker. *(Adopted 1/03, Amended 1/09)*

• **Standard of Practice 1-16**

REALTORS® shall not access or use, or permit or enable others to access or use, listed or managed property on terms or conditions other than those authorized by the owner or seller. *(Adopted 1/12)*

Article 2

REALTORS® shall avoid exaggeration, misrepresentation, or concealment of pertinent facts relating to the property or the transaction. REALTORS® shall not, however, be obligated to discover latent defects in the property, to advise on matters outside the scope of their real estate license, or to disclose facts which are confidential under the scope of agency or non-agency relationships as defined by state law. *(Amended 1/00)*

• **Standard of Practice 2-1**

REALTORS® shall only be obligated to discover and disclose adverse factors reasonably apparent to someone with expertise in those areas required by their real estate licensing authority. Article 2 does not impose upon the REALTOR® the obligation of expertise in other professional or technical disciplines. *(Amended 1/96)*

• **Standard of Practice 2-2**

(Renumbered as Standard of Practice 1-12 1/98)

• **Standard of Practice 2-3**

(Renumbered as Standard of Practice 1-13 1/98)

• **Standard of Practice 2-4**

REALTORS® shall not be parties to the naming of a false consideration in any document, unless it be the naming of an obviously nominal consideration.

• **Standard of Practice 2-5**

Factors defined as "non-material" by law or regulation or which are expressly referenced in law or regulation as not being subject to disclosure are considered not "pertinent" for purposes of Article 2. *(Adopted 1/93)*

Article 3

REALTORS® shall cooperate with other brokers except when cooperation is not in the client's best interest. The obligation to cooperate does not include the obligation to share commissions, fees, or to otherwise compensate another broker. *(Amended 1/95)*

• Standard of Practice 3-1

REALTORS®, acting as exclusive agents or brokers of sellers/ landlords, establish the terms and conditions of offers to cooperate. Unless expressly indicated in offers to cooperate, cooperating brokers may not assume that the offer of cooperation includes an offer of compensation. Terms of compensation, if any, shall be ascertained by cooperating brokers before beginning efforts to accept the offer of cooperation. *(Amended 1/99)*

• Standard of Practice 3-2

Any change in compensation offered for cooperative services must be communicated to the other REALTOR® prior to the time that REALTOR® submits an offer to purchase/lease the property. After a REALTOR® has submitted an offer to purchase or lease property, the listing broker may not attempt to unilaterally modify the offered compensation with respect to that cooperative transaction. *(Amended 1/14)*

• Standard of Practice 3-3

Standard of Practice 3-2 does not preclude the listing broker and cooperating broker from entering into an agreement to change cooperative compensation. *(Adopted 1/94)*

• Standard of Practice 3-4

REALTORS®, acting as listing brokers, have an affirmative obligation to disclose the existence of dual or variable rate commission arrangements (i.e., listings where one amount of commission is payable if the listing broker's firm is the procuring cause of sale/lease and a different amount of commission is payable if the sale/lease results through the efforts of the seller/landlord or a cooperating broker). The listing broker shall, as soon as practical, disclose the existence of such arrangements to potential cooperating brokers and shall, in response to inquiries from cooperating brokers, disclose the differential that would result in a cooperative transaction or in a sale/lease that results through the efforts of the seller/landlord. If the cooperating broker is a buyer/tenant representative, the buyer/tenant representative must disclose such information to their client before the client makes an offer to purchase or lease. *(Amended 1/02)*

• Standard of Practice 3-5

It is the obligation of subagents to promptly disclose all pertinent facts to the principal's agent prior to as well as after a purchase or lease agreement is executed. *(Amended 1/93)*

• Standard of Practice 3-6

REALTORS® shall disclose the existence of accepted offers, including offers with unresolved contingencies, to any broker seeking cooperation. *(Adopted 5/86, Amended 1/04)*

• Standard of Practice 3-7

When seeking information from another REALTOR® concerning property under a management or listing agreement, REALTORS® shall disclose their REALTOR® status and whether their interest is personal or on behalf of a client and, if on behalf of a client, their relationship with the client. *(Amended 1/11)*

• Standard of Practice 3-8

REALTORS® shall not misrepresent the availability of access to show or inspect a listed property. *(Amended 11/87)*

• Standard of Practice 3-9

REALTORS® shall not provide access to listed property on terms

other than those established by the owner or the listing broker. *(Adopted 1/10)*

• Standard of Practice 3-10

The duty to cooperate established in Article 3 relates to the obligation to share information on listed property, and to make property available to other brokers for showing to prospective purchasers/tenants when it is in the best interests of sellers/landlords. *(Adopted 1/11)*

Article 4

REALTORS® shall not acquire an interest in or buy or present offers from themselves, any member of their immediate families, their firms or any member thereof, or any entities in which they have any ownership interest, any real property without making their true position known to the owner or the owner's agent or broker. In selling property they own, or in which they have any interest, REALTORS® shall reveal their ownership or interest in writing to the purchaser or the purchaser's representative. *(Amended 1/00)*

• Standard of Practice 4-1

For the protection of all parties, the disclosures required by Article 4 shall be in writing and provided by REALTORS® prior to the signing of any contract. *(Adopted 2/86)*

Article 5

REALTORS® shall not undertake to provide professional services concerning a property or its value where they have a present or contemplated interest unless such interest is specifically disclosed to all affected parties.

Article 6

REALTORS® shall not accept any commission, rebate, or profit on expenditures made for their client, without the client's knowledge and consent.

When recommending real estate products or services (e.g., homeowner's insurance, warranty programs, mortgage financing, title insurance, etc.), REALTORS® shall disclose to the client or customer to whom the recommendation is made any financial benefits or fees, other than real estate referral fees, the REALTOR® or REALTOR®'s firm may receive as a direct result of such recommendation. *(Amended 1/99)*

• Standard of Practice 6-1

REALTORS® shall not recommend or suggest to a client or a customer the use of services of another organization or business entity in which they have a direct interest without disclosing such interest at the time of the recommendation or suggestion. *(Amended 5/88)*

Article 7

In a transaction, REALTORS® shall not accept compensation from more than one party, even if permitted by law, without disclosure to all parties and the informed consent of the REALTOR®'s client or clients. *(Amended 1/93)*

Article 8

REALTORS® shall keep in a special account in an appropriate financial institution, separated from their own funds, monies coming into their possession in trust for other persons, such as escrows, trust funds, clients' monies, and other like items.

Article 9

REALTORS®, for the protection of all parties, shall assure whenever possible that all agreements related to real estate transactions including, but not limited to, listing and representation agreements, purchase contracts, and leases are in writing in clear and understandable language expressing the specific terms, conditions, obligations and commitments of the parties. A copy of each agreement shall be furnished to each party to such agreements upon their signing or initialing. *(Amended 1/04)*

- **Standard of Practice 9-1**

For the protection of all parties, REALTORS® shall use reasonable care to ensure that documents pertaining to the purchase, sale, or lease of real estate are kept current through the use of written extensions or amendments. *(Amended 1/93)*

- **Standard of Practice 9-2**

When assisting or enabling a client or customer in establishing a contractual relationship (e.g., listing and representation agreements, purchase agreements, leases, etc.) electronically, REALTORS® shall make reasonable efforts to explain the nature and disclose the specific terms of the contractual relationship being established prior to it being agreed to by a contracting party. *(Adopted 1/07)*

Duties to the Public

Article 10

REALTORS® shall not deny equal professional services to any person for reasons of race, color, religion, sex, handicap, familial status, national origin, sexual orientation, or gender identity. REALTORS® shall not be parties to any plan or agreement to discriminate against a person or persons on the basis of race, color, religion, sex, handicap, familial status, national origin, sexual orientation, or gender identity. *(Amended 1/14)*

REALTORS®, in their real estate employment practices, shall not discriminate against any person or persons on the basis of race, color, religion, sex, handicap, familial status, national origin, sexual orientation, or gender identity. *(Amended 1/14)*

- **Standard of Practice 10-1**

When involved in the sale or lease of a residence, REALTORS® shall not volunteer information regarding the racial, religious or ethnic composition of any neighborhood nor shall they engage in any activity which may result in panic selling, however, REALTORS® may provide other demographic information. *(Adopted 1/94, Amended 1/06)*

- **Standard of Practice 10-2**

When not involved in the sale or lease of a residence, REALTORS® may provide demographic information related to a property, transaction or professional assignment to a party if such demographic information is (a) deemed by the REALTOR® to be needed to assist with or complete, in a manner consistent with Article 10, a real estate transaction or professional assignment and (b) is obtained or derived from a recognized, reliable, independent, and impartial source. The source of such information and any additions, deletions, modifications, interpretations, or other changes shall be disclosed in reasonable detail. *(Adopted 1/05, Renumbered 1/06)*

- **Standard of Practice 10-3**

REALTORS® shall not print, display or circulate any statement or advertisement with respect to selling or renting of a property that indicates any preference, limitations or discrimination based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, or gender identity. *(Adopted 1/94, Renumbered 1/05 and 1/06, Amended 1/14)*

- **Standard of Practice 10-4**

As used in Article 10 “real estate employment practices” relates to employees and independent contractors providing real estate-related services and the administrative and clerical staff directly supporting those individuals. *(Adopted 1/00, Renumbered 1/05 and 1/06)*

Article 11

The services which REALTORS® provide to their clients and customers shall conform to the standards of practice and competence which are

reasonably expected in the specific real estate disciplines in which they engage; specifically, residential real estate brokerage, real property management, commercial and industrial real estate brokerage, land brokerage, real estate appraisal, real estate counseling, real estate syndication, real estate auction, and international real estate.

REALTORS® shall not undertake to provide specialized professional services concerning a type of property or service that is outside their field of competence unless they engage the assistance of one who is competent on such types of property or service, or unless the facts are fully disclosed to the client. Any persons engaged to provide such assistance shall be so identified to the client and their contribution to the assignment should be set forth. *(Amended 1/10)*

- **Standard of Practice 11-1**

When REALTORS® prepare opinions of real property value or price they must:

- 1) be knowledgeable about the type of property being valued,
- 2) have access to the information and resources necessary to formulate an accurate opinion, and
- 3) be familiar with the area where the subject property is located

unless lack of any of these is disclosed to the party requesting the opinion in advance.

When an opinion of value or price is prepared other than in pursuit of a listing or to assist a potential purchaser in formulating a purchase offer, the opinion shall include the following unless the party requesting the opinion requires a specific type of report or different data set:

- 1) identification of the subject property
 - 2) date prepared
 - 3) defined value or price
 - 4) limiting conditions, including statements of purpose(s) and intended user(s)
 - 5) any present or contemplated interest, including the possibility of representing the seller/landlord or buyers/tenants
 - 6) basis for the opinion, including applicable market data
 - 7) if the opinion is not an appraisal, a statement to that effect
 - 8) disclosure of whether and when a physical inspection of the property's exterior was conducted
 - 9) disclosure of whether and when a physical inspection of the property's interior was conducted
 - 10) disclosure of whether the REALTOR® has any conflicts of interest
- (Amended 1/14)*

- **Standard of Practice 11-2**

The obligations of the Code of Ethics in respect of real estate disciplines other than appraisal shall be interpreted and applied in accordance with the standards of competence and practice which clients and the public reasonably require to protect their rights and interests considering the complexity of the transaction, the availability of expert assistance, and, where the REALTOR® is an agent or subagent, the obligations of a fiduciary. *(Adopted 1/95)*

- **Standard of Practice 11-3**

When REALTORS® provide consultive services to clients which involve advice or counsel for a fee (not a commission), such advice shall be rendered in an objective manner and the fee shall not be contingent on the substance of the advice or counsel given. If brokerage or transaction services are to be provided in addition to consultive services, a separate compensation may be paid with prior agreement between the client and REALTOR®. *(Adopted 1/96)*

- **Standard of Practice 11-4**

The competency required by Article 11 relates to services contracted for between REALTORS® and their clients or customers; the duties expressly

imposed by the Code of Ethics; and the duties imposed by law or regulation. *(Adopted 1/02)*

Article 12

REALTORS® shall be honest and truthful in their real estate communications and shall present a true picture in their advertising, marketing, and other representations. REALTORS® shall ensure that their status as real estate professionals is readily apparent in their advertising, marketing, and other representations, and that the recipients of all real estate communications are, or have been, notified that those communications are from a real estate professional. *(Amended 1/08)*

• Standard of Practice 12-1

REALTORS® may use the term “free” and similar terms in their advertising and in other representations provided that all terms governing availability of the offered product or service are clearly disclosed at the same time. *(Amended 1/97)*

• Standard of Practice 12-2

REALTORS® may represent their services as “free” or without cost even if they expect to receive compensation from a source other than their client provided that the potential for the REALTOR® to obtain a benefit from a third party is clearly disclosed at the same time. *(Amended 1/97)*

• Standard of Practice 12-3

The offering of premiums, prizes, merchandise discounts or other inducements to list, sell, purchase, or lease is not, in itself, unethical even if receipt of the benefit is contingent on listing, selling, purchasing, or leasing through the REALTOR® making the offer. However, REALTORS® must exercise care and candor in any such advertising or other public or private representations so that any party interested in receiving or otherwise benefiting from the REALTOR®’s offer will have clear, thorough, advance understanding of all the terms and conditions of the offer. The offering of any inducements to do business is subject to the limitations and restrictions of state law and the ethical obligations established by any applicable Standard of Practice. *(Amended 1/95)*

• Standard of Practice 12-4

REALTORS® shall not offer for sale/lease or advertise property without authority. When acting as listing brokers or as subagents, REALTORS® shall not quote a price different from that agreed upon with the seller/landlord. *(Amended 1/93)*

• Standard of Practice 12-5

REALTORS® shall not advertise nor permit any person employed by or affiliated with them to advertise real estate services or listed property in any medium (e.g., electronically, print, radio, television, etc.) without disclosing the name of that REALTOR®’s firm in a reasonable and readily apparent manner. This Standard of Practice acknowledges that disclosing the name of the firm may not be practical in electronic displays of limited information (e.g., “thumbnails”, text messages, “tweets”, etc.). Such displays are exempt from the disclosure requirement established in this Standard of Practice, but only when linked to a display that includes all required disclosures. *(Adopted 11/86, Amended 1/11)*

• Standard of Practice 12-6

REALTORS®, when advertising unlisted real property for sale/lease in which they have an ownership interest, shall disclose their status as both owners/landlords and as REALTORS® or real estate licensees. *(Amended 1/93)*

• Standard of Practice 12-7

Only REALTORS® who participated in the transaction as the listing broker or cooperating broker (selling broker) may claim to have “sold” the property.

Prior to closing, a cooperating broker may post a “sold” sign only with the consent of the listing broker. *(Amended 1/96)*

• Standard of Practice 12-8

The obligation to present a true picture in representations to the public includes information presented, provided, or displayed on REALTORS® websites. REALTORS® shall use reasonable efforts to ensure that information on their websites is current. When it becomes apparent that information on a REALTOR®’s website is no longer current or accurate, REALTORS® shall promptly take corrective action. *(Adopted 1/07)*

• Standard of Practice 12-9

REALTOR® firm websites shall disclose the firm’s name and state(s) of licensure in a reasonable and readily apparent manner.

Websites of REALTORS® and non-member licensees affiliated with a REALTOR® firm shall disclose the firm’s name and that REALTOR®’s or non-member licensee’s state(s) of licensure in a reasonable and readily apparent manner. *(Adopted 1/07)*

• Standard of Practice 12-10

REALTORS®’ obligation to present a true picture in their advertising and representations to the public includes Internet content posted, and the URLs and domain names they use, and prohibits REALTORS® from:

- 1) engaging in deceptive or unauthorized framing of real estate brokerage websites;
- 2) manipulating (e.g., presenting content developed by others) listing and other content in any way that produces a deceptive or misleading result;
- 3) deceptively using metatags, keywords or other devices/methods to direct, drive, or divert Internet traffic; or
- 4) presenting content developed by others without either attribution or without permission, or
- 5) to otherwise mislead consumers. *(Adopted 1/07, Amended 1/13)*

• Standard of Practice 12-11

REALTORS® intending to share or sell consumer information gathered via the Internet shall disclose that possibility in a reasonable and readily apparent manner. *(Adopted 1/07)*

• Standard of Practice 12-12

REALTORS® shall not:

- 1) use URLs or domain names that present less than a true picture, or
- 2) register URLs or domain names which, if used, would present less than a true picture. *(Adopted 1/08)*

• Standard of Practice 12-13

The obligation to present a true picture in advertising, marketing, and representations allows REALTORS® to use and display only professional designations, certifications, and other credentials to which they are legitimately entitled. *(Adopted 1/08)*

Article 13

REALTORS® shall not engage in activities that constitute the unauthorized practice of law and shall recommend that legal counsel be obtained when the interest of any party to the transaction requires it.

Article 14

If charged with unethical practice or asked to present evidence or to cooperate in any other way, in any professional standards proceeding or investigation, REALTORS® shall place all pertinent facts before the proper tribunals of the Member Board or affiliated institute, society, or council in which membership is held and shall take no action to disrupt or obstruct such processes. *(Amended 1/99)*

- **Standard of Practice 14-1**

REALTORS® shall not be subject to disciplinary proceedings in more than one Board of REALTORS® or affiliated institute, society, or council in which they hold membership with respect to alleged violations of the Code of Ethics relating to the same transaction or event. *(Amended 1/95)*

- **Standard of Practice 14-2**

REALTORS® shall not make any unauthorized disclosure or dissemination of the allegations, findings, or decision developed in connection with an ethics hearing or appeal or in connection with an arbitration hearing or procedural review. *(Amended 1/92)*

- **Standard of Practice 14-3**

REALTORS® shall not obstruct the Board's investigative or professional standards proceedings by instituting or threatening to institute actions for libel, slander, or defamation against any party to a professional standards proceeding or their witnesses based on the filing of an arbitration request, an ethics complaint, or testimony given before any tribunal. *(Adopted 11/87, Amended 1/99)*

- **Standard of Practice 14-4**

REALTORS® shall not intentionally impede the Board's investigative or disciplinary proceedings by filing multiple ethics complaints based on the same event or transaction. *(Adopted 11/88)*

Duties to REALTORS®

Article 15

REALTORS® shall not knowingly or recklessly make false or misleading statements about other real estate professionals, their businesses, or their business practices. *(Amended 1/12)*

- **Standard of Practice 15-1**

REALTORS® shall not knowingly or recklessly file false or unfounded ethics complaints. *(Adopted 1/00)*

- **Standard of Practice 15-2**

The obligation to refrain from making false or misleading statements about other real estate professionals, their businesses, and their business practices includes the duty to not knowingly or recklessly publish, repeat, retransmit, or republish false or misleading statements made by others. This duty applies whether false or misleading statements are repeated in person, in writing, by technological means (e.g., the Internet), or by any other means. *(Adopted 1/07, Amended 1/12)*

- **Standard of Practice 15-3**

The obligation to refrain from making false or misleading statements about other real estate professionals, their businesses, and their business practices includes the duty to publish a clarification about or to remove statements made by others on electronic media the REALTOR® controls once the REALTOR® knows the statement is false or misleading. *(Adopted 1/10, Amended 1/12)*

Article 16

REALTORS® shall not engage in any practice or take any action inconsistent with exclusive representation or exclusive brokerage relationship agreements that other REALTORS® have with clients. *(Amended 1/04)*

- **Standard of Practice 16-1**

Article 16 is not intended to prohibit aggressive or innovative business practices which are otherwise ethical and does not prohibit disagreements with other REALTORS® involving commission, fees,

compensation or other forms of payment or expenses. *(Adopted 1/93, Amended 1/95)*

- **Standard of Practice 16-2**

Article 16 does not preclude REALTORS® from making general announcements to prospects describing their services and the terms of their availability even though some recipients may have entered into agency agreements or other exclusive relationships with another REALTOR®. A general telephone canvass, general mailing or distribution addressed to all prospects in a given geographical area or in a given profession, business, club, or organization, or other classification or group is deemed "general" for purposes of this standard. *(Amended 1/04)*

Article 16 is intended to recognize as unethical two basic types of solicitations:

First, telephone or personal solicitations of property owners who have been identified by a real estate sign, multiple listing compilation, or other information service as having exclusively listed their property with another REALTOR® and

Second, mail or other forms of written solicitations of prospects whose properties are exclusively listed with another REALTOR® when such solicitations are not part of a general mailing but are directed specifically to property owners identified through compilations of current listings, "for sale" or "for rent" signs, or other sources of information required by Article 3 and Multiple Listing Service rules to be made available to other REALTORS® under offers of subagency or cooperation. *(Amended 1/04)*

- **Standard of Practice 16-3**

Article 16 does not preclude REALTORS® from contacting the client of another broker for the purpose of offering to provide, or entering into a contract to provide, a different type of real estate service unrelated to the type of service currently being provided (e.g., property management as opposed to brokerage) or from offering the same type of service for property not subject to other brokers' exclusive agreements. However, information received through a Multiple Listing Service or any other offer of cooperation may not be used to target clients of other REALTORS® to whom such offers to provide services may be made. *(Amended 1/04)*

- **Standard of Practice 16-4**

REALTORS® shall not solicit a listing which is currently listed exclusively with another broker. However, if the listing broker, when asked by the REALTOR®, refuses to disclose the expiration date and nature of such listing, i.e., an exclusive right to sell, an exclusive agency, open listing, or other form of contractual agreement between the listing broker and the client, the REALTOR® may contact the owner to secure such information and may discuss the terms upon which the REALTOR® might take a future listing or, alternatively, may take a listing to become effective upon expiration of any existing exclusive listing. *(Amended 1/94)*

- **Standard of Practice 16-5**

REALTORS® shall not solicit buyer/tenant agreements from buyers/tenants who are subject to exclusive buyer/tenant agreements. However, if asked by a REALTOR®, the broker refuses to disclose the expiration date of the exclusive buyer/tenant agreement, the REALTOR® may contact the buyer/tenant to secure such information and may discuss the terms upon which the REALTOR® might enter into a future buyer/tenant agreement or, alternatively, may enter into a buyer/tenant agreement to become effective upon the expiration of any existing exclusive buyer/tenant agreement. *(Adopted 1/94, Amended 1/98)*

• **Standard of Practice 16-6**

When REALTORS® are contacted by the client of another REALTOR® regarding the creation of an exclusive relationship to provide the same type of service, and REALTORS® have not directly or indirectly initiated such discussions, they may discuss the terms upon which they might enter into a future agreement or, alternatively, may enter into an agreement which becomes effective upon expiration of any existing exclusive agreement. *(Amended 1/98)*

• **Standard of Practice 16-7**

The fact that a prospect has retained a REALTOR® as an exclusive representative or exclusive broker in one or more past transactions does not preclude other REALTORS® from seeking such prospect's future business. *(Amended 1/04)*

• **Standard of Practice 16-8**

The fact that an exclusive agreement has been entered into with a REALTOR® shall not preclude or inhibit any other REALTOR® from entering into a similar agreement after the expiration of the prior agreement. *(Amended 1/98)*

• **Standard of Practice 16-9**

REALTORS®, prior to entering into a representation agreement, have an affirmative obligation to make reasonable efforts to determine whether the prospect is subject to a current, valid exclusive agreement to provide the same type of real estate service. *(Amended 1/04)*

• **Standard of Practice 16-10**

REALTORS®, acting as buyer or tenant representatives or brokers, shall disclose that relationship to the seller/landlord's representative or broker at first contact and shall provide written confirmation of that disclosure to the seller/landlord's representative or broker not later than execution of a purchase agreement or lease. *(Amended 1/04)*

• **Standard of Practice 16-11**

On unlisted property, REALTORS® acting as buyer/tenant representatives or brokers shall disclose that relationship to the seller/landlord at first contact for that buyer/tenant and shall provide written confirmation of such disclosure to the seller/landlord not later than execution of any purchase or lease agreement. *(Amended 1/04)*

REALTORS® shall make any request for anticipated compensation from the seller/landlord at first contact. *(Amended 1/98)*

• **Standard of Practice 16-12**

REALTORS®, acting as representatives or brokers of sellers/landlords or as subagents of listing brokers, shall disclose that relationship to buyers/tenants as soon as practicable and shall provide written confirmation of such disclosure to buyers/tenants not later than execution of any purchase or lease agreement. *(Amended 1/04)*

• **Standard of Practice 16-13**

All dealings concerning property exclusively listed, or with buyer/tenants who are subject to an exclusive agreement shall be carried on with the client's representative or broker, and not with the client, except with the consent of the client's representative or broker or except where such dealings are initiated by the client.

Before providing substantive services (such as writing a purchase offer or presenting a CMA) to prospects, REALTORS® shall ask prospects whether they are a party to any exclusive representation agreement. REALTORS® shall not knowingly provide substantive services concerning a prospective transaction to prospects who are parties to exclusive representation agreements, except with the consent of the prospects' exclusive representatives or at the direction of prospects. *(Adopted 1/93, Amended 1/04)*

• **Standard of Practice 16-14**

REALTORS® are free to enter into contractual relationships or to negotiate with sellers/landlords, buyers/tenants or others who are not subject to an exclusive agreement but shall not knowingly obligate them to pay more than one commission except with their informed consent. *(Amended 1/98)*

• **Standard of Practice 16-15**

In cooperative transactions REALTORS® shall compensate cooperating REALTORS® (principal brokers) and shall not compensate nor offer to compensate, directly or indirectly, any of the sales licensees employed by or affiliated with other REALTORS® without the prior express knowledge and consent of the cooperating broker.

• **Standard of Practice 16-16**

REALTORS®, acting as subagents or buyer/tenant representatives or brokers, shall not use the terms of an offer to purchase/lease to attempt to modify the listing broker's offer of compensation to subagents or buyer/tenant representatives or brokers nor make the submission of an executed offer to purchase/lease contingent on the listing broker's agreement to modify the offer of compensation. *(Amended 1/04)*

• **Standard of Practice 16-17**

REALTORS®, acting as subagents or as buyer/tenant representatives or brokers, shall not attempt to extend a listing broker's offer of cooperation and/or compensation to other brokers without the consent of the listing broker. *(Amended 1/04)*

• **Standard of Practice 16-18**

REALTORS® shall not use information obtained from listing brokers through offers to cooperate made through multiple listing services or through other offers of cooperation to refer listing brokers' clients to other brokers or to create buyer/tenant relationships with listing brokers' clients, unless such use is authorized by listing brokers. *(Amended 1/02)*

• **Standard of Practice 16-19**

Signs giving notice of property for sale, rent, lease, or exchange shall not be placed on property without consent of the seller/landlord. *(Amended 1/93)*

• **Standard of Practice 16-20**

REALTORS®, prior to or after their relationship with their current firm is terminated, shall not induce clients of their current firm to cancel exclusive contractual agreements between the client and that firm. This does not preclude REALTORS® (principals) from establishing agreements with their associated licensees governing assignability of exclusive agreements. *(Adopted 1/98, Amended 1/10)*

Article 17

In the event of contractual disputes or specific non-contractual disputes as defined in Standard of Practice 17-4 between REALTORS® (principals) associated with different firms, arising out of their relationship as REALTORS®, the REALTORS® shall mediate the dispute if the Board requires its members to mediate. If the dispute is not resolved through mediation, or if mediation is not required, REALTORS® shall submit the dispute to arbitration in accordance with the policies of the Board rather than litigate the matter.

In the event clients of REALTORS® wish to mediate or arbitrate contractual disputes arising out of real estate transactions, REALTORS® shall mediate or arbitrate those disputes in accordance with the policies of the Board, provided the clients agree to be bound by any resulting agreement or award.

The obligation to participate in mediation and arbitration contemplated by this Article includes the obligation of REALTORS® (principals) to cause their firms to mediate and arbitrate and be bound by any resulting agreement or award. *(Amended 1/12)*

• **Standard of Practice 17-1**

The filing of litigation and refusal to withdraw from it by REALTORS® in an arbitrable matter constitutes a refusal to arbitrate. *(Adopted 2/86)*

• **Standard of Practice 17-2**

Article 17 does not require REALTORS® to mediate in those circumstances when all parties to the dispute advise the Board in writing that they choose not to mediate through the Board's facilities. The fact that all parties decline to participate in mediation does not relieve REALTORS® of the duty to arbitrate.

Article 17 does not require REALTORS® to arbitrate in those circumstances when all parties to the dispute advise the Board in writing that they choose not to arbitrate before the Board. *(Amended 1/12)*

• **Standard of Practice 17-3**

REALTORS®, when acting solely as principals in a real estate transaction, are not obligated to arbitrate disputes with other REALTORS® absent a specific written agreement to the contrary. *(Adopted 1/96)*

• **Standard of Practice 17-4**

Specific non-contractual disputes that are subject to arbitration pursuant to Article 17 are:

- 1) Where a listing broker has compensated a cooperating broker and another cooperating broker subsequently claims to be the procuring cause of the sale or lease. In such cases the complainant may name the first cooperating broker as respondent and arbitration may proceed without the listing broker being named as a respondent. When arbitration occurs between two (or more) cooperating brokers and where the listing broker is not a party, the amount in dispute and the amount of any potential resulting award is limited to the amount paid to the respondent by the listing broker and any amount credited or paid to a party to the transaction at the direction of the respondent. Alternatively, if the complaint is brought against the listing broker, the listing broker may name the first cooperating broker as a third-party respondent. In either instance the decision of the hearing panel as to procuring cause shall be conclusive with respect to all current or subsequent claims of the parties for compensation arising out of the underlying cooperative transaction. *(Adopted 1/97, Amended 1/07)*
- 2) Where a buyer or tenant representative is compensated by the seller or landlord, and not by the listing broker, and the listing broker, as a result, reduces the commission owed by the seller or landlord and, subsequent to such actions, another cooperating broker claims to be the procuring cause of sale or lease. In such cases the complainant may name the first cooperating broker as respondent and arbitration may proceed without the listing broker being named as a respondent. When arbitration occurs between two (or more) cooperating brokers and where the listing broker is not a party, the amount in dispute and the amount of any potential resulting award is limited to the amount paid to the respondent by the seller or landlord and any amount credited or paid to a party to the transaction at the direction of the respondent. Alternatively, if the complaint is brought against the listing broker, the listing broker may name the first cooperating broker as a third-party respondent. In either instance the decision of the hearing panel as to procuring cause shall be conclusive with respect to all current or subsequent claims of the parties for compensation arising out of the underlying cooperative transaction. *(Adopted 1/97, Amended 1/07)*

- 3) Where a buyer or tenant representative is compensated by the buyer or tenant and, as a result, the listing broker reduces the commission owed by the seller or landlord and, subsequent to such actions, another cooperating broker claims to be the procuring cause of sale or lease. In such cases the complainant may name the first cooperating broker as respondent and arbitration may proceed without the listing broker being named as a respondent. Alternatively, if the complaint is brought against the listing broker, the listing broker may name the first cooperating broker as a third-party respondent. In either instance the decision of the hearing panel as to procuring cause shall be conclusive with respect to all current or subsequent claims of the parties for compensation arising out of the underlying cooperative transaction. *(Adopted 1/97)*

- 4) Where two or more listing brokers claim entitlement to compensation pursuant to open listings with a seller or landlord who agrees to participate in arbitration (or who requests arbitration) and who agrees to be bound by the decision. In cases where one of the listing brokers has been compensated by the seller or landlord, the other listing broker, as complainant, may name the first listing broker as respondent and arbitration may proceed between the brokers. *(Adopted 1/97)*

- 5) Where a buyer or tenant representative is compensated by the seller or landlord, and not by the listing broker, and the listing broker, as a result, reduces the commission owed by the seller or landlord and, subsequent to such actions, claims to be the procuring cause of sale or lease. In such cases arbitration shall be between the listing broker and the buyer or tenant representative and the amount in dispute is limited to the amount of the reduction of commission to which the listing broker agreed. *(Adopted 1/05)*

• **Standard of Practice 17-5**

The obligation to arbitrate established in Article 17 includes disputes between REALTORS® (principals) in different states in instances where, absent an established inter-association arbitration agreement, the REALTOR® (principal) requesting arbitration agrees to submit to the jurisdiction of, travel to, participate in, and be bound by any resulting award rendered in arbitration conducted by the respondent(s) REALTOR®'s association, in instances where the respondent(s) REALTOR®'s association determines that an arbitrable issue exists. *(Adopted 1/07)*

Explanatory Notes

The reader should be aware of the following policies which have been approved by the Board of Directors of the National Association:

In filing a charge of an alleged violation of the Code of Ethics by a REALTOR®, the charge must read as an alleged violation of one or more Articles of the Code. Standards of Practice may be cited in support of the charge.

The Standards of Practice serve to clarify the ethical obligations imposed by the various Articles and supplement, and do not substitute for, the Case Interpretations in *Interpretations of the Code of Ethics*.

Modifications to existing Standards of Practice and additional new Standards of Practice are approved from time to time. Readers are cautioned to ensure that the most recent publications are utilized.



A FOCUS ON FAIR HOUSING AND DIVERSITY

Diversity is considered to be one of our country's greatest assets. It is not only affecting the way we view the world, but also the economy of the world.

Meeting the needs of America's diverse consumer groups has become a pragmatic strategy for businesses of all kinds, especially within the real estate industry. It is crucial that REALTORS have a thorough knowledge of the Fair Housing laws and the necessary skill sets to reach multi-cultural home buyers and sellers.

Please read the information below to learn more about the industry's regulations, as well as the resources that are available to assist you in your business.

WHAT IS FAIR HOUSING?

The Fair Housing Center of West Michigan describes "Fair Housing" as the right of individuals to obtain the housing of their choice (i.e. rent an apartment, buy a home, obtain a mortgage, purchase homeowners insurance, etc.), free from discrimination in any of the areas referenced in national, state and local laws.

WHAT IS THE FAIR HOUSING ACT?

The first steps taken by the Federal Government to eliminate discrimination in housing came in the early 1960's.

In 1962, President John F. Kennedy issued an Executive Order which guaranteed non-discrimination in FHA and VA financed housing. Two years later, Congress enacted Title VI of the Civil Rights Act of 1964, which prohibited discrimination in any program receiving Federal dollars. Neither of these actions applied to privately financed housing, so the vast majority of housing units were still not covered.

In 1968, the most far-reaching changes in the legal status of Fair Housing occurred when both the Legislative and Judicial Branches of the Federal Government acted separately to make Fair Housing the law of the land.

On April 11, 1968, Title VIII of the Civil Rights Act became law. It is more commonly referred to as the Fair Housing Act, and it made it illegal to discriminate on the basis of **race, color, religion, or national origin**. The Act was amended in 1974 to include **sex** (i.e. gender) and again in 1988 to prohibit discrimination on the basis of **disability, familial status, marital status and age**.

WHAT ARE THE FEDERALLY PROTECTED CLASSES?

Race, color, religion, national origin, sex, disability, familial status, marital status, and age.

IS THAT THE COMPLETE LIST OF PROTECTED CLASSES?

It may not be, since States may add classifications as well. For instance, Michigan law also prohibits discrimination on the basis of height, weight, physical and/or mental disability.

AS A REALTOR, HOW CAN YOU PROTECT AND PROMOTE FAIR HOUSING?

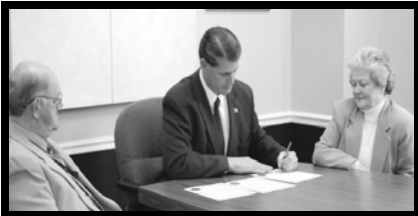
CELEBRATE FAIR HOUSING MONTH: During April of each year, the nation's REALTORS celebrate the anniversary of the landmark Fair Housing Act by reconfirming their commitment to uphold the fair housing laws and to offer equal professional service to all.

DISPLAY THE EQUAL HOUSING LOGO: By displaying the Equal Housing logo in your marketing materials, you will demonstrate to the buying and selling public that you proudly support the Fair Housing Act and that you strive to provide equal service to all.



You may download the logo by visiting http://www.realtor.org/about_nar/nar_graphics/eqhouse.

ABIDE BY THE REALTOR CODE OF ETHICS: Article 10 of the REALTOR Code of Ethics highlights the commitment to Fair Housing by mandating that:



Article 10: REALTORS® shall not deny equal professional services to any person for reasons of race, color, religion, sex, handicap, familial status, national origin, or sexual orientation. REALTORS® shall not be parties to any plan or agreement to discriminate against a person or persons on the basis of race, color, religion, sex, handicap, familial status, national origin, or sexual orientation. (Amended 1/11)

REALTORS®, in their real estate employment practices, shall not discriminate against any person or persons on the basis of race, color, religion, sex, handicap, familial status, national origin, or sexual orientation. (Amended 1/11)

Standard of Practice 10-1: When involved in the sale or lease of a residence, REALTORS shall not volunteer information regarding the racial, religious or ethnic composition of any neighborhood nor shall they engage in any activity which may result in panic selling, however, REALTORS may provide other demographic information.

Standard of Practice 10-2: When not involved in the sale or lease of a residence, REALTORS may provide demographic information related to a property, transaction or professional assignment to a party if such demographic information is (a) deemed by the REALTOR to be needed to assist with or complete, in a manner consistent with Article 10, a real estate transaction or professional assignment and (b) is obtained or derived from a recognized, reliable, independent, and impartial source. The source of such information and any additions, deletions, modifications, interpretations, or other changes shall be disclosed in reasonable detail.

Standard of Practice 10-3: REALTORS® shall not print, display or circulate any statement or advertisement with respect to selling or renting of a property that indicates any preference, limitations or discrimination based on race, color, religion, sex, handicap, familial status, national origin, or sexual orientation.

Standard of Practice 10-4: As used in Article 10 "real estate employment practices" relates to employees and independent contractors providing real estate-related services and the administrative and clerical staff directly supporting those individuals.

LISTING PRESENTATIONS: Do not enter into a listing wherein the seller refuses to list it without illegal restrictions.

For purposes of illustration, you may be asked by a seller to do something that is against the law. A seller may want to put limitations on a listing that cannot legally be honored. This request may be made in direct or subtle manners; but it usually involves limiting the showing, selling or renting of property because of the race, color, religion, sex, national origin, disability, age, familial status or the marital status of the potential buyer. The suggestions referenced below can be especially helpful in dealing with this kind of situation.

- ✚ **Construct a Market Value Analysis:** Be sure that race, color, religion, sex, national origin, disability, age, familial status, or marital status do not influence the professional judgment of a property's value.

Note: For years, real estate appraisers and other realty professionals routinely considered racial factors when evaluating a neighborhood. The myth that property values inevitably decline in racially diverse neighborhoods is still prevalent in the minds of some, even though studies have shown that it is not true. Don't accept the mythology of the past!

- ✚ **Organize your presentation:** Be prepared to point out to the seller the statement in the listing agreement that refers to non-discrimination. Do not accept the listing if the seller refuses to list it without illegal restrictions.

- ✚ **Imagine the seller's responses:** Play the encounter in your mind. Think about the various questions or objections the seller may raise that relate to Fair Housing. Practice your responses.

- ✚ **Have a positive mental attitude.**

- ✚ **Expect to Control the Contact:** Your attitude and the tone you set with the seller about the Fair Housing laws can greatly influence his/her attitude and behavior. If you present the seller's rights and responsibilities under the Fair Housing law in a positive, matter-of-fact manner, he/she will most likely accept them.

Points to Remember:

1. Accepting a listing that places limitations on the showing, selling, or renting of property because of race, color, religion, sex, national origin, disability, age, familial status or marital status is illegal.
2. The seller, listing agent, and listing broker would all be liable for damages if a listing is accepted on that basis.
3. Always be prepared to explain to a seller the Fair Housing law in a positive way in terms of its purpose and protection for all.
4. It is absolutely essential for the seller to understand the necessity of abiding by the Fair Housing law during the entire term of the listing.
5. If a seller insists on illegal restrictions, refuse the listing! Make sure you record thorough notes and inform your broker or office manager of the situation.
6. If you suspect a listing is taken on an illegal basis, contact the Grand Rapids Association of REALTORS (GRAR) immediately.

QUALIFYING BUYERS: Do not qualify customers differently because of their race, color, religion, sex, national origin, disability, age, familial status or marital status.

As you know, qualifying is a process that helps you understand your customers' housing needs and establish the price range in which they can afford to buy. Qualifying customers will save you time, money and frustration, and will enable you to better serve your clients' needs. However, it is crucial that you use objective criteria to qualify buyers.



It is a good idea to develop a qualifying form that can be used with all buyers, irrespective of their race, color, religion, sex, national origin, disability, age, familial status or marital status. This form will also help you avoid making assumptions about people with whom you have had little interpersonal contact. Please check with your supervising broker to determine whether or not your firm offers such a form.

Points to Remember:

1. It is illegal to qualify a customer differently because of his/her race, color, religion, sex, national origin, disability, age, familial status or marital status.
2. Unintentional discrimination that springs from traditional human reactions is nonetheless illegal.
3. Use objective criteria when qualifying customers.
4. Using a qualifying form can be a helpful tool for qualifying all customers in a non-discriminatory manner.
5. Qualifying customers objectively in a non-discriminatory manner is good business.

BE THE “SOURCE” OF THE SOURCE: Do not volunteer information about the racial composition of a neighborhood. Further, be aware of the dangers involved in attempting to answer questions from your clients on the racial composition of a neighborhood, or, for that matter, information concerning any of the protected classes.



It is more appropriate to refer these types of inquiries to legitimate sources that can accurately and satisfactorily provide information about racial, religious, or ethnic composition. These sources include:

- ✚ Fair Housing Center of West Michigan -- www.fhcwm.org
- ✚ Planning Department of the Local Municipality
- ✚ U.S. Census Bureau -- <http://www.census.gov/>

Points to Remember:

1. Never volunteer information on the racial composition of a neighborhood.
2. It is impossible for a REALTOR to maintain absolutely accurate and up-to-date information on the racial composition of neighborhoods.
3. Comments about the racial make-up of a neighborhood that have a discriminatory effect are illegal.
4. Be prepared to provide reliable sources of information to customers who insist on knowing the racial make-up of a neighborhood.
5. Emphasize the positive aspects of a neighborhood.
6. Emphasize that the housing market is open to all.

DO NOT STEER: Illegal steering is defined as “*restricting or attempting to restrict the choices of a person by words or conduct in connection with seeking, negotiating for, buying, or renting a dwelling so as to perpetuate, or tend to perpetuate, racially segregated housing patterns, or to discourage or obstruct racially integrated housing patterns in an interracial neighborhood or community.*”

In the past, it was a rather common practice to limit the choices of minority group customers to those areas in or next to racially diverse neighborhoods. It was also customarily assumed that white buyers would want to avoid racially diverse neighborhoods. This type of steering made racial segregation possible and is now illegal.

In the simplest terms, illegal steering limits choice. Meaning, it focuses a customer’s attention on some choices and excludes others based upon the racial or religious characteristics of either the home seeker or the neighborhoods in question.

How do you avoid illegal steering?

Be careful how you respond to buyer inquiries. Unfortunately, it is possible to inadvertently violate the Fair Housing Act by steering a customer to or from certain areas. The National Association of

REALTORS (NAR) offers the following suggestions for those instances when buyers ask you to recommend neighborhoods.

- ✚ **Ask about hobbies.** This will often elicit information that will help you identify properties in neighborhoods that fit their lifestyle without you having to get into questions of religion, ethnicity, or other sensitive matters. For instance, swimmers might want to be near a park with a pool, while biking enthusiasts might prefer proximity to trails and nature preserves.



- ✚ **Offer school district resources.** When buyers ask questions about schools, point them to the school district's website and encourage them to schedule a visit to the schools. You can help them locate the district boundaries to ensure that they'll be purchasing within their preferred district. You are cautioned against commenting as to the quality of the schools.
- ✚ **Direct them to the police.** If buyers want to get a picture of the area's crime rate, please direct them to the local police department. REALTORS are cautioned against disclosing crime statistics or indicating whether a neighborhood is a safe place to live (even if you believe it to be true).
- ✚ **Make a list of spiritual places.** Develop a list of all houses of worship in the neighborhoods you serve and provide that a resource to buyers.
- ✚ **Get to know the Census Bureau.** If buyers want to know the demographics of the area, refer them to the "fact finder" section of the U.S. Census Bureau website. This will enable them to determine racial, ethnic, and income breakdowns. If buyers want to dig deeper, refer them to the city government or the local fair housing center.
- ✚ **Stick to the rules.** If buyers persist in asking questions that could result in a charge of steering against you, be polite but firm in telling them: "I'm sorry, but I cannot provide that information. Fair Housing laws prevent me from steering people away from or toward a certain neighborhood based upon race, color, or other protected categories." Then, encourage these buyers to gather their own information.

Points to remember:

1. Illegal steering limits choices.
2. Illegal steering perpetuates segregated housing patterns.
3. Expanding locational choices for home seekers is not illegal steering.
4. Use the "effects" test and keep records of where you show homes to customers.
5. Avoid making assumptions about where customers want to live.
6. Expanding housing opportunities is good business.

FAIR HOUSING TOOLS AND RESOURCES:

If you would like to learn more about the topics of Fair Housing and/or diversity, please take advantage of the following resources:

NAR Field Guide to Fair Housing -- <http://www.realtor.org/library/library/fq705>
NAR Field Guide to Marketing to the Hispanic Community -- <http://www.realtor.org/library/library/fq221>
NAR Field Guide to Diversity for REALTORS -- <http://www.realtor.org/library/library/fq215>
NAR Field Guide to Complying with the ADA -- <http://www.realtor.org/library/library/fq716>
NAR At Home with Diversity Certification Program -- http://www.realtor.org/government_affairs/diversity
Fair Housing Center of West Michigan -- <http://www.fhwm.org/>
National Fair Housing Alliance -- <http://www.nationalfairhousing.org/>
U.S. Department of Housing & Urban Development (HUD) -- <http://www.hud.gov/>



MR LEGAL HOTLINE 1-800-522-2820

WHAT IS IT?

The Legal Hotline, which is provided by the Michigan REALTORS (MR), enables REALTORS (not the public) to have direct, toll-free access to a qualified real estate attorney who can share information on real estate law and related matters.

HOW DO I ACCESS IT?

Dial 1-800-522-2820. The Hotline also has a website that offers valuable information:
<http://www.mirealtors.com/content/hotline.htm>

WHAT DOES IT COST?

There is no cost to call the Hotline, as it is subsidized by the state membership dues (\$3 per year per member).



WHEN IS IT AVAILABLE?

The Hotline is operated six hours per day (9:00 a.m. to 3:00 p.m.), five days per week (Monday through Friday). Recognized holidays are excluded. If the Hotline is busy, an answering service will take your call. Please leave a detailed message and your call will be returned within 24 hours, but usually on that same day.

WHO OPERATES THE HOTLINE?

The Hotline is staffed by qualified attorneys from the office of McCelland & Anderson LLP. Although the Hotline serves as a valuable resource for REALTORS, it does not establish an attorney/client relationship.

WHAT ARE SOME OF THE HOTLINE'S FREQUENTLY ASKED QUESTIONS?



Q: I sold property with a specific date for the closing to occur. It did not occur. Is it okay to declare the contract null and void and re-list the property?

A: Probably not. Generally, courts will not strictly enforce the time deadlines that are contained in contracts. The time deadline is read by a court to be a reasonable time to perform. A date alone or even a date with a "time is of the essence" statement is not enough to strictly enforce the date in the purchase contract. This is particularly true if "time is of the essence" language is contained

in the preprinted language in the form. Although there is not any way to be certain a court will strictly enforce a time deadline, a court is more likely to do so if there is a stated reason in the contract why time is crucial for this particular transaction.

Q: Is it true that as long as I mark “buyer’s agent” on the agency disclosure form, a buyer agency agreement isn’t necessary?

A: No. While the agency disclosure form is required by the Occupational Code, it does not offer REALTORS any of the protections set forth in the Exclusive Buyer Agency Agreement or the Non-Exclusive Limited Buyer Assistance Agreement. Since buyer agency is still a relatively new phenomenon in Michigan, it is unclear how the courts will treat claims against buyer’s agents. To avoid being the “test case” it is important to have a separate buyer agency agreement setting forth the specific limitations of the REALTORS liability.

Q: If the sellers never lived in the property is it exempt from the Seller's Disclosure Act?

A: No. The sellers must fill out the Seller's Disclosure Form even if they have never resided in the property. In the case of nonresident sellers, many of the items may be marked unknown or not applicable. Sellers who do not reside at the property should also indicate that fact in the explanation section.

Q: I would like to offer a bonus or otherwise reward my clients. Can I do this and what are the limits on such bonuses?

A: Yes. You can offer bonuses or rebates of commission to your clients as long as they are generally available and not based on chance. The best way to protect yourself is to have written rules stating who is eligible for any offered bonuses.

Q: I have a rental house that I have recently rented to someone who has physical disabilities. The tenant wants me to install rails in a number of areas within the house at my expense. Must I do this?

A: If a person has a disability, a landlord may not refuse to let him or her make reasonable modifications to the rental unit; however, the landlord can require the disabled tenant to pay for the modifications and to restore the property to its original condition at the termination of the lease.

Q: I am a real estate licensee and I would like to make an offer on some property but I do not wish to disclose the fact that I am a real estate licensee until after the purchase agreement is accepted. Can I do this?

A: No. Rule 315 from the Administrative Rules for Real Estate Brokers and Salespersons forbids this. The rule specifically states the following: "When buying or acquiring, directly or indirectly, an interest in property, a licensee shall disclose the fact of his or her licensure as a real estate broker, associate broker, or salesperson clearly, in writing, to the owner before the owner is asked to sign the purchase agreement." Remember also that Rule 317 requires the express written permission of the seller if the buyer/licensee will be collecting a commission on the purchase. The easiest place to obtain this written consent is in the purchase agreement.

Q: Are sellers obligated to accept a full price and terms offer in response to an offer in an MLS?

A: No. The Michigan Court of Appeals recently held that an MLS listing does not constitute an offer which can be accepted unilaterally. Thus, even if buyers come in with a full price cash offer with no contingencies, the seller is under no obligation to accept the buyers’ offer. The seller may owe a commission on the sale, but has no obligation to enter into a purchase agreement and sell the property.

RESIDENTIAL MLS COMMITTEE MINIMUM REQUIREMENTS FOR SUBMITTING LISTINGS

- A. **LISTING CONTRACT CHECKLIST.** PLEASE NOTE: It will be necessary for the MLS to return the Listing Agreement to the Listing Agent if any of the following areas are incomplete, since staff is unable to make changes to the document once signed by the seller. In addition, if incomplete, it would not provide adequate protection to other MLS participants if a dispute arises over whether compensation has been earned. Please write or print firmly and clearly on the Listing Agreement since you are making three copies. Please send or mail the Listing Agreement and Data Form, and only fax if absolutely necessary.
1. **MLS:** The name of the MLS must be included on the contract, i.e. GRAR or Grand Rapids Association.
 2. **Dates:** Be sure to include specific start and expiration dates (month/day/year). **Listings must be filed within 5 business days of listed date.**
 3. **Address:** Always provide the street number or approximate street number and the complete street name, city, state, and zip code. Lot numbers may be used instead of street numbers for vacant land if desired, or can be used in conjunction with the street number to differentiate between several lots at the same location. For new, unnamed streets, please indicate the street number or approximate street number and street name that the parcel is 'off of'.
 4. **Price and Terms – Must be specific.**
 - a. **Price:** Please include **one** listed price on the contract, at which the Seller is contractually obligated. Other prices may be included on the Data Form, such as price ranges at which the property is being marketed.
 - b. **Terms:** Check all financing terms being offered. **Land Contract terms** must include complete and specific terms, i.e. specific Down Payment, Interest Rate, Monthly Payment, and Early Payoff (if any). *Note:* If the contract is to be sold by the seller to a third party company in order for the seller to be cashed-out, indicate "SLC" or "Sell Land Contract" in **Other** _____ on the Listing Agreement, and specify terms.
 - c. **Contingency term:** Insert contingency, for example, "This listing to be withdrawn/expired (must choose one or the other) if (other property address) sells first."
 - d. **Discount Points & Repairs:** If the sellers are willing to pay discount points and/or repairs, please include the maximum percentage of discount points and the maximum dollar amount of repairs they will pay, on both the Listing Agreement and Data Form. If the seller is not willing to contribute to points or repairs, simply place "0" in these areas.
 5. **Brokerage Fee** - Be sure to fill in this area on the contract. If a Dual Commission Arrangement exists, specify in **OTHER CONDITIONS** (including the variable in the Brokerage Fee), as well as in the Financial Comments on the Data Form.
 6. **Protection Period.** Please be sure to complete this section.
 7. **Participation in MLS.** Splits offered to Subagent (of the Seller); Buyers Agent; Transaction Coordinator.
 8. **Possession** - Please be specific by indicating the minimum number of days or a specific date (month/day/year). A simple statement of "negotiable" will not be considered as acceptable since it would not provide adequate protection of other MLS participants when determining whether contract terms have been met and compensation earned. **To Be Determined (TBD)** is *not* acceptable in any case.
 9. **Reserved Prospects.** Prospects may be reserved for up to five days from the contract date. Please include names of prospects in the *contract* portion only. If a *relocation company* is a reserved prospect, the contract should state, "No commission to be paid if sold to (relocation company)." This is the *only* exception to reserved prospects that has been authorized by the Residential MLS Committee, i.e. a relocation company may be reserved for the *term of the listing agreement*.
 10. **Signatures.** Please review the following marital status/ownership types to ensure that proper signatures have been obtained. **NOTE: You must indicate the Ownership Type.** It is recommended that the name(s) of the persons or entity be printed, in addition to the signature. **Don't forget to sign the Listing Agreement as the Listing Agent!**

| Type of Ownership or Capacity of person(s) signing | Signature Requirements |
|---|---|
| Marital status: Please be sure to check the appropriate box. | Married couple – both husband and wife sign the Listing Agreement. Unmarried couple – both Sellers sign the Listing Agreement if the property is Jointly Owned. Single Man – his is the only signature required, unless the property is Jointly Owned. |
| Ownership Type: Please be sure to check the appropriate box. | Joint Owner (Married or Single Man) – all owners sign. Sole Owner (Married or Single Man) - his is the only signature required. Joint Owner (Woman) – all owners sign. Sole Owner (Woman) – hers is the only signature required. |
| Partnership: Please indicate “Managing Partner” or “General Partner” next to the signature(s). | The Listing Agreement is signed by all partners unless accompanied by a signed Partnership Card if the partnership is registered. If it is not registered, husbands and wives all sign the Listing Agreement. |
| Power of Attorney (POA): Please write POA next to the signature as well as the person(s) the POA is for. | Please submit a copy of the notarized Power of Attorney with the listing. |
| Corporation: Please indicate Seller’s title next to the signature. | Please submit documentation, showing that the person(s) who signed the Listing Agreement have authority to do so. Seller designates his/her corporate title, and name of the corporation. |
| LLC: Please indicate Seller’s title next to the signature. | Please submit documentation, showing that the person(s) who signed the Listing Agreement have authority to do so. Seller indicates if they are an officer or member of the LLC, as well as the name of the LLC. |
| Estate Properties: Please indicate applicable title next to the signature. | Please submit documentation, showing that the person(s) who signed the Listing Agreement have authority to do so. Seller indicates if they are an Administrator, Executor, or Independent Personal Representative, and includes the name of the estate on the Listing Agreement and Data Form. |
| Trust Properties | Please submit documentation, showing that the person(s) who signed the Listing Agreement have authority to do so. Seller indicates if they are a Trustee, and includes the name of the Trust. A copy of the complete notarized copy of the trust agreement is not required if a certificate of trust is provided. |
| Guardianship: Please indicate “Guardian” next to the signature. | Please submit documentation, showing that the person(s) who signed the Listing Agreement have authority to do so. Seller indicates that they are the Guardian for the owner, on both the Listing Agreement and Data Form. |
| “X” | If the Seller signs with an “X”, then two disinterested third parties witness the signature and sign the Listing Agreement as witnesses. |
| Church-owned property | Please submit a letter from the proper body of the church with the listing, which gives the person signing as the Seller authorization to sell the property. |

11. **Deletions and/or changes to the printed contract** will be subject to review and may or may not cause the listing to be deemed unacceptable for processing through the MLS (except for "For Sale" signs display permission).
12. **Listings which contain a condition** that compels or makes mandatory the use of a specific service company by a buyer for a buyer expense shall not be accepted for processing through the MLS.
13. **Listings of property which are conditional** upon the sale of a second listing may be processed through the MLS provided full disclosure of the conditional requirements are contained in the contract as well as the financial comments on the data sheet or the first line of the listing agent comments on the data sheet.

14. **Listings of property which are conditional** upon an offer being written on a specific Purchase Agreement, will not be accepted for processing.
 15. **Limited Service Listings:** Any MLS Participant who enters a listing in the MLS where mandatory services have been waived shall provide a copy of the service provision agreement or limited service agreement (if separate from the listing contract) to the MLS at the time of submission of the listing.
 16. Except as otherwise stated in this document or in the Residential MLS Rules and Regulations, **any condition contained on a listing whereby the seller has control over whether or not the condition is met**, shall not be accepted for processing through the MLS since it would not provide adequate protection to other MLS participants when determining whether contract terms have been met and compensation earned.
- B. **COMPUTER DATA FORM CHECKLIST** - Please fill out the Data Form completely and submit with every listing submitted to the MLS. Check to be sure the six digit Listing Office Code is correct. Please use the correct Data Form that corresponds with the listing: Residential (for use with all single family, condo, vacation properties, and Farm with house), Vacant Land (for use with all Residential Vacant Land property and Farm/Agricultural without house), Multi-Family (for use with all Residential income/multi-family properties). Also ensure that all contract terms (i.e. address, price, terms, discount points and repairs, contingency terms) agree with Listing Agreement.
1. **Contract and Expiration Dates** - Be sure these correspond with the contract.
 2. **Listing Office Code** - This is your 6-digit Broker code. Please be sure it is correct!
 3. **Owner's Name(s)** - In the event the seller wishes that their name not be published through the MLS (and a power of attorney is not applicable), please include a letter, signed by the seller, that indicates that they prefer that the Listing Agent's name appear. This permits the agent to place his/her name in the "seller" field on the data form as "**Agent for Owner**". This is not a Power-of-Attorney and does *not* permit the agent to sign the Listing Agreement, or Amendment Forms and Withdrawal Agreements. Please be sure that the agent letter is dated, includes the address or legal description of the property, and is signed by the owner(s).
 4. **Listing Address** - Please be sure this is specific, including directionals and street, road, boulevard, drive, court, etc. Also, please be sure zip code is correct.
 5. **Permanent Parcel #** - Since this is a field on which searches can be conducted, please be sure to include all numbers related to the PP# (county, township, section, block and parcel numbers).
 6. **Legal/Tax Description** - Include on the data sheet unless too lengthy (if so list county, township, and section on data sheet and complete legal on separate, accompanying sheet). Please include another copy of the Legal Description if the same property is being re-listed in order for the listing package to be independently complete.
 7. **Possession Date** - Please be specific by indicating the minimum number of days, or a specific date (month/day/year) as previously indicated on the Listing Agreement.
 8. **Financial Information** - Please be sure **Listing Price, Commission Splits, Terms Offered** and **Financial Comments/ Contingencies** match those indicated on the Listing Agreement.
Special Financial Considerations:
 - a. *Reserved Prospects.* Indicate that there are reserved prospects. (Note: As previously indicated, the names need not appear on the Data Form but are included on the Listing Agreement.)
 - b. *Relocation Company:* If a relocation company is a reserved prospect, indicate, "No commission to be paid if sold to (name) Relocation Co."
 9. **Assessed Valuation (AV) and/or Taxable Value (TV)** - Please include (at a minimum) Assessed Value or Taxable Value (including Year). "New" is acceptable where new improved property has not yet been assessed; POLP is acceptable where the property is part of a larger parcel. The number 1 will be used as the AV in both cases.
 10. **Lot size and/or acreage** – One or the other is required.
 11. **Computer Section** - Please be sure to include the correct Computer Section Number.
 12. **Zoning** - Zoning is required.

13. **Directions** - Please be specific and include, where applicable, the specific quadrant (NE, NW, SE, SW).
 14. **School District** - Please do *not* give name of high school.
 15. **Heating System** - We must have one selection from **SOURCE** and one selection from **TYPE**.
 16. **Year Built** - Year Built is required. We cannot accept 999 or "Unknown".
 17. **Approximate Square Footage** - (gross living area above grade); **Method of Determining Square Footage** (measured, municipality, professional appraisal); **Total Finished Living Area**.
 18. **Garage Size, Garage Attached, Driveway, Basement Style** - All fields are required.
 19. **Exterior/Other Features** - Please complete this section.
- C. SKETCH OF PROPERTY** with dimensions shall be included on all vacant properties. **It must include dimensions or acreage.**
- D. Condominiums** – Project name, Building and unit number, type of entry, Association fee and what it includes, Amenities, whether pets are allowed, and a condo association contact person and phone number.

**MLS EXCHANGE, INC.
MULTIPLE LISTING SERVICE
2014 RULES AND REGULATIONS**

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**MLS EXCHANGE, INC.
MULTIPLE LISTING SERVICE
2013 RULES AND REGULATIONS**

These Rules and Regulations are promulgated for the purpose of specifying the operating procedures and the obligations of Participants with respect to the Multiple Listing Service established pursuant to the MLS Exchange, Inc. (hereafter "Corporation") Bylaws. The Multiple Listing Service is described as a compilation of the sale or lease of single family, condominium, vacation/recreation, townhouse, residential vacant, farms, commercial/industrial improved or vacant properties, build-to-suits, business opportunities, and multi-family and investment properties. Wherever reference is made in these Rules and Regulations to another association, it is understood to be defined as a REALTOR® Association. Additionally, within these MLS Rules and Regulations, 1) where the word "buyer" is used, it shall be deemed to include "tenant"; 2) where the word "seller" is used, it shall be deemed to include "landlord"; and where the word "purchase" is used, it shall be deemed to include "lease", when these words are used in the context of properties for lease.

ARTICLE I - EFFECTIVE DATE AND MODIFICATION

SECTION 1.1: EFFECTIVE DATE

These Rules and Regulations shall become effective on the 1st day of July, 19972012.

SECTION 1.2: MODIFICATION

These Rules and Regulations may be modified, repealed in whole or in part, or new provisions adopted at any time and from time to time by a majority vote of the Directors and notice thereof has been sent to all Participants in the Multiple Listing Service.

ARTICLE II - LISTING PROCEDURE

SECTION 2.1: LISTING REQUIREMENTS

A participating Designated REALTOR® shall cause all of the exclusive right-to-sell listings obtained by his/her office to be submitted to the Multiple Listing Service, provided, however, that the following shall be excepted from this listing requirement:

- (a) Original sales of subdivision involving only vacant land.
- (b) Where the Designated REALTOR® Participant is the owner or part owner of the property.
- (c) Where the owner, without solicitation on the part of the listing Broker, requests that the property not be exposed for sale through the Multiple Listing Service. In the event an owner makes such a request, the listing Broker shall obtain the signature of such owner on a certificate approved by the Board of Directors, attesting to his desire that the property not be exposed for sale through the Multiple Listing Service and the lack of any solicitation of such decision on the part of the listing Broker. Such form shall be filed with the Corporation, along with a copy of the listing agreement, within the time provided in Section 2.4.
- (d) Listings obtained by offices outside of GRAR's jurisdiction (except for those who have entered into a "regional" agreement to use the MLS Exchange as its primary MLS service).

SECTION 2.2: LISTING AGREEMENT

Only exclusive right-to-sell listings and exclusive agency listings shall be processed through the Multiple Listing Service, and all listing agreements to be filed with the Multiple Listing Service shall expressly state that the agreement is subject to the rules and regulations of the Multiple Listing Service, and shall be subject to the prior approval of the Directors and legal counsel of the Corporation to insure that such agreement adequately protects the public, Participants in the Corporation's Multiple Listing Services, the Grand Rapids Association of REALTORS® and the Corporation. The Directors may cause model listing agreements to be prepared which meet such requirements and make them available to participating Designated REALTORS®. Exclusive agency listing contracts shall be identified as such on both the Listing Agreement and on the information submitted to all MLS participants. A listing involving a transfer company may be signed by the listing Broker on behalf of the transfer company, but by such signature the listing Broker represents that he or she has appropriate authority to so sign and guarantees payment of the commission to a cooperating Broker when earned. A listing for a property subject to a right of first refusal must include an agreement on the part of the owner that the commission will be paid to the listing Broker and any cooperating Broker whose offer causes the right of first refusal to be exercised.

An owner and the listing broker must mutually agree upon any prospects reserved by the owner and the period of time each prospect is reserved before a listing contract is signed. The name of the prospect or prospects and the period of time reserved must appear on the agency contract (on the copy which is filed in the Corporation office). Reserved prospects will be recognized only if the above information accompanies the listing when it is filed. Prospects may not be reserved for another broker. The Corporation will not process any listing contracts through the MLS if prospects have been reserved by the owner for more than five (5) calendar days from the date of the listing.

Any exclusive-right-to-sell or exclusive agency listing agreement on other than a model form which is filed for processing through the Multiple Listing Service shall be referred to the Executive Vice President of the Corporation or his/her authorized representative. If it appears to the Executive Vice President or his/her authorized representative that the form used for an exclusive-right-to-sell or exclusive agency listing may not conform with the MLS Rules and Regulations, he/she shall submit such listing to legal counsel and may submit to the Directors for the Corporation for their review and approval before processing the same through the MLS.

If it appears to the Executive Vice President or his/her authorized representative that an exclusive-right-to-sell or exclusive agency listing on a form other than a model listing agreement: 1) complies with the MLS Rules and Regulations; 2) offers cooperation to the other Participants of the Multiple Listing Service; 3) includes the seller's authorization to submit the agreement to the Multiple Listing Service; and 4) this information may be used by buyer's agents in the normal course of business, then he/she shall accept such listings for processing through the MLS provided the listing broker also prepares and electronically files property data which can be used for purposes of publication, with adequate notice thereon to all participating members that the original listing contract is an exclusive-right-to-sell or exclusive agency listing on other than a model listing agreement.

Any MLS Participant who enters a listing in the MLS and has waived any of the mandatory services under Michigan State law is required to communicate to cooperating brokers which services were waived by placing the appropriate code(s) below in the Agent Remarks Field so potential cooperating brokers will be aware of the extent of the services that the listing broker will provide to the seller(s), and any potential for cooperating brokers being asked to provide some or all of these services to listing broker's clients, prior to initiating efforts to show or sell the property.

LS1 – Waived acceptance of delivery and presentation of offers and counteroffers to buy, sell or lease property.

LS2 – Waived assistance in developing, communicating, negotiating, and presenting offers, counteroffers, and related documents or notices until a purchase or lease agreement is executed by all parties and all contingencies are satisfied or waived.

LS3 – Waived after execution of a purchase agreement by all parties, assistance as necessary to complete the transaction under the terms specified in the purchase agreement.

The MLS Participant shall not advertise the aforementioned property to the public in any manner or forum as “for sale by owner.”

Revised 11/12/14

SECTION 2.3: DISCLOSURE TO SELLER

All Brokers and salespersons are required at the time of execution of the listing agreement to disclose to the seller all types of agency relationships available and the licensee's duties that each agency relationship creates. In addition, the broker/salesperson is required to disclose that other brokers/salespersons who show the property may be working as buyer's agents, subagents, or transaction coordinators and the seller should not disclose confidences to those brokers/salespersons that the seller would not disclose to a buyer.

SECTION 2.4: COMPLETENESS OF AGREEMENTS

Every listing agreement filed with the Multiple Listing Service shall be legible and complete with respect to every detail which is shown on the listing agreement form, and shall contain every term and condition which would be material to Participants and their clients.

SECTION 2.5: EXECUTION AND FILING OF LISTINGS

The owner and the Designated REALTOR® Participant or other duly authorized agent of the firm, partnership, or corporation accepting the listing shall sign the original listing agreement. One signed copy shall be given to the owner at the time the listing is signed by him, one shall be retained by the listing Broker Participant, and one shall be electronically filed with the Multiple Listing Service within 3 days after it is obtained (Saturdays, Sundays, and holidays excepted). There is not a fee for the first two (2) late listings per licensee per quarter, but thereafter, a fee

of \$25.00 will be imposed for the third (3rd) late listing each quarter and those thereafter. In the event a listing agreement appoints an agent to act on behalf of the owner as an undisclosed principal, a copy of the writing appointing the agent and signed by the principal shall be electronically filed with the listing agreement.

Revised 7/2014

SECTION 2.6: DUPLICATE LISTINGS

When a listing contract is on file in the Corporation Office and a second listing contract is filed by another Designated REALTOR® Participant on the same property prior to the expiration of the original listing, the second listing contract shall not be accepted by the Multiple Listing Service, and the Participant submitting such second listing shall be given written notice that such a property is currently listed by another Participant.

SECTION 2.7: EXPIRATION, EXTENSION, AND RENEWAL OF LISTINGS

Any listing filed with the Multiple Listing Service automatically expires on the dates specified in the agreement unless renewed by the listing broker and notice of renewal or extension is filed with the Service prior to expiration.

If notice of renewal or extension is dated after the expiration date of the original listing, then a new listing must be secured for the listing to be filed with the Service. It should then be published as a new listing. Any extension or renewal of a listing must be signed by the seller(s) and be filed with the Service.

If a listing is received at the Corporation office after the date of expiration, the listing will be accepted by the Multiple Listing Service, but it will not be published.

SECTION 2.8: WITHDRAWAL OF LISTINGS

Listings may be withdrawn from the Multiple Listing Service before the expiration date of the listing agreement, providing notice is filed with the Multiple Listing Service, including an electronic copy of the agreement between the owner and the listing Broker which authorizes withdrawal.

SECTION 2.9: CHANGE IN TERMS

Whenever any listing Broker Participant is requested by an owner to change the listing terms of any property filed with the Multiple Listing Service, such Participant shall obtain from the owner a written request, signed by the owner, for such change on a form previously approved by the Multiple Listing Service, and such request, containing the written approval of the listing Broker Participant, shall be electronically filed with the Multiple Listing Service within 48 hours after its effective date, Saturday, Sundays, and holidays excepted.

If it appears to the Multiple Listing Service that the change form may not contain the true signature(s) of the owner(s), the Multiple Listing Service shall so notify the listing Broker Participant. The Multiple Listing Service shall maintain record of this notice and, in the event that the matter results in a future claim by a cooperating broker, a copy of the notice shall be provided to the Professional Standards Committee for consideration.

SECTION 2.10: PARTICIPANTS EXCLUDED

If an owner desires that his property not be turned over to certain other Designated REALTORS® who are participating in the Multiple Listing Service, it shall be so stated on the listing contract and this information conveyed to those other Designated REALTORS®.

SECTION 2.11: NOTICES OF EXPIRATION

The Corporation office shall electronically publish to all Designated REALTORS® who are participating in the Multiple Listing Service a list of all properties on which the listings have expired.

SECTION 2.12: LISTING PRICE SPECIFIED

The full gross listing price shall be stated on the listing contract, as well as in the online listing data, except those listings submitted on a build-to-suit contract. Said gross listing price shall include any amounts necessary to discharge all mortgages, assessments, and other liens. REALTORS® shall not quote a price different from that agreed upon with the seller/landlord.

Notwithstanding the foregoing, participants must disclose potential short sales (defined as a transaction where title transfers, where the sale price is insufficient to pay the total of all liens and costs of the sale and where the seller does not bring sufficient liquid assets to the closing to cure all deficiencies) when reasonably known to the listing participants. When disclosed, participants may, at their discretion, advise other participants whether and how any reduction in the gross commission established in the listing contract, required by the lender as a condition of approving the sale, will be apportioned between the listing and cooperating participants.

ARTICLE III - SELLING PROCEDURE

SECTION 3.1: SUBMISSION OF OFFERS

All appointments for showings and all negotiations with the owner for the sale of listed property filed with the Multiple Listing Service shall be conducted through the office of the listing broker except under the following circumstances:

a) The listing broker gives participating brokers specific authority in the listing data to contact the seller directly to show the property. However, the listing broker, at his/her option, may preclude such direct contact by subagents, buyers' agents or both;

b) Where the listing broker (with the owner's consent) specifically grants such authority to a particular Participant to present offers or directly negotiate. However, the listing broker, at his/her option, may preclude such direct contact by subagents, buyers' agents, or both; or

c) A Participant is unable to contact the listing broker or his/her representative, after reasonable efforts, over a period of twenty-four (24) hours. However, the listing broker at his/her option, may preclude such direct negotiations by the selling broker.

The listing broker or his/her representative shall make arrangements to present offers obtained by another Participant as promptly as possible, or provide that Participant with an appropriate reason why the presentation must be delayed.

SECTION 3.2: RIGHT OF COOPERATING BROKER IN PRESENTATION OF OFFER

The cooperating broker (subagent or buyer agent) or his representative has the right to participate in the presentation to the seller of any offer he secures to purchase or lease. He does not have the right to be present at any discussion or evaluation of that offer by the seller and the listing broker. However, if the seller gives written instructions to the listing broker that the cooperating broker not be present when an offer the cooperating broker secured is presented, the cooperating broker has the right to a copy of the seller's written instructions. None of the foregoing diminishes the listing broker's right to control the establishment of appointments for such presentations.

SECTION 3.3: RIGHT OF LISTING BROKER IN PRESENTATION OF COUNTER-OFFER

The listing broker or his representative has the right to participate in the presentation of any counter-offer made by the seller. He does not have the right to be present at any discussion or evaluation of a counter-offer by the purchaser (except when the cooperating broker is a subagent). However, if the purchaser gives written instructions to the cooperating broker that the listing broker not be present when a counter-offer is presented, the listing broker has the right to a copy of the purchaser's written instructions.

SECTION 3.4: AGENT TRANSACTION DISCLOSURE

All brokers and salespersons who deal with a listed property must disclose their agency relationship, if any, to the seller at first contact. The cooperating salesperson/broker must immediately disclose his/her relationship if requested by the seller or listing broker/salesperson.

SECTION 3.5: OFFERS SUBMITTED PROMPTLY AND IN ORDER

All offers shall be submitted to the owner for acceptance as soon as possible, considering compliance with Section 3.1 above. If two or more offers are submitted at the same time, the listing Broker shall disclose to the owner the order in which the offers were reported to him. Until an offer has been accepted, the owner shall be advised, as promptly as possible, of the existence of any additional offers. In addition, offers received after an offer has been accepted by the owner shall be presented to the owner for consideration as back-up offers, unless the owner has previously indicated, in writing, a desire not to receive such offers.

SECTION 3.6: CONDITIONAL OFFERS SUBMITTED

A conditional offer or an offer which contains a provision that depends upon the fulfillment of a condition, or the occurrence of a future event, neither of which is within the control of the owner, shall be submitted to the owner for acceptance by the listing office, subject to the exceptions listed in Section 3.1, provided the condition is clearly stated and is definitely limited by time or the happening of a certain future event. Upon acceptance of said conditional offer by the owner, the listing shall be reported sold by the Multiple Listing Service pending the fulfillment of the conditions.

SECTION 3.7: DEPOSITS

All deposits shall remain with the selling Broker Participant, unless otherwise agreed to pursuant to the purchase agreement. In case a deposit shall have been declared forfeited, it shall be disposed of as dictated by the Mutual Release of Buy and Sell Agreement or the purchase agreement, as the case may be.

SECTION 3.8: CLOSINGS

It is the final responsibility of the listing broker to close the sale and furnish signed closing statements to the buyer and seller, however, either broker may close the sale and furnish closing statements. All brokers involved shall be given at least 24 hours of advance notice of date, time, and place of closing and shall have the right to be represented at the closing.

SECTION 3.9: REPORTS OF SALE

The availability of information with respect to market conditions and values of properties has been determined by the Board of Directors to be of paramount importance to all Participants in order for them to maintain and improve their knowledge and competency in order for them to better serve their principals and clientele, and to the members of the public in order that they be better informed regarding such matters. Therefore, the listing Broker Participant shall notify the Multiple Listing Service of a sale or exchange of property within ten (10) days from the time that the offer therefore has been accepted, i.e. when the title holder of the property and the buyer have agreed by signature on a purchase agreement, which shall set forth the following information in such form as the Service shall specify from time to time: (a) identification of the property; (b) the purchase price and the terms of purchase; and (c) the anticipated closing date.

The listing Broker Participant shall also confirm with the Multiple Listing Service that a sale or exchange of property has been completed within ten (10) days from the date that the closing occurred, which shall set forth the following information in such form as the Service shall specify from time to time: (a) identification of the property; (b) the final purchase price, terms, and seller concessions (if any); (c) the name of the selling office and selling agent; and (d) the date of the closing.

The Active/Contingent Status may be utilized to report sales that have been accepted by the seller, but are awaiting lender approval of a short sale. It may also be used to report sales on REO properties wherein the bank is no longer entertaining offers, but final approval/signatures are still in process. Once the approval/signatures have been obtained, the listing status shall be changed to Pending within the MLS database within 10 days (pursuant to this Section of the MLS Rules and Regulations). Use of the Active/Back-up Status is not permitted.

In the event that the sale or exchange of property cannot be completed, the listing Broker Participant shall notify the Multiple Listing Service of such within ten (10) days from the date that the sale fell through.

The sale information shall be transmitted to all Designated REALTOR® Participants as information which may be of assistance to them in their knowledge, competency, and qualifications relative to volumes and market conditions.

Neither the Corporation nor the Multiple Listing Service shall be responsible for the accuracy of the information furnished, regardless of the reason or cause for any error or mistake.

ARTICLE IV - DIVISION OF COMMISSIONS

SECTION 4.1: NOTIFICATION

Participation in the MLS requires cooperation with at least one type of agency relationship (i.e. Subagent of the Seller and/or Buyer's Agent). Each participating Broker shall be responsible for notifying every other participating Broker in writing in the online listing data or by letter of the terms upon which he/she will share the total commission (expressed as a percentage of the total selling price or flat fee) with such Brokers where he/she acts as the listing Broker and another Broker acts as the selling Broker. The participating broker shall specify the compensation to be paid to subagents and/or buyers' agents. The amount of compensation offered to buyers' agents may be the same or different from that offered to subagents. An agent representing potential purchasers cannot assume that the offer of compensation to subagents also applies to buyers agents. By offering compensation to buyers' agents, the listing broker is not automatically representing that the seller has consented to the cooperating broker acting as a dual agent representing both the buyer and the seller. Such terms of division may be revised at any time by written notice that is filed and published in the online listing data or by letter to such other Brokers, provided, however, that no such revision shall be applied retroactively to any transaction, the offer for which has been submitted or otherwise communicated to the listing Broker prior to receipt of such revision. A copy of every written notice and revisions required by this Section shall be electronically filed with the Multiple Listing Service and such notice, filed with the Multiple Listing Service, shall constitute prima facie evidence of the applicable terms of division in the arbitration of any dispute regarding the division of commissions.

The listing broker shall disclose on the listing contract the existence of a dual or variable rate commission arrangement (i.e. one in which the seller agrees to pay a specified commission if the property is sold by the listing broker without assistance and a different commission if the sale results through the efforts of a cooperating broker)

and shall disclose the differential that would result in the cooperative transaction if requested by cooperating brokers.

SECTION 4.2: COMPENSATION DISPUTES

All compensation disputes between participants in the Multiple Listing Service shall be resolved by application of the "procuring cause" principle, irrespective of whether one or both of the contestants acted in the capacity of agent or subagent of the seller or agent for the buyer. Participants shall not disrupt or cause a delay in the closing of any transaction based upon a dispute between them regarding compensation; rather they shall cooperate in the closing of the transaction and later resolve the dispute between them by negotiation or invoking the Grand Rapids Association of REALTOR®'S business dispute procedures.

The compensation payable to the selling broker, irrespective of the source of the funds, shall be paid to the broker who, either individually or by means of his or her licensee, was the "procuring cause" of the sale. While the broker entitled to the selling broker's compensation may be designated in a contract between the seller and the buyer or between the broker and the buyer, that contract is only one of the facts to be considered, and shall not be conclusive in determining who was the procuring cause of the sale. All of the facts and circumstances relevant to the showing and sale of the property in question shall be examined to determine who was the procuring cause of the sale, including, without limitation, the time elapsed between the first showing and the ultimate sale, the chain of events leading up to the sale, and the services provided by the contestants.

SECTION 4.3: WHEN BROKER LISTS OWN PROPERTY

When a Broker files his/her own property for sale with the Multiple Listing Service, such Broker shall be treated as any other listing Broker, and the procedure and division of commission shall be the same as it is with respect to other listings. When the listing Broker or salesperson has ownership interest in a property, the fact of their ownership must be disclosed to the public via the listing comments.

ARTICLE V - FEES AND CHARGES

SECTION 5.1: ENTRANCE FEE

Each Designated REALTOR® of the Grand Rapids Association of REALTORS® or any other Association who elects to participate in the Multiple Listing Service shall pay a fee as may be determined from time to time by the MLS Exchange Board of Directors.

SECTION 5.2: MONTHLY SERVICE CHARGES AND LISTING FEES

Upon recommendation from the Multiple Listing Service Committee, the Board of Directors shall adopt and may amend from time to time the monthly service charges and the listing fees to be paid to defray the costs of the services and to provide for a reasonable operating reserve. Until otherwise determined, the monthly service charges and the listing fees shall be as follows:

a) There shall be paid monthly a service charge by each Designated REALTOR® Participant of this or any other Association for participation in the Multiple Listing Service, as approved by the Board of Directors for each Broker, salesperson, real estate valuation specialist, licensed appraiser and certified appraiser who is licensed or affiliated with said Designated REALTOR® Participant. (The only exception to the foregoing provision is that a Designated REALTOR Participant who does not maintain an office in the jurisdiction of the Grand Rapids Association of REALTORS [as defined in its bylaws] shall pay a fee for himself/herself and for each licensee located in those offices outside of said jurisdiction who desires access to the Multiple Listing Service through said Designated REALTOR participant.) If satisfactory evidence is furnished that a Broker's or salesperson's license has been terminated, or if satisfactory evidence is furnished that the real estate valuation specialist, state licensed or certified appraiser no longer maintains active status with the state, such former affiliated Broker, salesperson, real estate valuation specialist, state licensed or certified appraiser shall not be included in the monthly service charge computation. The monthly service charge shall be the joint and several responsibility of participating Designated REALTORS® who are affiliated with the proprietorship, partnership, or corporation.

Notwithstanding the foregoing, the Board of Directors may elect to negotiate an agreement between the Corporation and other REALTOR® associations under which REALTOR® members of one association can participate in the MLS of the other association, and vice versa, at a rate lower than might be charged to members of other associations not party to the agreement.

b) The monthly service charge shall be waived for REALTOR® Members who are REALTOR® Emeriti upon approval of this status by the National Association of REALTORS®.

c) There may be billed for each listing submitted to the Multiple Listing Service a listing fee as may from time to time be determined.

SECTION 5.3: LISTING FEES FOR REALTOR® MEMBERS WHO DESIRE ONLY THE RIGHT TO SUBMIT LISTINGS

Members of any other REALTOR® association who are not Participants of the Multiple Listing Service may elect to apply for Listing Only status in the Multiple Listing Service which will enable them to submit listings to the Multiple Listing Service, and they shall pay for each listing submitted a listing fee as may from time to time be determined.

SECTION 5.4: APPLICATION OF OTHER MULTIPLE LISTING SERVICE RULES AND REGULATIONS TO LISTING-ONLY SERVICE PARTICIPANTS

Except as provided in Sections 5.3, 5.4, and 5.5, all of the Rules and Regulations of the Multiple Listing Service shall apply to Listing-Only participants who elect to submit listings to the Multiple Listing Service and, by way of illustration and not limitation, the Multiple Listing Service Rules relative to listing procedures, selling procedures, division of commissions, etc., shall apply to any listings or sales by Listing-Only Participants in the same manner as applied to Designated REALTORS® who are Participants in the Multiple Listing Service.

ARTICLE VI - PROHIBITIONS

SECTION 6.1: USE OF LISTINGS

a) A Designated REALTOR® Participant shall not make the listings of the Multiple Listing Service available to any person or entity except in connection with the regular conduct of his/her real estate business, defined as a good faith effort to produce a sale, exchange, estimate of value, or lease of the property or properties involved. No Designated REALTOR® Participant or any of the brokers, salespersons, real estate valuation specialists, licensed or certified appraisers who are licensed or affiliated with said Participant, shall sell copies of any listings filed with the MLS or MLS compilations, and provided to such Designated REALTOR® as a participant in the MLS to any non-participant in the MLS. Information and data compiled from the listings filed with the MLS shall be subject to the same rules and regulations as apply to copies of the listings themselves.

b) Use of information from MLS compilation of current listing information, from the Corporation's "statistical report" or from any "sold" or "comparable" report of the Grand Rapids Association of REALTORS®, the Corporation or the MLS for public mass-media advertising, or in other public representations, by an MLS Participant may not be prohibited. However, any advertisement or other forms of public representations based in whole or in part on information supplied by the Grand Rapids Association of REALTORS®, the Corporation or its MLS must clearly demonstrate the period of time over which such claims are based and must include the following notice:

"NOTE: This representation is based in whole or in part on data supplied by the Grand Rapids Association of REALTORS® or the Multiple Listing Service of the MLS Exchange for the period _____(date) through _____(date), . Neither the Grand Rapids Association of REALTORS®, the MLS Exchange nor its MLS guarantees or is in any way responsible for its accuracy. Data maintained by the Grand Rapids Association of REALTORS®, the MLS Exchange or its MLS may not reflect all real estate activity in the market."

SECTION 6.2: ADVERTISING

Except as specified in Article VII of these MLS Rules and Regulations, a specific listing shall not be advertised by any Participant other than the listing broker without the prior written or electronic consent of the listing broker, and must include the name of the listing broker in a font size similar to that of the advertising broker.

SECTION 6.3: SIGNS & ADVERTISING OF COOPERATIVE SALE

"For Sale" signs of only the listing Broker may be placed on property filed with the Multiple Listing Service. Only REALTORS® who participated in the transaction as the listing broker or cooperating broker (selling broker) may claim to have "sold" the property. Prior to closing, a cooperating broker may post a "sold" sign only with the consent of the listing broker.

SECTION 6.4: SOLICITATION OF LISTING FILED WITH THE MULTIPLE LISTING SERVICE

Participants shall not solicit a listing on property filed with the Multiple Listing Service unless such solicitation is consistent with Article 16 of the REALTORS® Code of Ethics, its Standards of Practice and its Case Interpretations.

SECTION 6.5: ACCESS TO LISTED PROPERTY

MLS Participants shall not provide consumers with the ability to independently tour listed properties without permission to do so from the seller or the seller's agent.

ARTICLE VII – INTERNET DATA DISPLAY

SECTION 7.1: TERMS DEFINED

Internet Data Display or Broker Reciprocity is the process by which MLS Participants opt to authorize the display of their listings on other Participants' Internet websites.

"Broker Reciprocity Database" is the current aggregate compilation of all active exclusive right to sell listings of all Broker Reciprocity Subscribers except those listings where the property seller has opted out of Internet publication.

"Broker Reciprocity Subscriber (BRS)" is an MLS Participant who subscribes to the Broker Reciprocity program.

"Broker Reciprocity Subscriber's Agent (BRSA)" is a BRS's non-principal broker or sales licensee who has written authorization from the BRS to use the BR Database on their web site or frame their BRS's web site. This is not to imply that a BRSA may retrieve data via the FTP method described below. Rather, the BRSA must obtain data from his/her BRS or MLS-approved vendor. A BRSA is subject to the same Rules and Regulations as a BRS regarding use and display of the Broker Reciprocity Database.

SECTION 7.2: ACCESS METHOD

Three methods of access, File Transfer Protocol (FTP), RETS, and framing will be available to BRS's to retrieve the BR Database. The process is described more fully in the Technical Documentation on file at the office of the MLS Exchange, Inc. Any BRS intending to use any other method for downloading and updating the BR Database must seek approval of its method from the MLS Exchange, Inc. The use of any other method, if approved, may also require payment to the MLS Exchange of any costs it incurs to provide the access method, including reasonable fees for staff time.

SECTION 7.3: REPUBLICATION OF BROKER RECIPROACITY DATABASE ON INTERNET PERMITTED

Participants' consent for display of their listings by other participants pursuant to these rules and regulations is presumed unless a participant affirmatively notifies the MLS that the participant refuses to permit display (either on a blanket or on a listing-by-listing basis). If a participant refuses on a blanket basis to permit the display of that participant's listings, that participant may not download or frame the aggregated MLS data of other participants. Even where participants have given blanket authority for other participants to display their listings on BRS or BRSA sites, such consent may be withdrawn on a listing-by-listing basis as instructed by the seller.

A BRS or BRSA may republish all or a portion of the Broker Reciprocity Database on the Internet in accordance with the following provisions and any policies that the MLS Exchange, Inc. may adopt from time to time. A BRS or BRSA is not required to display the whole BR Database. A BRS or BRSA may choose to display only listings in a particular price range, geographical area, or property type. A BRSA or BRSA may also choose not to display listings of certain of his/her competitors. If a BRS or BRSA displays only a subset of the BR Database, he/she shall have one of the following consumer disclosures on his/her website:

"(BRS Firm Name) participates in the MLS's Broker Reciprocity program, allowing us to display other broker's listings on our site. However, (BRS Firm Name) displays only <listings in _____ County> or <only condominium listings> or <properties with list prices above \$xxx,xxx>."

(The information contained between these signs < and > is provided for purposes of example only. The BRS or BRSA must be specific about the types of properties that have been excluded.)

"(BRS Firm Name) does not display the entire MLS Broker Reciprocity Database on this website. The listings of some real estate brokerage firms have been excluded."

Unless expressly contravened by the provisions of this section, all other rules and regulations remain in full force and effect.

- a. An Internet republication of another BRS's listing shall not contain more (but may contain less) information than is authorized to be displayed by the policy of the MLS Exchange governing the display of data. A BRS may display any information relating to his/her own listings.
- b. In order to be a BRS, a Participant must be actively engaged in providing real estate brokerage services to buyer or sellers in residential real estate transactions.

- c. The BRS or BRSA shall update the information on its Internet web site at least weekly. A BRS or BRSA shall include the following consumer disclosure at his/her website on both the data search page and on the results page:

"Data last updated: xx/xx/xx."

- d. A BRS or BRSA may not modify the actual data relating to another BRS's listing (this is not a limitation on the design of the site but refers to the actual data). This also includes the display of other data alongside the other BRS's data unless it is specifically segregated and includes a credit on the non-BR Data that distinctly identifies who is providing the data.
- e. The MLS Exchange, Inc. approved icon and an explanation of the data source must appear on the first page where any listing data is displayed. The following disclosure or its equivalent will satisfy this requirement:

"The properties on this website are generated from the Broker Reciprocity Program of the MLS Exchange, Inc."

- f. Any search result identifying another BRS's listing in a brief or "thumbnail" format shall bear the MLS Exchange, Inc. approved icon or the MLS Exchange, Inc. approved thumbnail icon immediately adjacent to the property information to identify the listing as an MLS Exchange listing. A brief or thumbnail display is defined as being no more than 120 characters of listing data text and/or an image of no more than 100 pixels high. The MLS Exchange approved icon shall be at least 35 pixels by 35 pixels. A thumbnail display of another BRS's listing may not include any contact information or branding of the BRS who owns the website or any of its agents. A thumbnail display may only include the following: text data about the listed property, an image of the listed property, the logo of the listing broker or MLS Exchange approved icon, and "buttons" or hot links for a detailed listing display. The provision relating to "contact information or branding" is designed to prevent the website-owning BRS's or BRSA's contact information, contact links, and branding, and that of its agents, from appearing on other BRS's listings. "Branding" refers to any marks or language referring to the website-owning BRS repeated in the thumbnail display of another BRS's listing. Any association of such information or branding with the listing data is a violation of this rule.
- g. A search result producing a detailed display of another BRS's listing shall bear that BRS's name, the MLS Exchange approved icon, and the MLS Exchange copyright notice immediately following the property information. The copyright notice shall be at least a 10 point font size and appear exactly as follows:

"Copyright 20__ MLS Exchange, Inc. All rights reserved." (insert current year)

The copyright symbol can be used in place of the word "copyright". The MLS Exchange interprets any display containing more than 120 characters of listing data text and/or an image of more than 100 pixels high as being a detailed display. The BRS's name shall be at least as large as the largest type size used to display the listing data. A detailed display of another BRS's listing may not include any contact information, links to, or branding of the Participant who owns the website or any of its agents within the "body" of the listing data. The "body" is defined as the rectangular space whose borders are delimited by the utmost extent in each direction of the listing text and photo data. The prohibition on branding or contact information within the "body" of the listing data is intended to prevent any possible confusion on the part of the consumers to the source of the listing.

- h. Any result identifying another BRS's listing shall include the following disclaimer, which shall be at least a 10 point font size:

"Information deemed reliable, but not guaranteed."

- i. Any Internet website used for publication of the Broker Reciprocity Database or any portion thereof must be controlled by a BRS and advertised as that BRS's Internet website.
- j. A BRS, at his/her option, may give written authorization to his/her non-principal brokers and sales licensees to use the BR database to populate their own websites or frame the BR data on the BRS's website. If written authorization is obtained by a non-principal broker or sales licensee to use the BR database to populate their website, the BRS, licensee and any third party vendor shall sign an agreement with the MLS Exchange, Inc. setting forth the permissible uses of the BRS Database, agreeing to comply with the MLS

Rules and Regulations governing the BR Database, and agreeing to comply with all state laws and regulations.

- k. A BRS or BRSA displaying the Broker Reciprocity Database or any portion thereof shall make reasonable efforts to avoid “scraping” of the data by third parties or displaying of that data on any other website. Reasonable efforts shall include but are not limited to:
 - 1) Monitoring the website for signs that a third party is “scraping” data; and
 - 2) Prominently posting notice that any use of search facilities of data on the site other than by a consumer looking to purchase real estate, is prohibited.

If a BRS or BRSA suspects “scraping” of the data has occurred, the suspicion and any evidence must be reported to the MLS Exchange, Inc. immediately for investigation and possible action.

- l. A BRS or BRSA must make changes to an Internet site necessary to cure a violation of the MLS Exchange Rules and Regulations within five (5) business days of notice from the MLS Exchange of the violation. The MLS Exchange reserves the right to discontinue the data feed provided to the BRS or BRSA without further notice if he/she does not comply with this requirement. He/She may also be subject to fines and/or damages from the MLS Exchange.
- m. No portion of the Broker Reciprocity Database shall be used or provided to a third party for any purpose other than those expressly provided in these rules. This section expressly prohibits distribution of the BR Database or any portion of it for any purpose other than those expressly permitted by the MLS Exchange’s MLS Rules and Regulations. This includes distribution to other BRS’s. In other words, a brokerage firm, BRS or BRSA cannot sell access to the Broker Reciprocity Data to other brokers or any other businesses, whether or not they are participants in the MLS Exchange MLS.
- n. No portion of the Broker Reciprocity Database shall be co-mingled with any non-MLS listings on the BRS’s or BRSA’s Internet website. If a BRS takes listings from consumers but does not process them in the MLS, they cannot appear on any thumbnail display or as part of any search results with BR Database data. If the property in question appears in an MLS other than the MLS Exchange’s MLS, it may be co-mingled.
- o. Any BRS and BRSA using a third party to develop/design its website must obtain a written agreement with that third party in the form prescribed by the MLS Exchange. The MLS Exchange requires that third parties gaining access to the BR Database sign the standard contract as approved by the MLS Exchange. Providing an MLS password to an unauthorized recipient is a serious violation of the MLS Exchange’s MLS Rules and Regulations, punishable by a fine for each such violation.

ARTICLE VIII - MEETINGS

SECTION 8.1: PARTICIPANTS

The Board of Directors, may call special meetings of the Participants in the Service known as meetings of the Multiple Listing Service.

The President or Vice President shall preside at all such meetings, or in their absence, a temporary chairman from the Directors shall be named by the President or, upon his/her failure to do so, by the Directors.

ARTICLE IX - COMPLIANCE AND ENFORCEMENT OF RULES

SECTION 9.1: COMPLIANCE WITH RULES

The following action may be taken for non-compliance with the rules:

- a) For failure to pay any service charge within one month of the date due, and provided that at least ten days notice has been given, the Service shall be suspended until service charges are paid in full.
- b) For failure to comply with any other rules, the provisions of Section 9.2 of these Rules and Regulations and Article 7 of the Bylaws of the Corporation shall apply.

SECTION 9.2: ENFORCEMENT OF RULES OR DISPUTES

All written complaints which are within the jurisdiction of the Professional Standards Committee of the Grand Rapids Association of REALTORS® and involving the Multiple Listing Service Rules and Regulations shall be filed in the

first instance with the Professional Standards Committee of the Grand Rapids Association of REALTORS® as provided in Article 17 of the Association's Bylaws.

Any report or suggestion by a Participant having to do with the general manner in which the MLS Rules and Regulations are being applied or interpreted, which does not constitute a complaint and is not within the jurisdiction of the Professional Standards Committee, may be filed with the Board of Directors. The Directors shall investigate, or cause to be investigated through a committee, the facts. If the investigation is conducted by a committee, it shall submit its recommendation to the Directors for appropriate action.

ARTICLE X - VIRTUAL OFFICE WEBSITES

SECTION 10.1: DEFINITIONS

a. A Virtual Office Website ("VOW") is a Participant's Internet website, or a feature of a Participant's website, through which the Participant is capable of providing real estate brokerage services to consumers with whom the Participant has first established a broker-consumer relationship (as defined by state law) where the consumer has the opportunity to search MLS Listing Information, subject to the Participant's oversight, supervision, and accountability. A non-principal broker or sales licensee affiliated with a Participant may, with his or her Participant's consent, operate a VOW. Any VOW of a non-principal broker or sales licensee is subject to the Participant's oversight, supervision, and accountability.

b. As used in Section 10 of these Rules, the term "Participant" includes a Participant's affiliated non-principal brokers and sales licensees- except when the term is used in the phrases "Participant's consent" and "Participant's oversight, supervision, and accountability." References to "VOW" and "VOWs" include all VOWS, whether operated by a Participant, by a non-principal broker or sales licensee, or by an Affiliated VOW Partner ("AVP") on behalf of a Participant.

c. "Affiliated VOW Partner" ("AVP") refers to an entity or person designated by a Participant to operate a VOW on behalf of the Participant, subject to Participant's supervision, accountability, and compliance with the VOW Policy. No AVP has independent participation rights in the MLS by virtue of its right to receive information on behalf of a Participant. No AVP has the right to use MLS Listing Information except in connection with operation of a VOW on behalf of one or more Participants. Access by an AVP to MLS Listing Information is derivative of the rights of the Participant on whose AVP operates a VOW.

d. As used in Section 10 of these Rules, the term "MLS Listing Information" refers to active listing information and sold data provided by Participants to the MLS and aggregated and distributed by the MLS to Participants.

SECTION 10.2: DISPLAY OF LISTINGS

a. The right of a Participant's VOW to display MLS Listing Information is limited to that supplied by the MLS(s) in which the Participant has participatory rights. However, a Participant with offices participating in different MLSs may operate a master website with links to the VOWs of the other offices.

b. Subject to the provisions of the VOW Policy and these Rules, a Participant's VOW, including any VOW operated on behalf of a Participant by an AVP, may provide other features, information, or functions, e.g. Internet Data Exchange ("IDX").

c. Except as otherwise provided in the VOW Policy or in these Rules, a Participant need not obtain separate permission from other MLS Participants whose listings will be displayed on the Participant's VOW.

SECTION 10.3: REQUIREMENTS

a. Before permitting any consumer to search for or retrieve any MLS Listing Information on his or her VOW, the Participant must take each of the following steps:

(i) The Participant must first establish with that consumer a lawful broker-consumer relationship (as defined by state law), including completion of all actions required by state law in connection with providing real estate brokerage services to clients and customers (hereinafter "Registrants"). Such actions shall include, but are not limited to, satisfying all applicable agency, non-agency, and other disclosure obligations, and execution of any required agreements.

(ii) The Participant must obtain the name of, and a valid email address for, each Registrant. The Participant must send an email to the address provided by the Registrant confirming that the Registrant has agreed to the Terms of Use (described in subsection (d) below). The Participant must verify that the email address provided by the Registrant is valid and that the Registrant has agreed to the Terms of Use.

(iii) The Participant must require each Registrant to have a user name and password, the combination of which is different from those of all other Registrants on the VOW. The Participant may, at his or her option, supply the user name and password or may allow the Registrant to establish its user name and password. The Participant must also assure that any email address is associated with only one user name and password.

b. The Participant must assure that each Registrant's password expires on a date certain but may provide for renewal of the password. The Participant must at all times maintain a record of the name, email address, user name, and current password of each Registrant. The Participant must keep such records for not less than 180 days after the expiration of the validity of the Registrant's password.

c. If the MLS has reason to believe that a Participant's VOW has caused or permitted a breach in the security of the MLS Listing Information or a violation of MLS rules, the Participant shall, upon request of the MLS, provide the name, email address, user name, and current password, of any Registrant suspected of involvement in the breach or violation. The Participant shall also, if requested by the MLS, provide an audit trail of activity by any such Registrant.

d. The Participant shall require each Registrant to review, and affirmatively to express agreement (by mouse click or otherwise) to, a "Terms of Use" provision that provides at least the following:

(i) That the Registrant acknowledges entering into a lawful consumer- broker relationship with the Participant;

(ii) That all information obtained by the Registrant from the VOW is intended only for the Registrant's personal, non-commercial use;

(iii) That the Registrant has a bona fide interest in the purchase, sale, or lease of real estate of the type being offered through the VOW;

(iv) That the Registrant will not copy, redistribute, or retransmit any of the information provided except in connection with the Registrant's consideration of the purchase or sale of an individual property;

(v) That the Registrant acknowledges the MLS's ownership of, and the validity of the MLS's copyright in, the MLS database.

e. The Terms of Use Agreement may not impose a financial obligation on the Registrant or create any representation agreement between the Registrant and the Participant. Any agreement entered into at any time between the Participant and Registrant imposing a financial obligation on the Registrant or creating representation of the Registrant by the Participant must be established separately from the Terms of Use, must be prominently labeled as such, and may not be accepted solely by mouse click.

f. The Terms of Use Agreement shall also expressly authorize the MLS, and other MLS Participants or their duly authorized representatives, to access the VOW for the purposes of verifying compliance with MLS rules and monitoring display of Participants' listings by the VOW. The Agreement may also include such other provisions as may be agreed to between the Participant and the Registrant.

SECTION 10.4: DISPLAY OF CONTACT INFORMATION

A Participant's VOW must prominently display an email address, telephone number, or specific identification of another mode of communication (e.g. live chat) by which a consumer can contact the Participant to ask questions, or get more information, about any property displayed on the VOW. The Participant, or a non-principle broker or sales licensee licensed with the Participant, must be willing and able to respond knowledgeably to inquiries from Registrants about properties within the market area served by that Participant and displayed on the VOW.

SECTION 10.5: PREVENT UNAUTHORIZED USE

A Participant's VOW must employ reasonable efforts to monitor for, and prevent, misappropriation, "scraping," and other unauthorized use of MLS Listing Information. A Participant's VOW shall utilize appropriate security protection, such as firewalls, as long as this requirement does not impose security obligations greater than those employed concurrently by the MLS.

SECTION 10.6: SELLER OPT OUT

a. A Participant's VOW shall not display listings or property addresses of any seller who has affirmatively directed the listing broker to withhold the seller's listing or property address from display on the Internet. The listing broker

shall communicate to the MLS that the seller has elected not to permit display of the listing or property address on the Internet. Notwithstanding the foregoing, a Participant who operates a VOW may provide to consumers via other delivery mechanisms, such as email, fax, or otherwise, the listings of sellers who have determined not to have the listing for their property displayed on the Internet.

b. A Participant who lists a property for a seller who has elected not to have the property listing or the property address displayed on the Internet shall cause the seller to execute a document that includes the following (or a substantially similar) provision:

Seller Opt-Out Form

1. Please check either Option (a) or Option (b):

(a) [] I have advised my broker or sales agent that I do not want the listed property to be displayed on the Internet.

(b) [] I have advised my broker or sales agent that I do not want the address of the listed property to be displayed on the Internet.

2. I understand and acknowledge that, if I have selection Option (a), consumers who conduct searches for listings on the Internet will not see information about the listed property in response to their search.

Initials of Seller

SECTION 10.7: THIRD PARTIES

a. Subject to subsection (b), a Participant's VOW may allow third parties (i) to write comments or reviews about particular listings or display a hyperlink to such comments or reviews in immediate conjunction with particular listings, or (ii) display an automated estimate of the market value of the listing (or hyperlink to such estimate) in immediate conjunction with the listing.

b. Notwithstanding the foregoing, at the request of a seller the Participant shall disable or discontinue either or both of those features described in subsection (a) as to any listing of the seller. The listing broker or agent shall communicate to the MLS that the seller has elected to have one or both of these features disabled or discontinued on all Participant's websites. Subject to the foregoing and to Section 10.8, a Participant's VOW may communicate the Participant's professional judgment concerning any listing. A Participant's VOW may notify its customers that a particular feature has been disabled "at the request of the seller."

SECTION 10.8: ACCURACY OF INFORMATION

A Participant's VOW shall maintain a means (e.g. email address, telephone number) to receive comments from the listing broker about the accuracy of any information that is added by or on behalf of the Participant beyond that supplied by the MLS and that relates to a specific property displayed on the VOW. The Participant shall correct or remove any false information relating to a specific property within 48 hours following receipt of a communication from the listing broker explaining why the data or information that simply reflects good faith opinion, advice, or professional judgment.

SECTION 10.9: INFORMATION REFRESHED

A Participant shall cause the MLS Listing Information available on its VOW to be refreshed at least once every three (3) days.

SECTION 10.10: LISTING INFORMATION INACCESSIBLE

Except as provided in these rules, the National Association of REALTOR® VOW Policy, or any other applicable MLS rules and policies, no Participant shall distribute, provide, or make accessible any portion of the MLS Listing Information to any person or entity.

SECTION 10.11: PRIVACY POLICY

A Participant's VOW must display the Participant's privacy policy informing Registrants of all of the ways in which information that they provide may be used.

SECTION 10.12: LISTINGS EXCLUDED FROM DISPLAY

A Participant's VOW may exclude listings from display based only on objective criteria, including, but not limited to, factors such as geography, list price, type of property, cooperative compensation offered by listing broker, and whether the listing broker is a REALTOR®.

SECTION 10.13: NOTIFICATION

A Participant who intends to operate a VOW to display MLS Listing Information must notify the MLS of its intention to establish a VOW and must make the VOW readily accessible to the MLS and all MLS Participants for purposes of verifying compliance with the Rules, the VOW Policy, and any other applicable MLS rules or policies.

SECTION 10.14: PARTICIPANT SUPERVISION AND ACCOUTABILITY

A Participant may operate more than one VOW himself or herself or through an AVP. A Participant who operates his or her own VOW may contract with an AVP to have the AVP operate other VOW's on his or her behalf. However, any VOW operated on behalf of a Participant by an AVP is subject to the supervision and accountability of the Participant.

SECTION 10.15: INFORMATION EXCLUDED

A participant's VOW may not make available for search by, or display to, Registrants any of the following information:

- a. Expired, withdrawn, or pending ("under contract") listings.
- b. The compensation offered to other MLS Participants.
- c. The type of listing agreement, i.e., exclusive right to sell or exclusive agency.
- d. The seller's and/or occupant's name(s), phone number(s), or e-mail address(es).
- e. Instructions or remarks intended for cooperating brokers only, such as those regarding showings or security of listed property.

Participants are specifically precluded from providing Registrants with information contained on the Agent Report that has not been included on the Buyer Report.

SECTION 10.16: INFORMATION DISPLAYED

A Participant shall not change the content of any MLS Listing Information that is displayed on a VOW from the content as it is provided in the MLS. The Participant may, however, augment MLS Listing Information with additional information not otherwise prohibited by these Rules or by other applicable MLS rules or policies as long as the source of such other information is clearly identified. This rule does not restrict the format of display of MLS Listing Information on VOWs or the display on VOWs of fewer than all of the listings or fewer than all of the authorized information fields

SECTION 10.17: NOTICE

A Participant shall cause to be placed on his or her VOW a notice indicating that the MLS Listing Information displayed on the VOW is deemed reliable but is not guaranteed accurate by the MLS. A Participant's VOW may include other appropriate disclaimers necessary to protect the Participant and/or the MLS from liability.

SECTION 10.18: LISTING BROKER DISPLAYED

A Participant shall cause any listing that is displayed on his or her VOW to identify the name of the listing firm and the listing broker or agent in a readily visible color, in a reasonably prominent location, and in typeface not smaller than the median typeface used in the display of listing data.

SECTION 10.19: MAXIMUM NUMBER OF LISTINGS RETRIEVABLE

A Participant shall limit the number of listings that a Registrant may view, retrieve, or download to not more than 100 current listings and not more than 100 sold listings in response to any inquiry.

SECTION 10.20: REGISTRANTS' PASSWORDS

A Participant shall require that Registrants' passwords be reconfirmed or changed every 180 days.

SECTION 10.21: ADVERTISING AND CO-BRANDING

A Participant may display advertising and the identification of other entities ("co-branding") on any VOW the Participant operates or that is operated on his or her behalf. However, a Participant may not display on any such VOW deceptive or misleading advertising or co-branding. For purposes of this Section, co-branding will be presumed not to be deceptive or misleading if the Participant's logo and contact information (or that of at least one Participant, in the case of a VOW established and operated on behalf of more than one Participant) is displayed in immediate conjunction with that of every other party, and the logo and contact information of all Participants displayed on the VOW is as large as the logo of the AVP and larger than that of any third party.

SECTION 10.22: OTHER SOURCES IDENTIFIED

A Participant shall cause any listing displayed on his or her VOW that is obtained from other sources, including from another MLS or from a broker not participating in the MLS, to identify the source of the listing.

SECTION 10.23: LICENSE AGREEMENT REQUIRED

Participants and the AVPs operating VOWs on their behalf must execute the license agreement required by the MLS.

SECTION 10.24: SELLER'S ELECTION TO WITHHOLD

Where a seller affirmatively directs their listing broker to withhold either the seller's listing or the address of the seller's listing from display on the Internet, a copy of the seller's affirmative direction shall be provided to the MLS within 48 hours.

ARTICLE XI – OWNERSHIP OF MLS COMPILATIONS AND COPYRIGHTS

SECTION 11.1: COPYRIGHTED MLS COMPILATION

By the act of submission of any property listing content to the MLS, the participant represents that he/she has been authorized to grant and also thereby does grant authority for the MLS to include the property listing content in its copyrighted MLS compilation and also in any statistical report on comparables. Listing content includes, but is not limited to: photographs, images, graphics, audio and video recordings, virtual tours, drawings, descriptions, remarks, narratives, pricing information, and other details or information related to the property. The participant also grants to the MLS the right and authority to convey the listing content to the Southwestern Michigan Regional Information Center (SWMRIC), and to use the listing content with third party vendors as directed by participant for the MLS Exchange and/or SWMRIC's purposes including placing property advertisements on the Internet, sale of listing content for compilations and similar purposes. The income derived from the MLS Exchange's or SWMRIC's use of the listing content shall be the property of the MLS Exchange or SWMRIC, respectively, to use for its purposes.

SECTION 11.2: COPYRIGHT OWNERSHIP

All right, title, and interest in each copy of every Multiple Listing Compilation created and copyrighted by the Southwestern Michigan Association of REALTORS and in the copyrights therein, shall at all times remain vested in the Southwestern Michigan Association of REALTORS.

SECTION 11.3: PARTICIPANT'S RIGHT TO LEASE MLS COMPILATION

Each Participant shall be entitled to lease from the MLS Exchange a number of copies of each MLS Compilation sufficient to provide the Participant and each person affiliated as a licensee (including licensed or certified appraisers) with such Participant with one copy of such compilation. The Participant shall pay, for each such copy, the rental fee as may be determined from time to time.

Participants shall acquire by such lease only the right to use the MLS Compilations in accordance with these rules.

The term MLS Compilation, as used herein shall be construed to include any format in which property listing data is collected and disseminated to the Participants, including, but not limited to, electronic or hard-copy information, in any format whatsoever.

ARTICLE XII - MISCELLANEOUS

SECTION 12.1: BINDING EFFECT

These Rules and Regulations shall bind and inure to the benefit of Designated REALTORS® who have elected to participate in the Multiple Listing Service and the Grand Rapids Association of REALTORS®.

SECTION 12.2 MLS RECIPROCITY AGREEMENTS

All participating brokers, appraisers and salespersons agree to abide by the MLS Rules and Regulations of REALTOR Associations with whom GRAR/MLS Exchange has an established MLS Reciprocity agreement.

SECTION 12.3 NO CONTROL OF COMMISSION RATES OR FEES CHARGED BY PARTICIPANTS

The Multiple Listing Service shall not fix, control, recommend, suggest, or maintain commission rates or fees for services to be rendered by Participants. Further, the Multiple Listing Service shall not fix, control, recommend, suggest, or maintain the division of commissions or fees between cooperating Participants or between Participants and non-Participants.

SECTION 12.4 LISTINGS OF SUSPENDED OR EXPELLED PARTICIPANTS

When a Participant is suspended or expelled from the Multiple Listing Service, all of that Participant's listings currently filed shall be withdrawn immediately.

SECTION 12.5 REFUSAL TO SELL

If the seller of any listed property filed with the Multiple Listing Service refuses to accept a written offer satisfying the terms and conditions stated in this listing, such fact shall be transmitted to the Service and to all Participants.

SECTION 12.6 ERRORS

The Grand Rapids Association of REALTORS® and the MLS Exchange, Inc. shall not be liable to any Participant for any loss, damage, cost, expense, or other injury alleged to have resulted from any error in the contents of, or manner of transmitting any listing terms, conditions, or other related information broadcast through or otherwise published by the Multiple Listing Service, whether alleged to have been caused by negligent or intentional act or omission, and all Participants waive their right to assert any such claim by virtue of their participation in the Multiple Listing Service.

It shall be the responsibility of the Listing Office to electronically proof all listings submitted to the Multiple Listing Service. In the event that the amount of compensation offered to Participants entered into the database is different than what was submitted and/or intended by the Listing Office, then the amount as broadcast through the MLS is what shall be owed by the Listing Broker to the Participant.

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AUTHORIZATION

Annual Review

That there shall be an annual review of the MLS Policies & Procedures.

Attorney

That the President and CEO be authorized to contact the Corporate attorney.

Data Sharing and/or Reciprocal MLS agreements

That the CEO shall be authorized to enter into data sharing and/or reciprocal MLS agreements with other Associations in Michigan.

Signatory Requirements

That two signatures be required on all checks and that the following are authorized signatories: President, Vice-President, Secretary/Treasurer, Chief Executive Officer; and management-level staff as authorized by the CEO. The secretary/treasurer shall not be required to personally sign checks, but staff will provide the secretary/treasurer with a list of checks.

Spokespersons

That the persons authorized to speak on behalf of the Corporation are the President and Chief Executive Officer or other persons as designated by the President.

BOARD OF DIRECTORS

At Large Shareholder

At least 20 days prior to the date established for the solicitation of nominations for the at-large shareholder Director position, staff shall invite interested, eligible shareholders to submit an electronic resume not later than 5 days prior to the date the election goes online. The Corporation shall publish the resume on behalf of the eligible shareholder together with a disclaimer that publication of the form does not constitute an endorsement; rather, it is intended to provide the shareholders with information to make an informed choice.

COMPUTER

Rules and Regulations for Computer Use

- A user ID and password shall be assigned to all licensees at the time the Association is notified by the Designated REALTOR® (an MLS participant) of the licensee's association with the firm.
- Staff is authorized to send passwords to members.
- The individual's user ID and password shall be inactivated when the Association is notified that the licensee is no longer licensed with that MLS participant.
- Incomplete listings (see "Minimum Requirements") shall be rejected by the MLS.
- A user ID and password shall be used only by the individual to whom issued. The Directors may require a security agreement to be signed as a condition of access.

DIRECTORS

E & O Insurance

That E & O Insurance be provided for MLS Exchange Officers and Directors.

FINANCIAL

Bounced Checks

That any member company whose check bounces twice within a 6-month period be required to pay by certified funds for 6 months.

Contributions

That the Corporation will not participate in cash contributions to charitable organizations, as defined in the IRS Code 501(c)(3).

Late Charges

That a 10% late fee assessment (compounding) shall be added to all MLS balances that are not paid within 25 days of billing; and that services shall be suspended to those members having a balance due of over 60 days.

MLS Accounts

Any company with an over 60 day balance on its MLS account shall be notified in writing that the account balance should be paid in full within 10 days from the date of the letter, or MLS services will be suspended, including the withdrawal of that Participant's active listings. Since suspension of services typically results in immediate payment, staff shall consider "immediate withdrawal" of listings (as referred to in Section 10.3 of the MLS Rules & Regulations) to mean not less than 24 hours nor more than 48 hours after MLS services have been suspended (Saturdays, Sundays, and holidays excepted).

Monthly Fees

Designated REALTORS in offices outside of GRAR's jurisdiction have the ability to identify and pay monthly fees only for those licensees within their office who desire full residential MLS access. This policy does not apply to commercial.

Reserves

That the corporation should annually determine whether or not there is a special need for maintaining retained earnings. In the absence of a special need, it should retain minimal earnings in order to pay out maximum dividends to its shareholders, with the understanding that GRAR is able to provide funds to the MLS Exchange, if needed.

HOLIDAYS

Office Closed

That the MLS Exchange corporate office will be closed for the same holidays as recognized and approved annually by GRAR.

MLS

Auctions

The MLS will accept auction listings provided compensation is offered to a cooperating broker. All other MLS rules apply to auction properties as well. In addition, the Gross Sale Price for an auction listing is the winning bid plus any buyer's premium. Offers of compensation that are expressed as a percentage would be based upon the Gross Sale Price as previously defined. A listing for an auction shall be entered into the MLS database with -0- as the list price. If the property is listed for sale with an established list price before going to auction, then the listing would be entered as a normal listing. However, when it switches over to auction, the list price would need to be changed to -0- and the auction data fields would need to be completed. The MLS will not permit duplicate listings in the system (i.e. one for sale with a list price and another for auction).

Bonuses

The dollar amount of bonus/incentive paid to the selling office (in addition to the offered commission) must be stated on the Listing Agreement, as well as in the financial comments section of the data form, and must clearly define the terms upon which the bonus is earned.

Broker Load

The ability to input new listings and changes to existing listings directly into the MLS by a GRAR REALTOR® member, full MLS participant, or clerical staff (as authorized by the Designated REALTOR®) shall be referred to in this policy as "Broker Load".

Authority

1. The MLS shall provide access to the Broker Load program to all GRAR members, full MLS participants, and clerical staff authorized by the Designated REALTOR®.
2. It shall be the duty of the Designated REALTOR® to establish who may or may not Broker Load new listings or make changes to existing listings within his/her company.

New Listings

1. Listings must be Broker Loaded within the timeframe specified in the MLS Rules and Regulations (i.e. within 5 days after it is obtained [Saturdays, Sundays, and holidays excepted]).
2. The Broker Loaded listing will be entered in real-time and will, therefore, be active once loaded.
3. The listing contract (and related attachments, if any) must be submitted to the MLS within 24 hours after it has been Broker Loaded either by uploading the document(s) at the time the listing is entered, or faxed with a bar-coded fax cover sheet that is generated at the time the listing has been loaded.
4. Failure to provide the information referenced in #3 above shall result in the withdrawal of the listing from the MLS. Notification of same shall be sent via e-mail to the listing agent and Designated REALTOR (except that the DR may opt out of the notice process or assign it to his/her designee).
5. If the information referenced in #3 above is submitted within the 24-hour period but it is incomplete or inaccurate, GRAR staff will send e-mail notification of same to the listing agent who will be given 72 hours to submit the appropriate changes or documentation. Failure to provide this information within the 72-hour period will result in the removal of the listing from the MLS and a \$50 fine.
6. It shall be a violation of this policy to re-load a listing that has been previously removed pursuant to this policy, and shall be subject to a \$100 fine and possible disciplinary action.
7. Once a listing has been Broker Loaded, an auto-e-mail will be sent to MLS staff, the listing agent, and the Designated REALTOR® (except that the DR may opt out of the auto-notice process or assign it to his/her designee).

Changes to Listings

1. Changes to an existing listing must be Broker Loaded within the timeframe specified in the MLS Rules and Regulations (i.e. within 48 hours after it is obtained [Saturdays, Sundays, and holidays excepted]).
2. The Broker Loaded change will be entered in real-time and will, therefore, be active once loaded.
3. If a contractual change, the amendment form (and related attachments, if any) must be submitted to the MLS within 24 hours after it has been Broker Loaded either by uploading the document(s) at the time the change is entered, or faxed with a bar-coded fax cover sheet that is generated at the time the change has been loaded.
4. Failure to provide the information referenced in #3 above shall result in a reversal of the change that was made. Notification of same shall be sent via e-mail to the listing agent and Designated REALTOR (except that the DR may opt out of the notice process or assign it to his/her designee).
5. If the information referenced in #3 above is submitted within the 24-hour period but it incomplete or inaccurate, GRAR staff will send e-mail notification of same to the listing agent who will be given 72 hours to submit the appropriate changes or documentation. Failure to provide this information within the 72-hour period will result in a \$50 fine.
6. It shall be a violation of this policy to re-load a change that has been previously removed pursuant to this policy, and shall be subject to a fine and possible disciplinary action.
7. Once a change has been Broker Loaded, an auto-e-mail will be sent to MLS staff, the listing agent, and the Designated REALTOR® (except that the DR may opt out of the auto-notice process).

Other

1. It shall be a violation of the MLS Rules and Regulations and this policy to Broker Load a listing on a property that is currently active on the MLS (i.e., duplicate listing).
2. When entering listings via the Broker Load program, it shall be the duty of each authorized user to input the listing pursuant to the 'Mandatory Requirements for Submission of Listings'. It shall be a violation of the MLS Rules and Regulations and a violation of this policy for any authorized user of the Broker Load program to intentionally circumvent the Mandatory Requirements in an effort to make the listing active.
3. It shall be a violation of the MLS Rules and Regulations and this policy for a listing agent to accelerate the expiration date of a listing without the written consent of the listing broker.
4. It shall be a violation of the MLS Rules and Regulations and this policy for a listing agent to Broker Load a new listing or make a contractual change to an existing listing without the prior written consent of the seller(s) on the appropriate contract.

CAR Request for Commercial Data

If at any time, for any reason, the Commercial Alliance of REALTORS® (CAR) Board of Directors requests a complete copy, both current and historical, of the commercial database, the MLS Exchange, Inc. shall agree to provide that information to CAR in one of the electronic methods or formats currently supported by the MLS Exchange, Inc. at the time of the request.

Conditional Listings

That a listing not be accepted in the MLS if it is conditional upon the requirement that all offers must contain a credit report, except in the case of lease listings, land contract terms, or purchase money mortgages.

Listings that are conditional upon an offer being written on a specific purchase agreement will not be accepted by the MLS for processing.

Construction Type Definitions

Site Built: This home is built piece by piece on the foundation of the home using raw lumber that is cut and nailed on site. This could also be a kit built home where each piece of lumber is pre-cut and then assembled on the site.

Modular or Systems Built: This is a home that is built in a factory in two or more pieces. It is trucked to the site, lifted by crane, and placed onto the foundation.

Registered/Titled/Manufactured or Mobile Home: This home IS titled or registered with the State of Michigan as a trailer/vehicle. It had (or still has) an axle with wheels and possibly a trailer tongue used to tow it. The home's title has not been surrendered to the state.

Unregistered/Untitled/Manufactured or Mobile Home: This home WAS titled or registered with the State of Michigan as a trailer/vehicle. It had (or still has) an axle with wheels and possibly a trailer tongue used to tow it. The title has been surrendered to the state and, therefore, this home is considered real property.

Approved by MLS BOD on 1/26/05, Effective Date of 4/1/05

Copyrightable Material

Any copyrightable material from a listing that is expired, pending, withdrawn, or sold, (including photographs, listing comments, floor plans, drawings, etc.) is not transferable to another broker or agent, without written permission of the broker or agent who provided or created the copyrightable material. *Approved 03/14/07*

Duplicate Listings on Foreclosed Properties

In the event that the MLS receives a duplicate listing on a foreclosed property, the Broker submitting the second listing shall provide a copy of the Sheriff's Deed, Affidavit of Abandonment, or other evidence of new ownership to the MLS. If the date on the Deed is at least six (6) months prior to the beginning contract date on the second listing, the MLS shall fax a letter, to be followed by a mailed letter, to the Broker/Branch DR/Listing agent of the first listing allowing 24 hours to either expire the listing or submit documentation evidencing that the original listing is still valid pursuant to the MLS Rules/Regulations. If the requested documentation is not provided within that 24 hour period,

the first listing shall be expired from the MLS, and the second listing shall be accepted for processing. *Amended 02/14/07*

Fees

The existence of administrative, processing, or any other fees assessed to buyers as a result of an offer and/or subsequent purchase of property must be disclosed within the MLS Agent Remarks or Financial Comments at the time of listing. This disclosure shall include the type of fee, amount of fee, and terms related to the fee. *Approved 7/13/11*

Historical Records

That the Corporation retain all MLS information from 1988 forward.

Image Maintenance

That all images of listings older than 3 years be deleted from the computer. *Amended 9/3/03*

Listing Comments

The following types of information are prohibited from inclusion in the residential and/or commercial listing comments: website addresses, E-mail addresses, names, and phone numbers. (Note: comments may indicate that a brochure is available, but cannot state where or who to contact to obtain the brochure). *Amended 10/7/99*

Mapping (Geocoding)

With the implementation of Broker Load Live, MLS policy will require that all new listings be accurately mapped/geocoded. *Approved by the Board of Directors on 4/2/08*

Mandatory Cooperation

That mandatory sub-agency be eliminated, and that mandatory cooperation be implemented as a prerequisite for participation in the MLS.

Minimum Requirements for Submission

The attached minimum requirements for submission of listings (see Exhibit B) shall be implemented.

MLS Only Clerical Staff

One unlicensed staff person per each MLS Only location may have access to the MLS and broker services menu for the purposes of reporting sales. *Approved 4/22/02*

Names on Listings

If a Listing Only Participant desires that his/her name appear on the listing, the appropriate fee will apply. If the listing is submitted in the name of the broker and that person is a Full MLS-Only Participant, then a separate input fee shall not be assessed. This policy is to be applied consistently to MLS-Only/Listing Only Participants.

New Construction

Listings of new construction (i.e. never occupied) may be published on the MLS two ways: one listing with a sale price reflecting unfinished areas, and one listing with a sale price reflecting finished areas, provided the finished areas add additional Total Finished Living Area. The Listing Office shall follow the standard sale reporting procedures (i.e. when a sale is reported on one listing, the other is withdrawn). *Approved 6/5/03*

Non-GRAR Forms

Listings that involve non-GRAR forms (i.e. lender owned properties that are subject to terms and conditions defined on a separate addendum, properties that are controlled by relocation companies or other third parties that have terms not defined on the listing agreement, etc.) must include the following disclosure in the financial comments "Note - special conditions apply, non-GRAR forms involved, call LA for details." In addition, the Designated REALTOR/Broker must sign the listing agreement guaranteeing commission to the cooperating broker. *Approved 7/12/06*

Notice of Expired Listings

That expired listings be printed one day later than when they actually expire. All extensions must be submitted by the close of the business day of the date of expiration in order to avoid publication of its expiration. Holidays and weekends will be processed on the following business day after their expiration.

Owner by Purchase Agreement/Subject to Short Sale

The MLS will accept listing that have "owner by purchase agreement" indicated simultaneously with "subject to short sale approval" provided a copy of the purchase agreement is provided and the MLS can confirm that there is adequate disclosure to the seller.

Approved 8/19/09

Passwords

An individual granted access to the MLS shall sign a statement agreeing to:

- To keep confidential the password granted to him/her. To not post, share, disseminate, or record the password in any way.
- To accept responsibility for any action taken under the password.
- To issue the appropriate sign-off command when leaving a computer unattended, thus, preventing unauthorized use of the password.
- To refrain from making the MLS information available to any person or entity except in connection with the regular conduct of the real estate or appraisal business, defined as a good-faith effort to produce a sale, exchange, estimate of value, or lease of the property or properties involved.
- To not sell or share copies of any MLS information, to any non-participant of the MLS (including persons within the same firm). Information and data compiled from listings filed with the MLS shall be subject to the same rules and regulations as apply to copies of the listings themselves.
- To not advertise or promote a listing without the prior consent of the listing broker.
- To report to GRAR any apparent breach of, threat to, or violation of the MLS and/or computer system security, including breach of the user passwords.

Password Sharing

Any MLS user found guilty of sharing their MLS password will be subject to a fine of not less than \$2,500 (which does not include potential liability for damages) and suspension from the MLS for not less than 30 days. *Approved 5/12/00*

Pending Sales – Failure to Report

- First Time: Grievance Staff sends letter from the Grievance Committee that identifies the alleged violation (with a copy to the DR). A copy of Section 3.7 of the MLS Rules & Regulations will be sent with the letter. The letter will offer two options: 1) Admit guilt and pay a fine of \$25 within 10 days; the \$500 admin fee will be waived; and letter of censure will not be placed in the permanent file; or 2) Waive the option to pay the fine; respond in writing (providing a copy of the fully executed purchase agreement); and the Grievance Committee will determine whether or not to file a formal complaint with the Professional Standards Committee.
- Second Time (if within 12 months from first offense, otherwise it is treated as a 'new' or 'first' offense): Grievance Staff sends letter from the Grievance Committee that identifies the alleged violation (with a copy to the DR). A copy of Section 3.7 of the MLS Rules & Regulations will be sent with the letter. The letter will offer two options: 1) Admit guilt and pay a fine of \$125 within 10 days; the \$500 admin fee will be waived; and letter of censure will not be placed in the permanent file; or 2) Waive the option to pay the fine; respond in writing (providing a copy of the fully executed purchase agreement); and the Grievance Committee will determine whether or not to file a formal complaint with the Professional Standards Committee.
- Third Time (if within 12 months from the first offense, otherwise it is treated as a 'new' or 'first' offense): Grievance Staff sends letter from the Grievance Committee that identifies the alleged violation (with a copy to the DR). A copy of Section 3.7 of the MLS Rules & Regulations will be sent with the letter. The letter will offer two options: 1) Admit guilt and pay a fine of \$250 within 10 days; the \$500 admin fee will be waived; and letter of censure will not be placed in the permanent file; or 2) Waive the option to pay the fine; respond in writing (providing a copy of the fully executed purchase agreement); and the Grievance Committee will determine whether or not to file a formal complaint with the Professional Standards Committee.
- Fourth Time (if within 12 months from the first offense, otherwise it is treated as a 'new' or 'first' offense): The Grievance Committee files a formal complaint with the Professional Standards Committee.
- Both the Grievance Review Panel and the Professional Standards Review Board members will be copied on all letters.
- Note: Pending Sale is defined within Section 3.7 of the MLS Rules & Regulations.

Photos:

Mandatory Photo MLS

- ALL listings, regardless of type or location must have a photo (or sketch, if vacant). The primary image must be an exterior home view (if residential), property sketch with dimensions (if vacant), or exterior building view (if comm/ind).

Primary Photos

- Must be uploaded within 72 hours from the date the listing goes active on the MLS, including Saturdays, Sundays, and Holidays, to avoid a late fee of \$25.00 per MLS number.
- Advertising, gimmicks, text (including, but not limited to names, website addresses, contact information, etc.), agent photos, logos, copyrighted material, people (especially children), are prohibited*.
- The primary image must be an exterior home view (if residential), property sketch with dimensions (if vacant), or exterior building view (if comm/ind)*.
- Must be a JPEG, JPG or GIF format and less than 3 megabytes. The image may not be a renamed PDF, BMP, etc.

* Failure to abide by these provisions shall result in a \$100 non-compliance fee per MLS number.

Additional Media

- Additional media/images shall not contain any advertising, gimmicks, text (including, but not limited to names, website addresses, contact information, etc.), agent photos, logos, hyperlinks, e-mail links, copyrighted material, people, etc., with one single exception – the copyright symbol '©' and name of the owner of the copyrighted image is permitted in no larger than an 8 point font (no other information, logos, or how to contact)*.

* Failure to abide by this provision shall result in a \$100 non-compliance fee per MLS number.

Virtual Tours

- Virtual tour providers shall be required to register with GRAR. Members shall not upload a virtual tour until such time as the virtual tour provider has completed the registration process*.
- All virtual tours must link directly to a virtual tour of the MLS number specified*.
- The virtual tour shall not contain any hyperlinks or e-mail links*.
- The content of the virtual tour shall not contain any advertising, gimmicks, text (including, but not limited to names, website addresses, contact information, etc.), agent photos, logos, copyrighted material, people, etc., with one single exception – the copyright symbol '©' and name of the virtual tour provider is permitted in no larger than an 8 point font (no other information, hyperlinks, logos, or how to contact)*.

* Failure to abide by these provisions shall result in a \$100 non-compliance fee per MLS number.

Presentation of Offers

Upon request by the cooperating broker, the listing broker or listing agent shall provide the cooperating broker/agent with an Affidavit of Presentation of Offer.

Approved 6/13/12

Sales ~ Use of the Active/Contingent Status

The Active/Contingent Status may be utilized to report sales that have been accepted by the seller, but are awaiting lender approval of a short sale. It may also be used to report sales on REO properties wherein the bank is no longer entertaining offers, but final approval/signatures are still in process. Once the approval/signatures have been obtained, the listing status shall be changed to Pending within the MLS database within 10 days (pursuant to Section 3.7 of the MLS Rules & Regulations). Use of the Active/Back-up Status is not permitted.

Approved 2/8/12

Short Sales

Any listings wherein the listed price is subject to lender approval of a short sale must include the following disclosure in the listing agreement and on the data form: "Warning - property subject to short sale." If the listing agent becomes aware of a short sale necessity after the listing has been submitted to the MLS, it is required that the listing be amended immediately to include this important disclosure.

Approved 7/12/06

Use of the term "MLS"

No MLS participant, subscriber or licensee affiliated with any participant shall, through the name of their firm, their URLs, their e-mail addresses, their website addresses, or in any other way represent, suggest, or imply that the

individual or firm is an MLS, or that they operate an MLS. Participants, subscribers and licensees affiliated with participants shall not represent, suggest, or imply that consumers or others have direct access to MLS databases, or that consumers or others are able to search MLS databases available only to participants and subscribers. This does not prohibit participants and subscribers from representing that any information they are authorized under MLS rules to provide to clients or customers is available on their websites or otherwise.

Approved 8/14/13

Verification of Listings

Changes requested by the member as a result of the verification program that are other than what was submitted by them on the data form will require an amendment form if a contractual change. Non-contractual changes do not require an amendment form. *Amended 9/3/03*

PUBLIC PROPERTY SEARCH PROGRAM

The GRAR shall provide a service to benefit members, home buyers, and home sellers in the form of a public property search accessed from the GRAR Internet Home Page, which shall allow home seekers to preview limited information concerning properties for sale. The following shall govern the implementation, use, and delivery of the program:

- The program shall initially contain searches for single-family, condo, farm, vacation/recreation, and residential income property types.
- An open house list is available on the main menu.
- Additional issues of interest shall be maintained on the public side of the web page, as may be determined from time to time by staff.
- The detail information may be viewed together with an image of the property.
- The public will have the option of sending an e-mail message to the listing agent via a link to the agent's e-mail address, if available. There shall be no additional charge to the member to have the property appear on the Home Page.
- There shall be no charge to the public at this time.
- The listing broker, listing agent, and office/agent phone number shall be included in the detail information.

All current listings in the categories previously referenced would be available on the Public Search program unless specifically requested otherwise by the member. *Amended 8/7/03*

SEXUAL HARASSMENT POLICY

Sexual Discrimination and Harassment

It is the policy of the MLS Exchange, Inc. to comply with applicable civil rights laws. Each and every member and employee is responsible for assuring that they do not engage in sexual harassment or any conduct which could be viewed as sexual harassment.

Sexual harassment includes:

1. Unwelcome sexual advances;
2. Unwelcome requests for sexual acts or favors;
3. Other verbal or physical conduct or communications of a sexual nature when such conduct has the purpose or effect of unreasonably interfering with an individual's employment, work performance or creates an intimidating, hostile or offensive working environment; and
4. Other verbal or physical conduct or communications of a sexual nature when submission or rejection of such conduct or communication by an individual is used as a factor in decisions affecting the individual's hiring or employment.

Complaint Procedures

Any employee who believes he/she has suffered sexual harassment must bring the problem to the attention of one of the following individuals:

1. Immediate supervisor;
2. Chief Executive Officer;
3. The President only in the event the employee feels that the conduct cannot be reported to the immediate supervisor or the Chief Executive Officer.

The complaint does not have to be in writing. It is helpful if details, dates, times, places and witnesses, if any, to the alleged harassment can be provided.

Complaint Investigation and Confidentiality

All complaints will be investigated in a timely manner.

To the extent possible, the identity of the employee making the complaint, the identity of the individual accused of sexual harassment and information regarding the charge of sexual harassment and the investigation of that charge will be kept confidential. If interviews of witnesses are necessary, the witnesses will be provided only such information as is necessary to elicit from them their observations and other relevant information. During the investigation, both the complainant and the accused will be provided with an opportunity to tell their side of the story. To the extent possible, reporting employee and employees assisting in the investigation will be protected from any retaliation resulting from the filing of the complaint and/or assistance provided.

When a complaint is received, an investigation will be conducted by the Chief Executive Officer and the Corporate President. Upon completion of the investigation, a written report of findings and recommendations will be prepared. In the event that the Chief Executive Officer is a party or a material witness with respect to the allegations, the report will be made by the President and Vice-President. Authority for the final resolution of all charges and the determination of any disciplinary action to be taken against a **Corporate employee** rests with the Chief Executive Officer, except when the Chief Executive Officer is a party or a material witness to the allegations, then any disciplinary action to be taken shall be determined by the President and Vice-President or the Board of Directors. Authority for the final resolution of all charges and the determination of any disciplinary action to be taken against any **member or others who are neither members nor employees of the Corporation** rests with the Chief Executive Officer and the Corporate President, except when the Chief Executive Officer is a party or a material witness to the allegations, then any action to be taken shall be determined by the President and Vice-President or the Board of Directors.

Discipline

Sexual harassment is a serious offense and any employee or member found to have engaged in such conduct is subject to severe discipline up to and including termination.

In the event a complaint of sexual harassment is found to be without basis, appropriate disciplinary measures may be taken against the employee who brought the complaint. While this is in no way intended to discourage any employee who believes they have been the victim of sexual harassment from bringing a complaint, the Corporation recognizes that a charge of sexual harassment can cause serious damage to the accused's personal reputation and professional career.

Follow-Up

In instances in which sexual harassment is found to have occurred, a member of the investigatory team will remain in communication with the employee who filed the complaint to follow-up with the employee as necessary.

Voluntary Romances

It is not contrary to the policy of the Corporation for employees to date each other or GRAR members. An exception to this policy may occur in circumstances where one of the employees reports, either directly or indirectly, to the other employee. In such cases, the Association has reserved the right to transfer one or the other of the employees to other open positions within the Association for which they are qualified so that the employees are not in the same reporting lines.

SHAREHOLDER PROCEDURES

Duplicate Share Certificate

In order to receive a duplicate copy of a share certificate, the shareholder must provide a notarized affidavit which indicates that his/her share certificate was lost or destroyed, and indemnifies the Board of Directors against any claim that may be made on account of the lost or destroyed certificate.

Substantially All Definition

That "substantially all" as used in Article II, Section 2.6 of the Bylaws be interpreted to mean 80%.

Entitlement to Dividends

Only current shareholders of record on the date dividends are declared shall be entitled to receive payment of such dividends.

TRAVEL

President

If the President is not a sitting GRAR Director, he/she may be authorized, as deemed appropriate, and reimbursed as follows to attend the NAR meetings:

- A. The President may elect to attend the NAR Mid-Winter Business Meetings, the NAR Mid-Year Legislative Meetings, and the NAR Annual Convention.

- B. For the National Convention, the following expenses shall be reimbursable:
 - 1. Convention registration fee for director;
 - 2. Airport-to-airport transportation for director at lowest group rate;
 - 3. Overnight lodging in the amount of the room rate only for director to be made by Association staff;
 - 4. \$135 per diem when overnight lodging is required.
 - 5. Spouse reimbursement for convention registration fee, airport-to-airport transportation at lowest group rate, and overnight lodging based upon double room occupancy.



RECOGNIZING THE SIGNS OF MORTGAGE FRAUD

In 2007, Michigan was identified by the FBI as a hotspot for mortgage and appraisal fraud. Out of the cases investigated by the Bureau that year, approximately 85% involved fraud that was a result of collusion by real estate industry professionals.

As a result of that report, the Grand Rapids Association of REALTORS (GRAR) worked closely with the local FBI office to provide a series of educational courses intended to prevent mortgage fraud. It also added a tool to its public website (www.grar.com) that enables the public and/or REALTOR members to report suspicions of mortgage fraud.

WHAT IS MORTGAGE FRAUD?

Mortgage fraud is a type of financial crime that is described as “the material misstatement, misrepresentation, or omission relied upon by an underwriter or lender to fund, purchase, or insure a loan.”

HOW DOES IT HAPPEN?

Mortgage fraud is accomplished through the use of false documents, identity theft, straw buyers, and sometimes the witting or unwitting assistance of real estate professionals. To protect themselves and their clients, REALTORS must be able to distinguish between the legal and illegal mortgage practices.

There are a number of ways in which a REALTOR may inadvertently become involved in these schemes or involve their clients. For instance, REALTORS may be asked to interfere in the appraisal process; to alter or not include parts of the purchase agreement that is being provided to the lender or title company; to intercept verifications of income or employment history; etc. It is important to keep in mind at all times that the desire to be helpful cannot override good sense and honesty.

WHAT ARE THE DIFFERENT TYPES OF MORTGAGE FRAUD?

BUY AND BAIL: The borrower is current on the mortgage, but the value of the home has fallen below the amount owed. The borrower continues to make payments on the home, while applying for a purchase money mortgage on another home that has been priced in alignment with today's prices. After the new property has been obtained, the buy and bail borrower will allow the first home to go to foreclosure.

FORECLOSURE RESCUE SCHEME: The perpetrator identifies a homeowner who is at risk of defaulting on a mortgage or whose home is already in foreclosure. The perpetrator then misleads the owner into believing that the perpetrator can prevent the owner from losing the home. One variation of this scheme defrauds the homeowner without defrauding the lender. In this instance, the perpetrator convinces the homeowner to sign a form that supposedly authorizes the perpetrator to contact the lender on the owner's behalf. In reality, the form is a deed transferring the property's title to the perpetrator. The perpetrator then pays off the mortgage, evicts the owner, resells the home, and pockets the equity. A second variation defrauds both the homeowner and the lender. With this scheme, the perpetrator charges the homeowner an upfront fee that supposedly will pay for the perpetrator's

services. The perpetrator simply pockets this fee without doing anything, and the homeowner ultimately loses the home to foreclosure.

SHORT-SALE FRAUD: The borrower deliberately withholds mortgage payments, which forces the loan into default so that an accomplice can submit a "straw" short-sale offer at a purchase price that is less than the borrower's loan balance. The borrower deceives the seller into believing that the straw short-sale offer is legitimate. Some red flags of a short-sale fraud are: The borrower had a strong payment history prior to the default and request for a short-sale; the borrower requests a short-sale before exploring other workout options; and the proposed buyer has commonalities with the borrower (the same surname, for example).

SHORT-SALE TRANSACTIONS INVOLVING THE UNDISCLOSED SALE OF PERSONAL PROPERTY: Transactions in which the Seller, upon completion of the closing, receives cash as a result of the purported sale of personal items by the Seller. These personal items and the terms of their purchase are often listed on a separate addendum, the existence of which is not disclosed to the lender who has approved the short sale on terms which do not include the Seller receiving cash for personal items. Further, the sale of the items and the Seller's receipt of cash are not referenced on the HUD-1. The fair market value for these personal items rarely equals the amount paid for them. This practice is used either to provide cash to the Seller as part of the transaction or to provide additional compensation to a junior lienor in an amount not approved by the lender with the first priority in order to induce the junior lienor to discharge their lien.

OCCUPANCY FRAUD: A misrepresentation that the buyer intends to occupy the property in order to qualify for a reduced interest rate and lesser closing costs.

PROPERTY FLIPPING: It is acceptable to buy a property and sell it quickly for a profit. This practice can become illegal when a property is purchased for fair market value or less and, with the help of an inflated appraisal, is quickly sold to an unsuspecting buyer for an inflated price. In most instances, the perpetrators set up the "flip" transaction before having closed on the initial purchase, which means the flip can occur on the same day the perpetrator actually purchases the property.

PROPERTY FLOPPING: This practice typically involves a home which is listed and can only be sold via a short sale. An offer is obtained from an investor that is subject to the lender's approval of a short sale. The offer is accepted by the seller and negotiations with the seller's lender begin. A broker price opinion is presented to the lender supporting a claim that the market value of the property is equal to the first offer. In the meantime, the property continues to be marketed. Another offer is obtained from a buyer that is substantially higher than the offer submitted to the lender by the investor. The investor accepts the second offer, but convinces the lender to approve the sale under the terms of the first offer. The short sale closes with the lender and, thereafter, the investor completes the sale to the second buyer. The investor then pockets the difference between the first and second offers. The existence of the second offer is never disclosed to the lender.

DISAPPEARING SECOND MORTGAGE: The homebuyer allegedly borrows the down payment from the seller by means of a second mortgage; however, the seller releases the second mortgage immediately after the closing without the primary lender's knowledge. The primary lender is often referred to as the underwriter of the loan. The information regarding the second mortgage does not appear on the HUD closing statement. This scheme requires an inflated appraisal and is utilized by a buyer who needs 100 percent financing without paying the additional costs normally associated with such loans.

SILENT SECOND MORTGAGE: The homebuyer borrows the down payment from the seller by way of a second mortgage, but this fact is not disclosed to the lender. The lender then approves the loan, believing that the buyer invested his/her own funds because the purchase agreement states that he/she has paid the amount of the second mortgage to the seller in full. In many instances, the second mortgage is not recorded so as to insure that the information is permanently concealed from the lender. In these situations, the buyer will make two monthly payments, one to the lender and one to the seller.

EQUITY SKIMMING: Equity skimming often begins with a straw buyer. A straw buyer is a financially qualified person who is convinced to purchase a property on someone else's behalf, usually because the other person (the perpetrator) does not want his/her name to appear on the deed and mortgage. The perpetrator recruits the straw buyer by promising to pay him/her a fee and assume responsibility for the mortgage payments. After the closing, the straw buyer deeds the property to the perpetrator, but he/she does not record the deed. The perpetrator then rents the property and collects the rental payments, but does not make the mortgage payments. The property eventually goes into foreclosure. In another variation, the perpetrator steals an individual's identity and applies for a mortgage in that person's name. Once the loan has closed, the result is the same: the perpetrator rents the property and collects rental payments, but does not make the mortgage payments and the property ends up in foreclosure.

INFLATED APPRAISALS: An appraisal tells lenders, brokers, and buyers whether or not a home is a sound investment, and the estimates used to create the appraisal rely to some degree upon the appraiser's subjective evaluation of the property and market conditions. Appraisal fraud occurs when, rather than conducting an independent estimate of a home's value, the appraiser is asked to base their estimate on a predetermined value, which is typically the number needed to make the loan successful. Inflated appraisals have long-term consequences for the homeowner. Often, homeowners risk financial ruin because the inflated appraisal has caused them to borrow more than their home is actually worth. As a result, when they attempt to sell their home, they are forced to come up with the difference at the closing table.

HOW DO I IDENTIFY IT?

The number one red flag for identifying possible mortgage fraud is the existence of transactional costs or details that are not disclosed on the HUD closing statement. If warning signs are present in your transaction, bring the situation to the immediate attention of your supervising broker. The few minutes that it will take to decide between innocent and fraudulent activities could save you and your broker time, money, and maybe even your license.

WHO IS LIABLE?

If mortgage fraud occurs, it is important to understand that all parties to the transaction could face stiff penalties (REALTOR, buyer, seller, loan originator, title provider, appraiser, etc.). Since this includes the buyer and seller, further investigation of a suspicious situation is in the best interest of your clients.

HOW DO I REPORT MORTGAGE FRAUD?

If you and/or your supervising broker agree that mortgage fraud may have occurred, you may submit a report via the public side of the GRAR website (www.grar.com). The website contains a form that can be submitted anonymously, if that is your preference. Upon receipt of a report, GRAR will evaluate the allegations. If the allegations involve a GRAR member, the matter will be submitted to the GRAR Grievance Committee for consideration and investigation via the Professional Standards process. If the matter doesn't involve a GRAR member, the allegations will be forwarded to the applicable authorities, which could include: Federal Bureau of Investigations (FBI), Internal Revenue Service (IRS), Department of Energy, Labor & Economic Growth (DLEG), etc.



PROFESSIONAL STANDARDS COMPLAINT PROCESS

TYPES OF COMPLAINTS:

The Grand Rapids Association of REALTORS (GRAR) has the authority to consider and render decisions in the following matters, provided the complaint is against a REALTOR member or MLS Participant:

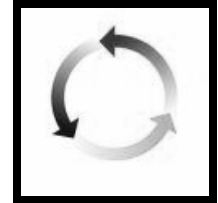
- **Business Disputes** involving procuring cause claims between brokers for commissions and/or allegations by customers or clients for damages owed.
- **Ethics Complaints** involving alleged violations of the REALTOR Code of Ethics and/or GRAR Bylaws, MLS Rules/Regulations, and Policies.

WHO CAN FILE A COMPLAINT?

The general public may initiate a complaint, as may REALTOR members of GRAR. However, the complaint process varies based upon who is filing the complaint (see below for details).

PUBLIC VS. MEMBER PROCESS:

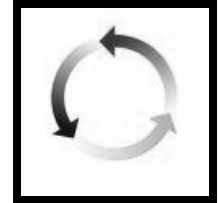
1. Complaints typically originate with a phone call to GRAR. The phone call does not invoke the Professional Standards complaint process.
2. The caller is encouraged to contact the REALTOR's supervising broker to discuss his/her concerns.
3. If the caller is unable to resolve the matter directly with the supervising broker, he/she may then send a written letter of complaint to GRAR.
4. The letter of complaint must state who the complaint is against, describe the details surrounding the complaint, include any relevant documentation (i.e. contracts, phone logs, etc.) and be signed by the person making the complaint.
5. Upon receipt, GRAR will forward this letter to the Review Board of the Professional Standards Committee.
6. The Review Board is comprised of four members of the Professional Standards Committee. If anyone on the Review Board is affiliated with a firm involved in the complaint, he/she is excused from the meeting and discussion.
7. The Review Board reviews the letter and, assuming the information contained in the letter is true, cites any applicable charges (i.e. alleged violations of the Code of Ethics, Rules and Regulations, Policies, or Bylaws).
8. The letter of complaint and the applicable charges are then sent to the REALTOR member and his/her supervising broker for a response.



9. The respondent has twenty days to provide a written response to the allegations. The written response must be acknowledged and signed by the REALTOR's supervising broker. This is the member respondent's opportunity to share his/her recollection or understanding of the events in question.
10. The matter is then sent back to the Review Board to determine whether or not a formal hearing should be held. A formal hearing is the opportunity for the complainant and respondent to appear before a neutral panel of the Professional Standards Committee to present their case and/or defense.
11. The Hearing Panel will then render a decision and, if applicable, impose discipline and/or grant an award.

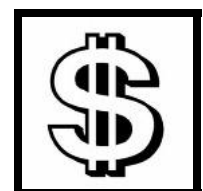
MEMBER VS. MEMBER PROCESS:

1. See steps #1 through #3 above.
2. The letter of complaint must be signed by the REALTOR making the complaint. If the complaint involves a business dispute (i.e. commission dispute), the letter must also be signed by the firm's Designated REALTOR (i.e. supervising broker).
3. In the case of a business dispute, the complaint must contain a statement describing the basis of the claim, the facts alleged to support the claim, and the relief requested. It must also include the Request and Agreement to Arbitrate form and filing fee (see below for details).
4. In the case of an ethics complaint, the complaint must state the nature of the claim or charge and refer to the particular section of the Code of Ethics, Bylaws, MLS Rules & Regulations, or GRAR policy that has allegedly been violated.
5. It is always important to attach copies of all relevant documentation to the complaint (i.e. contracts, written agreements, disclosures, phone logs, etc.).
6. Upon receipt of the complaint, GRAR will automatically request a written response from the REALTOR that the complaint is against. That person will have twenty days to respond in writing.
7. The REALTOR respondent's supervising broker is also made aware of the complaint. The broker will acknowledge and/or respond to the matter as well.
8. Then, the complaint and response will be forwarded to the Review Board of the Professional Standards Committee for consideration. The Review Board is comprised of four members of the Professional Standards Committee. If anyone on the Review Board is affiliated with a firm involved in the complaint, he/she is excused from the meeting and discussion.
9. The Review Board will determine whether or not there is cause to hold a formal hearing. A formal hearing is the opportunity for the REALTOR complainant and REALTOR respondent to appear before a neutral panel of the Professional Standards Committee to present his/her case and/or defense.
10. The Hearing Panel will then render a decision and, if applicable, impose discipline and/or grant an award.



FILING FEE:

- There is a **\$300 filing fee** for complaints involving **business disputes**. This fee is refunded in full if the complainant prevails in



the hearing. See the attached Request and Agreement to Arbitrate form for additional details.

- There is **no filing fee** for **ethics complaints**.

FACILITATED SETTLEMENT DISCUSSIONS:

- If it is determined by the Review Board that a hearing is to be held in a matter involving a business dispute, the complainant and respondent are offered the ability to participate in a Facilitated Settlement Discussion.
- This is a voluntary process that enables the parties to meet face-to-face with each other and a neutral member of the Professional Standards Committee (i.e. a Facilitator) in an effort to reach a mutually accepted resolution.
- The Facilitator will not share his/her opinion as to who is entitled to payment of a commission, however, he/she will explain that it is in the best interests of the parties to resolve the matter amongst themselves for the reason that the decision of the Hearing Panel is binding.
- If the parties are unable to reach a resolution, or if they decline to participate in the Facilitated Settlement Discussion, the matter proceeds to a formal hearing.



HEARING (ORDER OF BUSINESS):

- In the event that a hearing is held, the matter will be heard at the GRAR office by a neutral, six-member Panel of the Professional Standards Committee.
- The parties to the hearing have the right to be represented by legal counsel. If either party is represented by counsel, then GRAR Legal Counsel will attend as well.
- The Hearing Panel Chairperson will declare the hearing in session.
- Each party will have the opportunity to make an opening statement.
- Then, the complainant will present his/her complaint, which could involve the calling of witnesses, questioning of witnesses and/or the respondent, etc.
- The Respondent will then have the opportunity to present his/her defense, which could involve the calling of witnesses, questioning of witnesses and/or the complainant, etc.
- Each party will then make a closing statement.
- The parties will be excused.
- The Hearing Panel will then go into Executive Session or deliberation wherein it renders a decision.
- If the matter is an ethics hearing and the respondent is found guilty, the Hearing Panel must provide Findings of Fact (i.e. rationale for that decision).
- If the matter is a business dispute, Findings of Fact are not necessary.

PROCURING CAUSE:

- Procuring Cause is the process used by the Professional Standards Hearing Panels to determine who is entitled to payment of a commission.
- Procuring Cause is defined as “the interplay of factors which together demonstrate that the unbroken efforts of a specific broker were responsible for the buyer making the decision to consummate the sale on terms which the seller found acceptable.”

- In other words... “The sale would not have occurred but for this broker’s efforts.”
- There is no pre-determined rule of entitlement and the Hearing Panels consider the entire course of events.
- Matters such as the first showing, the writing of a successful offer, or the existence of an agency relationship are not, in themselves, exclusive determiners of procuring cause/entitlement.
- Please see the attached list of guidelines that the Hearing Panels consider when determining procuring cause.

PAYMENT OF AN AWARD:

Generally, the award of a Hearing Panel can be judicially enforced if payment is not received by the prevailing party.

DISCIPLINARY ACTION:

- In ethics complaints, the Hearing Panel has the right to impose disciplinary action if it is determined that a REALTOR member or MLS participant violated the Code of Ethics, MLS Rules & Regulations, Bylaws, or GRAR policies.
- Disciplinary action could include: Letter of censure in the REALTOR’s permanent file, fine, probation, suspension of membership, termination of membership, additional education, restitution (in limited circumstances), or other discipline deemed appropriate by the Hearing Panel.
- Once guilt is determined, the Hearing Panel will look at the REALTOR’s file to determine if he/she has previously been found guilty by a Hearing Panel. If so, the discipline imposed will be more progressive.

CONFIDENTIALITY:

- The Professional Standards complaint process is handled with the utmost level of confidence.
- The names of violators are only published to the membership in the event that that person has had their membership or MLS participation suspended or terminated.
- However, the Hearing Panels will consider whether or not there has been an alleged violation of law, regulation, or public trust.
- These violations could include: mortgage fraud, non-conformance with RESPA regulations, misappropriation of funds, willful discrimination, fraud resulting in substantial economic harm, or other violations which merit disclosure to a government agency or law enforcement.
- If so, a recommendation will be made to GRAR Legal Counsel that the matter be referred to a higher authority for consideration.
- If Legal Counsel concurs, the GRAR Board of Directors must also approve the recommendation before forwarding the matter on to higher authorities.



DUE PROCESS

- The intent of the hearing is to provide the parties with “due process,” which means that they are entitled to: a hearing before an unbiased panel, a full and fair hearing, the ability to cross examine witnesses, the opportunity to be represented by legal counsel, and the right to a prompt decision based upon the evidence presented with rationale (if it was an ethics hearing).

PROFESSIONAL STANDARDS BULLETINS:

- GRAR publishes Professional Standards Bulletins several times per year. These Bulletins include summaries of cases heard by the Professional Standards Committee (without names). The Bulletins are archived and accessible in the Professional Standards section of the on-line Document Library (<http://www.grar.com/member/DocIndex.mac/AllCategories>).

ARTICLE 17 OF THE GRAR BYLAWS:

- The Professional Standards complaint process (including the appeal process) is described in detail within Article 17 of the GRAR Bylaws. The GRAR Bylaws are accessible via the Governing Documents section of the on-line Document Library (<http://www.grar.com/member/DocIndex.mac/AllCategories>).



PROFESSIONAL EXPECTATIONS PROGRAM

WHAT IS IT?

While the REALTOR® Code of Ethics and Standards of Practice establish objective, enforceable ethical standards governing the professional conduct of REALTORS, it does not address issues of professional courtesy or etiquette. These issues have the potential to leave the buying and selling public with a poor perception of the real estate industry.

Based on input obtained from many sources, the following list of professional courtesies has been developed for use by REALTORS on a voluntary basis. This list is not all-inclusive, and may be supplemented by individual office practices and preferences.

IT IS A MATTER OF RESPECT...

FOR THE PUBLIC:

- Follow the “Golden Rule” – Do unto others as you would have them do unto you.
- Respond promptly to inquiries and requests for information.
- Schedule appointments and showings as far in advance as possible.
- Call if you are delayed or must cancel an appointment or showing.
- If a prospective buyer decides not to view an occupied home, promptly explain the situation to the listing broker or the occupant.
- Communicate with all parties in a timely fashion.
- When entering a property, ensure that unexpected situations, such as pets, are handled appropriately.
- Leave your business card if not prohibited by local rules. *Note: GRAR policy states that business cards left at showings of other brokers' listings should be limited to contact information only and should not contain marketing information or statements.*
- Never criticize property in the presence of the occupant.
- Inform occupants that you are leaving after showings.
- When showing an occupied home, always ring the doorbell or knock – and announce yourself loudly – before entering. Knock and announce yourself loudly before entering any closed room.
- Present a professional appearance at all times; dress appropriately and drive a clean car.
- If occupants are home during showings, ask their permission before using the telephone or bathroom.
- Encourage the clients of other brokers to direct questions to their agent or representative.
- Communicate clearly; don't use jargon or slang that may not be readily understood.



- Be aware of and respect cultural differences.
- Show courtesy and respect to everyone.
- Be aware of – and meet – all deadlines.
- Promise only what you can deliver – and keep your promises.
- Identify your REALTOR® and professional status in contacts with the public.
- Do not tell people what you think – tell them what you know.

FOR PROPERTIES:

- Be responsible for everyone you allow to enter listed property.
- Never allow buyers to enter listed property unaccompanied.
- When showing property, keep all members of the group together.
- Never allow unaccompanied access to property without permission.
- Enter property only with permission even if you have a lockbox key or combination.
- When the occupant is absent, leave the property as you found it (lights, heating, cooling, drapes, etc...). If you think something is amiss, (e.g. vandalism) contact the listing broker immediately.
- Be considerate of the seller's property. Do not allow anyone to eat, drink, smoke, dispose of trash, use bathing or sleeping facilities, or bring pets. Leave the house as you found it unless instructed otherwise.
- Use sidewalks; if weather is bad, take off shoes and boots inside property.



FOR PEERS:

- Identify your REALTOR® and professional status in all contacts with other REALTORS®.
- Respond to other agents' calls, faxes, and e-mails promptly and courteously.
- Be aware that large electronic files and attachments or lengthy faxes may be a burden on recipients.
- Notify the listing broker if there appears to be inaccurate information on the listing.
- Share important information about the property, including the presence of pets; security systems; and whether sellers will be present during the showing.
- Show courtesy, trust and respect to other real estate professionals.
- Avoid the inappropriate use of endearments or other denigrating language.
- Do not prospect at other REALTORS®' open houses or similar events.
- Return keys promptly.
- Carefully replace keys in the lockbox after showings.
- To be successful in the business, mutual respect is essential.
- Real estate is a reputation business. What you do today may affect your reputation – and business – for years to come.



This information is provided to help raise awareness of the common courtesies and professionalism we should all strive to demonstrate daily to clients, customers, and colleagues. To learn more about this important topic, please watch the video that was included in your binder or access the video on-line at http://www.succeedwithmore.com/standards/st_pro.cfm.



RPAC

REALTORS Political Action Committee FAQ

[What is a PAC?](#)

[Why should I contribute to RPAC?](#)

[How will my contribution be used?](#)

[How did RPAC do in the last election?](#)

[Who establishes and implements RPAC policy?](#)

[How does RPAC establish fundraising goals?](#)

[Who may be solicited for RPAC contributions?](#)

[Are contributions to RPAC tax deductible?](#)

[Does the National RPAC contribute to state or local candidates?](#)

[Can I earmark money to a party or particular candidate?](#)

[What process do the National Trustees use when determining contributions to candidates?](#)

[Upon what criteria does the National RPAC base its decision to support federal candidates?](#)

[Will the National RPAC Trustees contribute to both candidates in a race?](#)

[How much money stays with the state association and how much goes to the National RPAC?](#)

[What is the difference between hard \(personal\) and soft \(corporate\) money?](#)

What is a PAC?

PACs have been around since 1944, when the Congress of Industrial Organizations (CIO) formed the first one to raise money for the re-election of President Franklin D. Roosevelt. A Political Action Committee (PAC) is a popular term for a political committee organized by like-minded people for the purpose of raising and spending money to elect and defeat candidates. The PAC's money must come from voluntary contributions from members rather than the member's dues treasury. PACs represent business, labor or ideological interests. PACs can give \$5,000 to a candidate committee per election (primary, general, run-off or special). They can also give up to \$15,000 annually to any national party committee, and \$5,000 annually to any other PAC. PACs may receive up to \$5,000 from any one individual.

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Why should I contribute to RPAC?

RPAC is the muscle behind NAR. RPAC represents over 400,000 politically active REALTORS that members of Congress want as their friends. Recent legislative and regulatory successes include:

- The continued preservation of the mortgage interest deduction.
- Tax relief benefiting the real estate industry.
- Improving federal mortgage programs, allowing more families to join the ranks of homeownership.
- Eliminating burdensome regulations inhibiting environmental quality and healthy real estate markets.

[Back to top](#)

How will my contribution be used?

100% of your contribution is used to elect pro-REALTOR candidates: 70% remains in the state to be used in state and local elections. 30% of your contribution will be forwarded to National RPAC to fund key U.S. House and Senate races. Until your state PAC reaches its RPAC goal 30% is sent to National RPAC to support federal candidates and is charged against your limits under 2 U.S.C. 441a; after the state PAC reaches its RPAC goal it may elect to retain your entire contribution for use in supporting state and local candidates. RPAC is neither a Republican nor a Democratic organization. Your contribution to RPAC is a vote for a pro-REALTOR Congress, regardless of political party.

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How did RPAC do in the last election?

RPAC remained the nation's largest PAC in direct contributions to candidates with disbursements of over \$4.8 million dollars to federal candidates and national political committees in the 2008 election cycle. RPAC also spent nearly \$2 million on our Opportunity Race program that mobilized REALTORS® to be active in 92 congressional campaigns. RPAC also conducted 9 Independent Expenditures to educate the general public on pro-homeownership candidates. We spent over \$1 million dollars on IEs in 2002 when the program began compared to \$6.7 million this past election on this rapidly growing program to support 9 champions of REALTORS® who were locked in toss-up elections, of which 5 won. RPAC continued its bipartisan tradition, contributing 47% of its funds to Republicans and 53% to Democrats, which closely tracks the current makeup of Congress. RPAC was on the winning side of 94% of the 427 congressional and senate races we contributed to.

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Who establishes and implements RPAC policy?

Much of RPAC's success is due to the high degree of organization that characterizes the REALTORS® Political Action Committee at every level. Leading the National RPAC organization are the National RPAC Trustees. The Trustees establish and implement RPAC policy in accordance with the RPAC bylaws and NAR policy as established by the NAR Board of Directors. The Trustees are made up of REALTOR® volunteers from around the nation who are appointed by NAR leadership.

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How does RPAC establish fundraising goals?

The dollar goal of the National RPAC, set by the National Trustees, is \$15 per year per NAR member. At least \$4.50 of that goes to the National RPAC. This goal is called a "fair share." To ensure that all states contribute their fair share to the RPAC effort, a states' annual goal is determined by the number of members in that state based on the October 31 membership report. The National RPAC recognition year runs from November 1 to October 31.

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Who may be solicited for RPAC contributions?

According to federal election law, RPAC can solicit only individual members -- i.e., non-corporate members of NAR and their families. The term "members" means all individuals who currently satisfy the requirements for membership in any one of the local, state, and/or the National Association and regularly pay dues.

Executive, administrative and management personnel of the local, state and/or national associations are also considered under the NAR constitution to be members of the association and are solicitable even though they may not pay association dues.

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Are contributions to RPAC tax deductible?

No. Contributions used for political purposes are not tax deductible on your federal income taxes.

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Does the National RPAC contribute to state or local candidates?

Under the cooperative agreements in effect between the National RPAC and the state association's Political Action Committees, the responsibility for making contributions to federal candidates is assigned to the national RPAC, while state association's Political Action Committees decide which state and local candidates to support.

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Can I earmark money to a party or particular candidate?

No. Under federal election law, the earmarking of contributions is illegal.

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What process do the National Trustees use when determining contributions to candidates?

The National Trustees' policy is to act only on requests sent from state associations and approved by the state trustees. Once the national trustees receive these requests, they have four options: Amend, Approve, Deny or Defer.

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Upon what criteria does the National RPAC base its decision to support federal candidates?

1) Recommendations from State RPAC Trustees, 2) NAR congressional voting records and analyses of incumbent members of Congress, and 3) campaign intelligence reports provided by the NAR political and legislative staff.

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Will the National RPAC Trustees contribute to both candidates in a race?

No. The National RPAC Trustees' policy is to only contribute to one candidate in any given election. However, the use of In-State Reception funds and D.C. Reception Funds does not necessarily count as a dual contribution if a challenger is supported by the National RPAC. Again, these are relationship-building monies.

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How much money stays with the state association and how much goes to the National RPAC?

The National RPAC maintains voluntary cooperative agreements with the state association's Political Action Committees. States retain 70% of the money they collect for the support of state and local candidates and send 30% to the national RPAC for use in supporting federal candidates. Until your state PAC reaches its RPAC goal 30% is sent to National RPAC to support federal candidates and is charged against your limits under 2 U.S.C. 441a; after the state PAC reaches its RPAC goal it may elect to retain your entire contribution for use in supporting state and local candidates.

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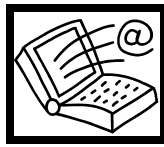
What is the difference between hard (personal) and soft (corporate) money?

Hard money has many restrictions on how it is raised and spent and must be fully reported to the Federal Election Commission. Hard money is raised from individuals, who can contribute up to \$2,400 directly to a federal candidate per election and \$5,000 to

a Political Action Committee, like RPAC, per year. RPAC can contribute \$5,000 to a federal candidate per election. RPAC can only accept money from individuals. Soft money is raised from corporations, unions and individuals. Federal candidates cannot accept soft money. Soft money is raised by party organizations, unions, corporations and associations. There are no limitations on the amount of soft money a corporation or individual can contribute, nor any limitation on the amount of soft money an organization can spend. Unlike RPAC, NAR can accept corporate contributions, which can then be used to communicate with our membership about a candidate through opportunity races or used for issue advocacy.

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DC Office: 500 New Jersey Avenue, NW, Washington, DC 20001-2020
1-800-874-6500



WHAT EVERY REALTOR® SHOULD KNOW ABOUT REGISTERED TRADEMARKS, DOMAIN NAMES, E-MAIL ADDRESSES, HTML TITLE TAGS, & META DESCRIPTION TAGS!

GRAR has received an increasing number of complaints in recent months pertaining to members' usage of allegedly deceptive Internet domain names, E-mail addresses, HTML Title tags, META Description tags, etc. The membership is encouraged to refer to the following guidelines of the National Association of REALTORS® (NAR) in an effort to avoid disputes in these areas. Please note that failure to abide by these guidelines could result in action by the Professional Standards Committee.

NAR REGISTERED TRADEMARKS:

The REALTOR® marks (i.e., REALTOR®, REALTORS®, REALTOR-ASSOCIATE®, and REALTOR with Block "R" logo®) mean membership in the NATIONAL ASSOCIATION OF REALTORS® (NAR). The marks do not mean a person's occupation such as real estate agent/broker/salesperson. NAR licenses to its members the right to use the REALTOR® marks to identify themselves and/or their real estate businesses as members; however, NAR has the authority to demand that anyone using its trademark(s) improperly cease and desist immediately.

The REALTOR® and MLS (Multiple Listing Service) Composite Logo (at right) is a registered service mark which may only be used by persons associated with a REALTOR® member of an approved Multiple Listing Service operated by a Member Board, but only in connection with the name of the REALTOR® Member's firm. The Logo may not be altered in any way.



NAR grants no variation of the design of the standard MLS Service Mark. Further, NAR will not review and authorize any Multiple Listing Service insignia other than its own Service Mark. In addition, the term REALTOR® may not, in any instance, be used in connection with any Multiple Listing Service not owned and/or controlled by a Member Board of REALTORS®. *Note: NAR does not govern the use of members' individual or company trademarks.*

DOMAIN NAMES/E-MAIL ADDRESSES:

In domain names and/or E-mail addresses, NAR allows members to use the REALTOR® marks with a member's full name and/or with the complete name of a broker's real estate company. NAR does not allow members to use the REALTOR® marks with descriptive or geographical terms.

Acceptable:

REALTOR® mark w/member's name:

www.johndoerealtor.com

johndoerealtor@aol.com

Not Acceptable:

REALTOR® mark w/descriptive term:

www.yournumber1realtor.com

awesomerealtor@aol.com

Acceptable:

REALTOR® mark w/name of broker's firm
www.xyzcompanyrealtors.com
xyzcompanyrealtors@aol.com

Not Acceptable:

REALTOR® mark w/geographical term:
www.chicagorealtor.com
grandvillerealtor@hotmail.com

HTML TITLE TAGS AND/OR META DESCRIPTION TAGS:

HTML Title tags and/or META Description tags can be useful tools in directing Internet traffic to a specific website; however, caution should be exercised in this area. The use of HTML Title tags and/or META Description tags that employ another firm's name might not be precluded by law or regulation, but could, conceivably, be in conflict with Article 12 of the Code of Ethics (see excerpt below), which holds members to a higher standard.

EXCERPT FROM ARTICLE 12 OF THE CODE OF ETHICS:

REALTORS® shall be careful at all times to present a true picture in their advertising and representations to the public.



GRAR participates in a Regional Lockbox System that utilizes Supra as its vendor for cutting edge electronic lockbox technology.

Q: What other Associations participate in this regional lockbox system?

A: In addition to Grand Rapids, the following Associations participate in the regional system: Battle Creek, Branch, Hillsdale, Mason/Oceana/Manistee, Montcalm, St. Joseph County, West Central, and the West Michigan Lakeshore Association. We are also in the process of establishing reciprocal agreements with Lansing and Traverse City.

Q: How does a regional system benefit me?

A: If you encounter a listed property in one of the areas referenced above and it has an electronic lockbox on it, your key will provide you with access to that property. There is no need to contact the Association or the listing agent to request a special code or other type of access.

Q: What is my cost for participating in this system?

A: All GRAR members participate in the system at a cost of \$14.25 per month. This cost includes the key and as many lockboxes as are needed to service your firm's current and pending listings.

Q: How do I obtain lockboxes to place on my listings?

A: You would see your broker, as he/she will maintain an inventory of lockboxes.

Q: How can I learn more about the system and its features?

A: Please see the attached Supra Web Guide.

SupraWEB Guide

SupraWEB is the agent website where you can go to:

- Obtain an update code for your key
- Identify the name of a keyholder by key serial number
- Manage your keybox inventory and listing information
- View, email, and schedule activity reports
- View and send showing feedback
- Manage your bill
- Change your PIN code (*eKEY users*)
- Set up your market area (*eKEY users*)
- Obtain an authorization code for installing eKEY software (*eKEY users*)
- Set up your ActiveKEY Alerts if your Board/Association has this feature activated (*ActiveKEY users*)

SupraWEB can also be accessed using your mobile phone by navigating to <http://supraweb.suprakim.com>.

Need help?

Call for free support 7 days a week, 5am to 7pm Pacific time, toll free **1-877-699-6787**.

Logging in to SupraWEB

1. Go to www.supraekey.com and select **Agents - Log on to SupraWEB**.
2. Enter your user ID and password and select **Login**. If you haven't registered for a single sign on (SSO) user ID and password yet, click the **Register** link to register for a login.
3. The first time you login with your user ID and password you'll need to enter your key serial number and PIN and choose your Board/Association from the list.

The screenshot shows the SupraWEB user interface. At the top left is the Supra logo with the tagline 'A UTC Fire & Security Company'. At the top right, there is a link 'Problem accessing our site? Contact us' and two user profile icons with the text 'Manage your profile Register'. The main content area is divided into two columns. The left column contains a 'Login' section with fields for 'User ID' and 'Password', both marked with a red asterisk. Below these fields are links for 'Forgot Password?' and a checkbox for 'Remember User ID'. A 'Login' button is at the bottom of this section. Below the login section is a 'New User Registration' section with the text 'First time user? Please create an account now.' and a 'Register' button. The right column contains a 'Welcome to the UTC Single Sign-On (SSO) page.' message. Below the welcome message, it states: 'Registered SupraWEB users: Simply enter your current user name and password.' and 'New SupraWEB users: Please click register to setup a new user.'

SupraWEB Home Page

When you login to SupraWEB you'll see the home page.

Supra
A UTC Fire & Security Company

[Log Out]
SupraWEB
Management Website

HOME LISTINGS REPORTS SETTINGS BILLING SUPPORT

QUICK LINKS

- Update Code
- Identify Keyholder
- ActiveKEY Settings
- ActiveKEY Alerts
- Agent WebPAY
- Add Keybox
- Assign Listing

CONNECT WITH US

- Facebook
- Twitter
- ActiveRain

Showings Dashboard

Welcome to SupraWEB! This dashboard view contains the showing activity for the date range specified. Change the date range to show more or less information on your Showing Dashboard.

Dashboard Date Range: 7/18/2009 to 10/26/2009 [Change](#)
Showing Count: 4 **Feedback Count:** 2 [Feedback Reminders](#)

| DateTime | ListingID | Address | ShowingAgent | Actions |
|-----------------------|-----------|---|--|---------|
| 10/22/2009 2:04pm | 27133973 | 92 Glacier Peak Dr Camano Island WA 98282 | Joan Wilson (425)754-4853 | |
| 10/22/2009 2:01pm | 1006588 | 301 Longview Ave Kent WA 98005 | Darcy Thompson darcy.thompson@google.com (425)316-8900 | |
| 10/22/2009 2:00pm | 849789 | 4321 Fairview Industrial Drive Kent OR 98345 | Jason Phillips jason.phillips@yahoo.com (425)466-1874 | |
| 10/22/2009 10:19am | | | James Joyce (425)231-7903 | |

Showing Per Page: 10

Legend Assign Listing MLS# Showing Feedback

DisplayKEY Quick Links

QUICK LINKS

- Update Code
- Identify Keyholder
- Add Keybox
- Assign Listing

eKEY Quick Links

QUICK LINKS

- Update Code
- Identify Keyholder
- Authorization Code
- Change PIN
- Market Area
- Add Keybox
- Assign Listing

Quick Links

The Quick Links show the most common tasks you'll use at SupraWEB. The Quick Link options depend on the type of key you have.

Update Code - Displays a current update code for your key. You may need to eSYNC your key before you can get another update code.

Identify Keyholder - Identify the name of a keyholder by key serial number

Add KeyBox - Add keyboxes to be included on your Showings Dashboard and in reports.

Assign Listing - Choose a keybox from your inventory and assign a listing ID to show where the box is placed.

ActiveKEY Quick Links

ActiveKEY Settings - Indicate whether you'd like to receive a message when your iBox battery is low.

ActiveKEY Alerts - Set up your ActiveKEY Alert contacts and message if your Board/Association has activated this feature.

eKEY Quick Links

Authorization Code - Generate an authorization code used to install the eKEY software.

Change PIN - Change the PIN code in your eKEY.

Market Area - Set up or make changes to your market area if you subscribe to eKEY Professional service. If you use a BlackBerry device as your eKEY, set up your market area on your BlackBerry first.

Menu Bar

The Menu Bar at the top of the screen lets you easily navigate through SupraWEB.



Home - Returns you to the SupraWEB Home screen and the Showings Dashboard.

Listings - View information about your listings and assign them to KeyBoxes

Reports - View, schedule, and email showing and key activity reports

Settings - View your user information and key information and define email settings

Billing - Manage your bill online. You can view your account balance, make a payment, update your account information, and add or cancel insurance on a key (qualified key types only).

Support - Support contact information

Update Code

To obtain an update code for you key, select the Update Code link.

If you cooperate in additional areas, your update codes for those area are shown below your primary update code.

Update Code

The following update code is valid until March 19, 2010.

2415 - 1857 - 14

You may need to perform an eSYNC before you can obtain another update code.

For help entering your update code, please click [here](#).

Coop Update Codes

| Board | Update Code | Valid Until |
|------------------------------|------------------|----------------|
| Metro Area Board of Realtors | 0787 - 9253 - 34 | March 19, 2010 |

Important! If you have more than one Supra key assigned to you by your Association/MLS you can change the key information you are viewing by selecting SETTINGS and then choosing the key serial number at the bottom of the screen and then **Select**.

Setting up Showing Activity

Each time a key container is opened on a keybox, the key records the showing information and sends it to the Supra network. To view showing information, the keyboxes placed on your listings first need to be in your keybox inventory. You can manage your keybox inventory at the Supra website. Once your keyboxes are in your keybox inventory, you can view the last six months of showing information for those keyboxes at SupraWEB.

Managing Listings and KeyBox Inventory at SupraWEB

1. From SupraWEB select the **LISTINGS** menu option.
2. Select the **Keyboxes** link to view a list of keyboxes in your inventory.



3. To add a keybox, select the **Add KeyBox** link and enter the keybox serial number, shackle code, and the MLS number where the box is located.
4. To assign a listing to a keybox already in your inventory, select the **Assign Listing** dropdown, choose the keybox and enter the MLS number where the keybox is located.

Be sure to update the listing ID when you place a keybox on a new listing, so the address information shows correctly on reports.

Setting up Email Settings

You can have the system send you an email when someone opens one of your keyboxes or sends you showing feedback.

1. From SupraWEB select **SETTINGS**.

2. Select **General Email**.

General Email Settings




Email Address:

If this email address is not the same as the one your MLS, it may be overwritten by the email your organization has on record.

| | |
|---|---|
| Showing Emails <input checked="" type="checkbox"/> Send me an email when another agent shows my listings. Also send a copy to:(CC) <input type="text"/> | Feedback Emails <input checked="" type="checkbox"/> Send me an email when another agent sends feedback on any of my listings. Also send a copy to:(CC) <input type="text"/> |
|---|---|

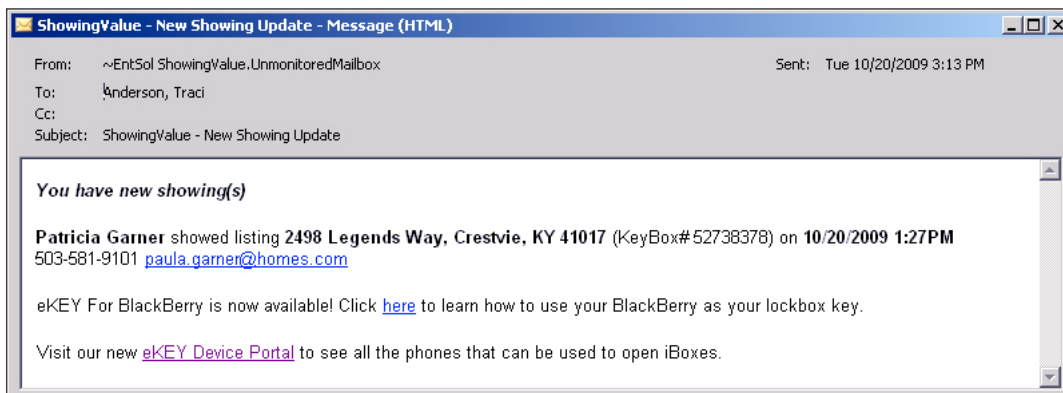
Separate multiple addresses with a comma or semicolon

| | |
|--|---|
| Feedback Reminders <input checked="" type="checkbox"/> Remind me by email to send feedback on listings I have shown. | Listing Update Emails <input checked="" type="checkbox"/> Allow listing agents to send me update emails on listings I have shown. |
|--|---|

| | |
|---|---|
| Personalized Signature Image  <input type="checkbox"/> Delete this picture? Change Image: <input type="text"/> <input type="button" value="Browse..."/> <small>(Maximum resolution: 300X300 and < 4MB)</small> <input type="button" value="Save"/> <input type="button" value="Cancel"/> | Personalized Signature Text Brian Jones HomeTown Realty 503-555-5050 brianjones@hometownrealty.com http://www.mysite.com <hr/> B <i>I</i> <u>U</u> A  Font family Font size  Signature User Guide |
|---|---|

3. Enter your email address.
4. Check each type of notice you want to receive and enter any additional email addresses you would like the email notice sent to.
5. In the *Personalized Signature Image* section, click **Browse** and select a picture you would like shown on emails and reports.
6. Fill out your contact information in *Personalized Signature Text* to have your contact information display on emails and reports.

Once one of your listings has been shown and the showing information is sent to the network, you'll receive an email.



Showings Dashboard

When you first login to SupraWEB, the Showings Dashboard displays the showing activity at your listings for the date range specified. Click **Change** to change the date range of the Showings Dashboard. Showing data is available for the last six months. From any screen on SupraWEB, click **Home** to return to the home screen and view the Showings Dashboard.

Only information for the keyboxes in your keybox inventory are included on the Showings Dashboard. See **Setting up Showing Activity** for instructions on how to add keyboxes to your inventory list.

Sort the information on your Showings Dashboard by clicking on any of the headings with arrows.



Showings that aren't tied to a listing have an Assign Listing MLS# icon in the right column. Select the Assign Listing MLS# icon to assign the listing ID to the keybox.




Feedback on showings are indicated by a Showing Feedback icon. Select the Showing Feedback icon to view feedback on a particular showing.

Showing Feedback

Feedback sent to you from when your listings were shown can be viewed at SupraWEB. You can also send feedback on showings you've done to the listing agents through SupraWEB.

Viewing Feedback

Feedback sent to you on a showing is indicated by a Showing Feedback  icon. Click the Showing Feedback icon to view the feedback on a particular showing.

Supra
A UTC Fire & Security Company

Beth Bachran
[Log Out]
SupraWEB
Management Website

HOME LISTINGS REPORTS SETTINGS SUPPORT

QUICK LINKS

- UpdateCode
- ActiveKEY Settings
- ActiveKEY Alerts
- Agent WebPAY
- Add Keybox

CONNECT WITH US

- Facebook
- Twitter
- ActiveRain

Showings Dashboard

Welcome to SupraWEB! This dashboard view contains the showing activity for the date range specified. Change the date range to show more or less information on your Showing Dashboard.

Dashboard Date Range: 2/13/2010 to 3/15/2010 [Change](#)
Showing Count: 2 **Feedback Count:** 2 [Feedback Reminders](#)

| DateTime | ListingID | Address | ShowingAgent | Actions |
|------------------|-----------|-----------------------------|---|---------|
| 3/11/2010 2:06pm | 285832 | 925 Hamlet Newport KY 41071 | Kaye Houk kaye.houk@ge.com (503)589-8639 BH Properties | |
| 3/9/2010 2:36pm | 285832 | 925 Hamlet Newport KY 41071 | Kaye Houk kaye.houk@ge.com (503)589-8639 BH Properties | |

1/1
Showing Per Page: 10

Legend Assign Listing MLS# Showing Feedback

FEEDBACK



Contact: Please contact me
Interest: High
Source: Drive By
Price: Within Buyer's Range
Recommended Price: 200,000
Notes: My client LOVES this listing!
Call me!

[Close]

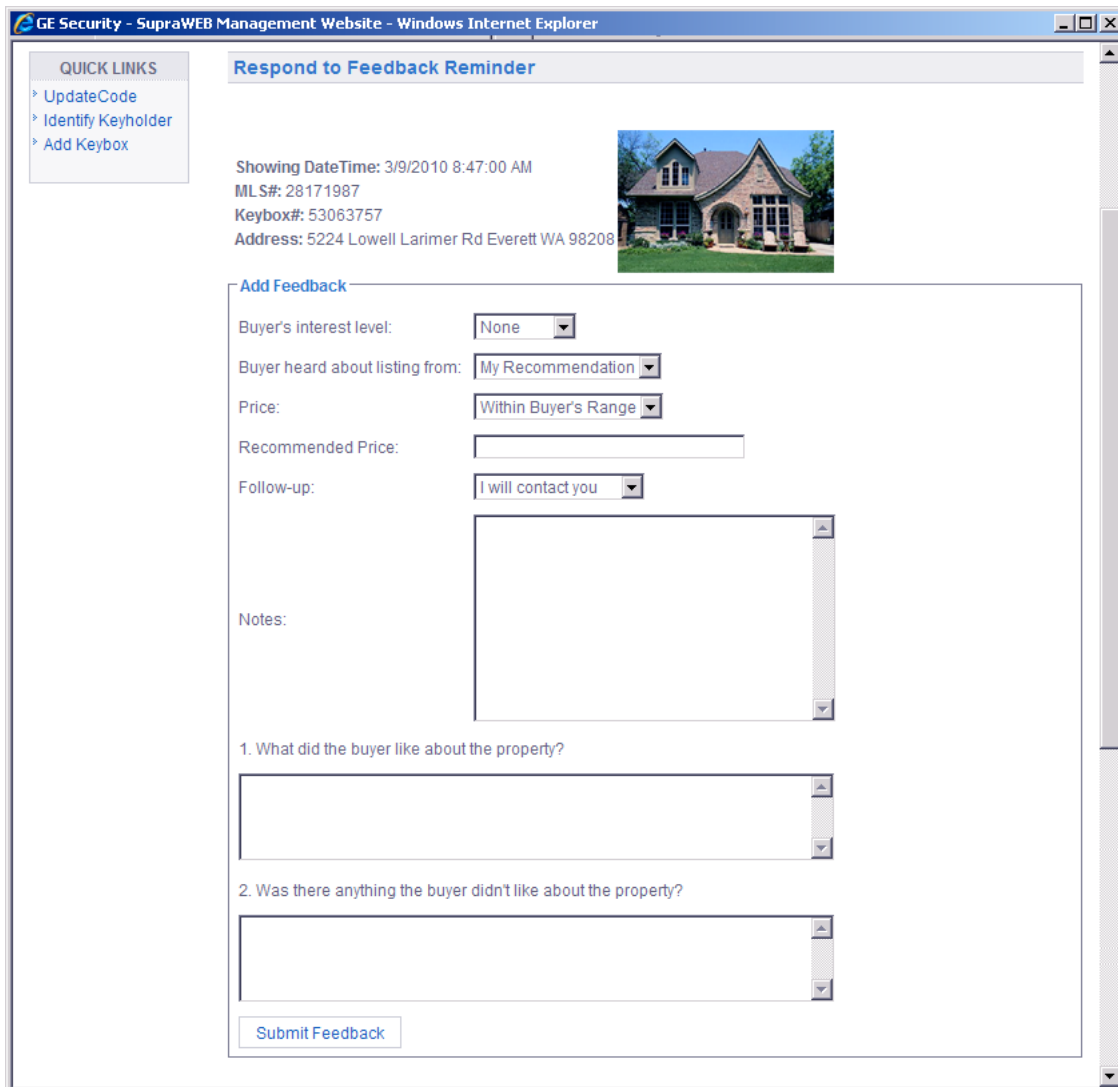
Sending Feedback

Reminders to send feedback on showings you've done are displayed in SupraWEB. To leave feedback on a showing:

1. Click on the **Feedback Reminders** link on the Showings Dashboard. A list of showings you've done that

| Feedback Reminders | | | |
|--|-------------|---|---|
| Feedback Reminder Count: 1 | | | |
| Ignore All Feedback Requests | | | |
| DateTime ▾ | ListingID ◆ | Address ◆ | Actions |
| 3/9/2010 8:47am | 28171987 | 5224 Lowell Larimer Rd Everett WA 98208 |   |
| 1/1 | | | |
| Feedback Reminders Per Page: 10 ▾ | | | |

you haven't left feedback for are displayed.



Respond to Feedback Reminder

Showing DateTime: 3/9/2010 8:47:00 AM
MLS#: 28171987
Keybox#: 53063757
Address: 5224 Lowell Larimer Rd Everett WA 98208

Add Feedback

Buyer's interest level:

Buyer heard about listing from:

Price:

Recommended Price:

Follow-up:

Notes:

1. What did the buyer like about the property?

2. Was there anything the buyer didn't like about the property?

2. Click the **Leave Feedback** icon to the right of the showing.
3. Use the dropdown menus and Notes field to provide feedback to the listing agent. Any additional feedback requested by the listing agent is shown below the Notes field.
4. Click **Submit Feedback** to send your feedback to the listing agent.

Customizing Feedback

You can add up to 10 custom feedback questions that are displayed when a showing agents leaves you feedback on one of your listings. To add a feedback question:

1. From SupraWEB select **LISTINGS**.
2. Select the listing ID link from your Listing Inventory.
3. Select **Add Feedback Question**.

Add/Edit Feedback Question for Listing# 343434

Adding a custom feedback question allows you to solicit detailed feedback about your listing. Keep your question short and concise to ensure the showing agent provides the feedback you are looking for.

Enter a feedback question:

What did you like about the listing?

4. Enter a question and click **Save**.

When the showing agent goes into SupraWEB to leave feedback on the showing any additional feedback questions you've entered for the listing are shown.

MLS # 343434


[Listing Details](#) [Keybox Settings](#)

Listing Details

MLS #: 343434

Address: 7624 Mistwood Drive NE
Keizer OR 97303

Listing Date: Not Available
Client: Not Available
Occupant: Not Available
Email CC:



Showing Hours

Mon - Fri: 7:00 AM - 9:00 PM
Saturday: 7:00 AM - 9:00 PM
Sunday: 7:00 AM - 9:00 PM

Agent Note
Not Available

Listing Flyer
Not Available

Feedback Questions
You can add 10 feedback questions to each listing. Anyone who has shown this listing will be asked these questions when providing feedback.

1. What did you like about the listing?

2. What did you dislike about the listing?

Listing Inventory

You can view all of the listings that have keyboxes assigned to them by selecting **LISTINGS**. A sortable view of the listings that you have keyboxes assigned to them is displayed.

From this screen you can select:

The screenshot shows a web interface for 'Listing Inventory'. On the left, there are 'QUICK LINKS' (Listings, Keyboxes) and 'ACTIONS' (Add Keybox). The main area displays a table with 8 listings. Each row contains an MLS #, a Keybox #, an Address, and a set of action icons (Showing Time, Showing Activity, Email). A legend at the bottom explains these icons. The table is paginated to 10 items per page.

| MLS # | Keybox # | Address | Actions |
|----------|----------|--------------------------------|---------|
| 646464 | 5826114 | 141 Carmel Drive | |
| 12345678 | 60001000 | 4001 Fairview Industrial Drive | |
| 26019620 | 60001001 | 10 Lake Road | |
| 26090337 | 53063786 | 494 1st st | |
| 27008549 | 50213808 | 814 Oak St | |
| 28145482 | 50213809 | 141 Carmel Dr | |
| 45545454 | 20156452 | 391 Carmel Drive | |
| 64764764 | 50213807 | | |

ShowingTime Showing Activity Email Showing Agents

- **MLS #** - to view the listing details
- **KeyBox #** - to view the settings for the keybox placed on the listing
- **Address** - to view a Google map of the address
- **Showing Time icon** to view a Showing Time report if your Association/MLS subscribes to this feature
- **Showing Activity icon** to view the last six months of showing activity for the listing
- **Email icon** to send an email to all the agents that have shown the listing
- **Keyboxes** link on the left to view a list of the keyboxes in your inventory.
- **Add KeyBox** link to add a KeyBox to your inventory

If you have uploaded a photo for a listing, a camera icon is shown next to the MLS # and if you mouse over the camera icon you'll see the photo.

Listing Details

You can view or edit details about your listing by clicking on the listing ID link from the *Showings Dashboard* or by clicking on LISTINGS and then selecting the listing ID link from your Listing Inventory. From the listing details screen you can select:

QUICK LINKS

- › Listings
- › Keyboxes

ACTIONS

- › Add Keybox
- › Unassign Listing
- › Delete Keybox
- › Showing Activity
- › Assign Listing ▾
- › Individual Scheduled Report

MLS # 343434


[Listing Details](#) [Keybox Settings](#)

Listing Details

MLS #: 343434 [Change MLS #](#)

7624 Mistwood Drive NE
Address: Keizer OR 97303 [Edit Address](#)

Listing Date: Not Available
Client: Not Available
Occupant: Not Available
Email CC: [Add Email CC](#)



[Edit Photo](#)

Showing Hours

Mon - Fri: 7:00 AM - 9:00 PM
Saturday: 7:00 AM - 9:00 PM
Sunday: 7:00 AM - 9:00 PM

Agent Note
Not Available

Listing Flyer
Not Available

Feedback Questions
You can add 10 feedback questions to each listing. Anyone who has shown this listing will be asked these questions when providing feedback.

[Add Feedback Question](#)

- **Change MLS #** - change the MLS listing number assigned to the KeyBox
- **Edit Address** - edit the listing address
- **Edit Email CC** - designate an email recipient to receive an email anytime the listing is shown
- **Edit Photo** - add a photo of the listing. The photo appears on your Listing Inventory page and when you email agents that have shown your listing as a reminder of the listing.
- **Add Feedback Question** - add questions to solicit specific feedback about the listing from showing agents
- **Add Keybox** - add a keybox to your keybox inventory
- **Unassign Listing** - unassign the keybox from the listing when the keybox is removed
- **Delete Keybox** - delete the keybox assigned to the listing from your keybox inventory
- **Showing Time Activity** - view Showing Time activity for your listing if your Association/MLS subscribes so the Showing Time feature
- **Showing Activity** - view the last six months of showing activity for the listing
- **Assign Listing** - assign a listing to a KeyBox
- **Individual Scheduled Report** - schedule an email report for the listing

Viewing Showing Activity Reports

There are two types of reports you can generate in SupraWEB that can be viewed, printed or emailed:

- a showing report which displays all of the showings that have occurred at your listings, and
- a key activity report which displays all the listings you've shown (in both your primary Board/MLS and any cooperating areas)


To create a report

1. From SupraWEB select **REPORTS**.

Create Reports


Create reports from your listings showing data or from your showing activity. These reports can be viewed, printed or email as a PDF document.

If you would like to schedule a reoccurring report, go to [Scheduled Email Settings](#).



Create Showing Report

This report provides showing and feedback for your listings.



Create Key Activity Report

This report provides information on the showings that you have performed.

2. Select the type of report you want to create.
3. Customize the report:
 - a. For a showing report, select which listings or keyboxes you want included.
 - b. Select the date range.
 - c. For a showing report, select whether you want showing agent contact information included. If you are emailing the report to a client, you may not want to include the showing agent contact information.
 - d. Select whether you want any feedback sent to you from showing agents included in the report.
4. Select **Create Report** to view the report.

[Email Report](#)
[Print Report](#)
[New Report](#)

Showing Report for All Listings

Showings from 2/24/2010 to 3/2/2010
Report Generated on 3/18/2010
3 Records



Brian Jones
HomeTown Realty
503-555-5050
brianjones@hometownrealty.com
<http://www.mysite.com>

| DateTime ▾ | ListingID ⇅ | Address ⇅ | ShowingAgent ⇅ | Keybox# ⇅ | Key# ⇅ |
|------------------|-------------|--|--|-----------|---------|
| 3/2/2010 8:32am | 28171987 | 5224 Lowell Rd Aumsville OR 97325 | Brian Graves brian.hauge@ge.com (503)315-0613 Bentley Properties (503)747-1901 | 53063757 | 5172545 |
| 2/25/2010 7:00pm | 343434 | 7624 Mistwood Drive NE Keizer OR 97303 | Brian Graves brian.hauge@ge.com (503)315-0613 Bentley Properties (503)747-1901 | 20029935 | 5172545 |
| 2/24/2010 9:52am | 343434 | 7624 Mistwood Drive NE Keizer OR 97303 | Brian Good brian.hauge@ge.com (503)315-0613 Century 21 Olympus (503)491-7531 | 20029935 | 5172540 |

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5. To print the report, select the **Print Report** icon at the top of the screen.

- To email the report, select the **Email Report** icon and fill out the email information. If you want your photo and contact information included in the email, see the instructions under *Setting Up Email Showing Settings*.

Setting up Weekly or Monthly Scheduled Email Showing Report

You can also set up SupraWEB to send you a weekly or monthly showing report. The scheduled reports automatically include the showing information for all of your keyboxes in your inventory.

- From SupraWEB select **REPORTS**.
- Select **Scheduled Email Settings**.
- Enter your email address.
- If you would like to receive the report weekly, select the day of the week.
- If you would like to receive the report monthly, select the day of the month.
- Select if you want any feedback sent to you from showing agents included in the report.
- Enter any additional email addresses you would like the report sent to.
- In the *Personalized Signature Image* section, click **Browse** and select a picture you would like shown on emails and reports.
- Fill out your contact information in the *Personalized Signature Text* box to have your contact information display on emails and reports.
- Click **Save**.

Manage Billing Information

If you pay your key fees to Supra, you can manage your billing information online. If you pay your key fees to your Association/MLS the Billing menu option will not be displayed.

Select the Billing menu option at the top of the SupraWEB screen and your account balance is displayed and the Billing Menu options are shown.

- Account Balance** - view your current account balance and make a payment
- Billing History** - view your invoices and payment history
- Account Information** - view or change your billing address and payment method and enable/disable automatic billing and electronic invoicing
- Contracts** - displays your key information and the start of your contract, billing frequency, and next billing date and allows you to add or cancel insurance if applicable
- FAQ** - view frequently asked questions about managing your billing information

Add/Cancel Insurance

- From SupraWEB select **BILLING**.
- Select **Contracts**.
- Select the appropriate link to **Add Insurance** or **Cancel Insurance**.

If your key has not connected with the Supra network recently you must open a key container or release a shackle to verify your key is in your possession and functioning before you can purchase insurance.

The screenshot shows the 'Billing Menu' on the left with options: Account Balance, Billing History, Account Information, Contracts, and FAQ. The main content area is titled 'Contracts' and includes a customer profile for Robert Becker with details: GE Customer Number: 1345465, Agent ID: 207187, Serial #: 7419722, Key Type: ActiveKey, and Date: 3/18/2010. Below this is a table with columns for Key Number, Contract Description, Start Date, End Date, Billing Frequency, Next Billing Date, and an 'Add Insurance' button.


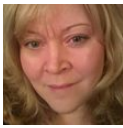


| Key Number | Contract Description | Start Date | End Date | Billing Frequency | Next Billing Date | |
|------------|----------------------|------------|----------|-------------------|-------------------|-------------------------------|
| 7419722 | ActiveKEY | 1/14/2010 | --- | Annually | 7/13/2010 | Add Insurance |


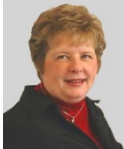

2015 GRAR BOARD OF DIRECTORS

| NAME | COMPANY | EMAIL |
|--------------------------------|--------------------------|--|
| Hoppough, Cathy (President) | Coldwell Banker Hoppough | choppough@cbwmh.com |
| Stuckey, Dale (Pres-Elect) | Greenridge Realty | dale@iSellGR.com |
| Meyer, John (Treasurer) | John A Meyer Appraisal | johnmeyer@GRAR.COM |
| Howard, Lucas (Secretary) | Five Star Real Estate | lucas@lucashowardgroup.com |
| Bylsma, Bruce | Eastbrook Realty | bylsma@eastbrookhomes.com |
| Bylsma, Kate | Patriot Realty | kate@katebylsma.com |
| Hansen, Ed | Keller Williams GR North | Ed@EdHansen.com |
| Katerberg, Tim | Re/Max of Grand Rapids | tkat@GRAR.COM |
| Keegstra, Kris | Re/Max Grand Valley | kris@keegstrateam.com |
| Kuiper, Tom | Midwest Properties of MI | tkuiper@grar.com |
| Nelson, Ingrid | Keller Williams GR East | ingrid@grar.com |
| Ogle, Ryan | Bluhouse Properties | ryanogle@thinkbluhouse.com |
| Paarlberg, Adam | Greenridge Realty | apaarlberg@GREENRIDGE.COM |
| Smith, Jodi | Keller Williams GR East | jodi@grar.com |



GRAR STAFF DIRECTORY

Executive & Administrative:





| Name | Position/Responsibilities | Contact Info |
|--|---|--|
| <p>Julie Rietberg</p>  | <p>Chief Executive Officer (CEO) Aligns the company, internally and externally, with the organization's business plan; management and oversight of the financial, MLS, and administrative operations; compiles and monitors industry trends and statistics; and coordinates the organization's advocacy efforts.</p> <p>Staff Liaison to: GRAR & MLS Boards of Directors, Finance Committee, Government Affairs Committee, International Task Force, Legal Action Committee, MLS Policy Task Force, Professional Standards Committee.</p> | <p>616-940-8200 julier@grar.com</p> |
| <p>Pam VanLuven</p>  | <p>Sr. Vice President Management and oversight of the day-to-day operations and governing documents; personnel management in areas of customer service, quality control and MLS integrity; facilitation of GRAR's Strategic Relations Program and the Grand Rapids Association of REALTORS Leadership Academy (GRARLA), and creation/distribution of the weekly mailings.</p> <p>Staff Liaison to: Candidate Review & Development Committee, Grievance Committee, Regional Forms Committee, MLS Policy Task Force, Strategic Relations Task Force, GRAR Board of Directors, REALTORS Community Crisis Response Fund Task Force.</p> | <p>616-940-8226 pamd@grar.com</p> |
| <p>Jan Baumann</p>  | <p>Executive Assistant Administrative support to the CEO, Sr. Vice President, and GRAR and MLS Boards of Directors.</p> | <p>616-940-8214 jan@grar.com</p> |
| <p>Sue Jenkins</p>  | <p>Member Database & Professional Standards Specialist Responsible for maintenance of membership database (new member applications and orientation, transfers, terminations, address changes); Professional Standards administration.</p> <p>Staff Liaison to: Appellate Committee, Grievance</p> | <p>616-940-8218 suej@grar.com</p> |

| | | |
|---|--|--|
| | Committee, Professional Standards Committee. | |
| Currently Vacant | <p>Director of Marketing & Multi-Media Responsible for professional programming and events (educational and otherwise) within GRAR's operations; plans, schedules, coordinates and markets events; maintains a social media strategy; designs and develops multimedia presentations for GRAR website; and responsible for sales of advertising space on the public website.</p> <p>Staff Liaison to: REBar Task Force and Young Professionals Network.</p> | |
| <p>Kelley Lash</p>  | <p>Director of Finance Responsible for managing day-to-day activities related to financial operations, accounting, human resources, and shareholder records.</p> <p>Staff Liaison to: Finance Committee</p> | <p>616-940-8212 kelleyl@grar.com</p> |
| <p>Sheila Courter</p>  | <p>Financial Services Specialist Provides support to Director of Finance; accounts receivable administration, including monthly MLS statements and membership dues billings.</p> | <p>616-940-8209 sheilac@grar.com</p> |
| <p>Cheryl Krause</p>  | <p>REALTOR® Products Specialist Oversees REALTOR® Store operations and products; provides SUPRA support (electronic lockboxes, keys, and accessories); administers room rentals; meetings coordinator; room layout/set-up.</p> | <p>616-940-8225 cherylk@grar.com</p> |

MLS Staff:

| Name | Position/Responsibilities | Contact Info |
|--|--|--|
| <p>Bev Campbell</p>  | <p>MLS & Customer Service Specialist Customer service, phone reception, forms orders, pending/closed sales, MLS (changes to existing listings). -</p> | <p>616-940-8200 bevc@grar.com</p> |
| <p>James Allen</p>  | <p>MLS, Facilities, & Supplies Specialist Oversight of new listings; print products; packaging, mailroom, and building maintenance.</p> | <p>616-940-8223 jamesa@grar.com</p> |

Information Services Staff:

| Name | Position/Responsibilities | Contact Info |
|--|---|---|
| <p>Rick Baumann</p>  | <p>Director of Information Services Provides strategic and tactical oversight of the organization's and membership's technology needs; oversight of internal technical operations; member support and training.</p> | <p>616-940-8204 rickb@grar.com</p> |
| <p>Kristy Lubbers</p>  | <p>Technical Services Specialist Help Desk support for member hardware and software, MLS assistance and training, and zipLogix (e-forms).</p> | <p>616-940-8203 kristyl@grar.com</p> |
| <p>Larry Amond</p>  | <p>Applications Support Specialist Systems support, programming applications for systems and website functionality.</p> | <p>616-8283 larrya@grar.com</p> |
| <p>Brian Miller</p>  | <p>Applications Programmer Database programmer for member records, MLS, financials, and other internal/external needs.</p> | <p>616-940-8204 brianm@grar.com</p> |