



2020 Orientation Manual

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FOREWORD

The purpose of the Greater El Paso Association of REALTORS® Orientation course is to introduce you to the organization of which you are aspiring to belong. You are accepting the responsibility when you become a REALTOR®; a responsibility to the public, to your fellow REALTORS® and most importantly to yourself as a true professional.

Learning about the REALTOR® organization is primary to being an active useful member.

In this course, you will become acquainted with the history of the organization, its structure and operation, its societies, institutes and councils for specialized areas, how we function and how you fit in! You will learn about the Bylaws governing our local Association, our local Association's activities, services, committees, and task forces of which you will hopefully be a vital participant. You will become familiar with the REALTOR®'s common bond - The Code of Ethics, under which we practice our profession.

In short, you will be indoctrinated to learn, become acquainted with and understand why the organization exists, how it functions, what it can do for you, and how you can involve yourself as a member of your professional organization - The Greater El Paso Association of REALTORS®.

History of the NATIONAL ASSOCIATION OF REALTORS®

1. NAR's Beginnings and Key Events

The NATIONAL ASSOCIATION OF REALTORS® was founded as the National Association of Real Estate Exchanges on May 12, 1908 at the YMCA Auditorium in Chicago, IL. Three earlier attempts (beginning in 1891) at organizing a national real estate group were unsuccessful. With 120 founding members, 19 Boards, and one State Association, the National Association of Real Estate Exchanges' objective was "to unite the real estate men of America for the purpose of effectively exerting combined influence upon matters affecting real estate interests."

The Association's founding boards included the Baltimore, MD; Ellington, WA; Chicago, IL; Cincinnati, OH; Cleveland, OH; Detroit, MI; Duluth, MN; Gary, IN; Kansas City, MO; Milwaukee, WI; Minneapolis, MN; Omaha, NE; Philadelphia, PA; St. Louis, MO; St. Paul, MN; Seattle, WA; Sioux City, IA; and Tacoma WA, boards and the California Association of REALTORS®.

The Code of Ethics was adopted in 1913 with the Golden Rule as its theme. In 1916, the National Association of Real Estate Exchange's name was changed to The National Association of Real Estate Boards.

The term "REALTOR®", identifying real estate agents as members of the National Association of Real Estate Boards and subscribers to its strict Code of Ethics, was devised by Charles N. Chadbourn, a past president of the Minneapolis Real Estate Board, and was first used to designate members of the Minneapolis organization. The Minneapolis Board gave all rights to the word "REALTOR" to the National Association in 1967.

In 1974, the name of the National Association of Real Estate Boards was changed to the National Association of REALTORS®.

In 1989, the Association adopted *The Voice for Real Estate* as its theme and as part of its official logo. Along with this theme, the Association encouraged more members to include the REALTOR® emblem on their business cards and stationery.

In 1998, a national Public Awareness Campaign was launched to educate consumers about the vital role REALTORS® play in the real estate transaction.

The Association became the largest trade association in the United States in early 1970, with over 400,000 members. The 1980's ended with the largest membership (829,269 members) in the Association's history. Today the National Association of REALTORS® has over 850,000 members, 54 State Associations and 1700 Local Associations including Guam, Puerto Rico, and the Virgin Islands) and more than 1,500 local Associations.

II. Specialty Divisions

Early in its history, The Association recognized the need for specialization in the real estate industry, and had created seven specialty divisions by 1923. Over the years, many of these divisions have evolved into the following institutes, societies and councils affiliated with the National Association of REALTORS®:

Institute of Real Estate Management
(founded 1993)

Women's Council of REALTORS®
(founded 1938) (GEPAR Chapter is the Del Norte Chapter – page 8.)

Society of Industrial and Office REALTORS®
(founded 1941)

REALTORS® Land Institute
(founded 1944)

Counselors of Real Estate
(founded 1953)

Real Estate Brokers Managers Council
(founded 1968)

Commercial Investment Real Estate Institute
(founded 1969)

Council of Residential Specialists
(founded 1976)

The Appraisal Section of the National Association of REALTORS®
(founded 1991)

International/CIPS Network of the National Association of REALTORS®
(founded 1992)

Real Estate Buyer's Agent Council
(founded 1996)

REALTORS® Commercial Alliance
(founded 2000)

III. The REALTORS® Political Action Committee (RPAC)

The REALTORS® Political Action Committee (RPAC) is currently one of the largest trade association PAC's. RPAC's predecessor, the REALTORS® Washington Committee was established in 1943 to assist the federal government in providing housing for members of the armed forces and other activities in support of the war effort.

In 1969 the Association formed the Real Estate Political Action Committee (REPAC) to solicit voluntary contributions from the Association's members and pool those funds to make contributions to candidates running for public office.

REPAC's name was changed to the REALTORS® Political Action Committee (RPAC) in 1974.

RPAC remained the nation's largest business trade association PAC with disbursements of \$3.7 million dollars to the federal candidates and national political committees in the 2000 election cycle. In the 1988-1990 election cycle, NAR members contributed a record 5.2 million to RPAC. This total represents only a portion given; a percentage of each RPAC dollar stays for use by state and local RPAC committees. In 1997 and 1998 the National Association of REALTORS® ranked 11th in Fortune Magazine's "Washington Power 25" listing the 25 most powerful lobbying organizations in Washington.

IV. The Issue of Taxation

"Unfair taxation" said Alexander Sacket Taylor, NAR's second president in 1910, "is the most formidable foe of real estate." Ensuring the fair taxation of property owners and preserving the economic benefits of home ownership have been among the primary lobbying goals of the NATIONAL ASSOCIATION OF REALTORS® throughout its history.

A committee on taxation was one of the first standing committees formed by the Association's founders in 1908. When the current federal income tax system went into effect in 1913, NAR's members called on their congressmen to change the law so that rents collected by landlords would not be taxable – the Association's first grassroots lobbying effort. In 1920, the Association supported Congress in its passage of legislation enabling the mortgage interest deduction.

Other NAR tax-related victories include: Elimination of the "quick-profits" tax (which discouraged people from buying a home that they intended to quickly resell for a profit) after World War II; in 1951, the deferral of capital gains taxes on the sale of a home if another home of equal or greater value was purchased within a year; expansion of tax relief to the elderly in home sales; successfully fighting the reduction of the mortgage interest deductions from \$1 million to \$250,000; and expanding the capital gains deduction for homeowners to \$250,000 for singles, \$500,000 for couples.

When the traditional tax status of the independent contractor real estate sales person came under attack by the IRS, NAR was instrumental in the enactment of a provision in the Revenue

ACT of 1978. The 1982 tax act provides a safe-harbor test for real estate sales people that, if satisfied, determine their status as independent contractors for federal tax purposes.

More recently, the battle for full deductibility of health insurance premiums for self-employed real estate professionals, to be phased in over the next several years, has been passed and is now available.

The taxation of real property is only one of many legislative and regulatory issues the Association's Governmental Affairs staff has worked on over the decades – work which continues as we enter the next century.

V. Member Services

Since its inception, the Association has provided a number of benefits and services for its members. The Association Library was founded in 1923, and with over 15,000 volumes, it is the largest real estate library in the United States.

In 1997, Membership Records, the Library and Customer Service were merged into Information Central, one stop point of contact for members. Through Information Central, members can place product orders, request information from the Library and obtain assistance with One REALTOR® Place.

In addition to the award-winning service from Information Central, the NATIONAL ASSOCIATION OF REALTORS® offers members discounts on various products and services for business and home through the REALTOR® VIP Program. The NATIONAL ASSOCIATION OF REALTORS® actively works for its members in many ways to keep REALTORS® at the center of the real estate transaction - through lobbying efforts, public awareness campaigns and the nation's largest real estate website, realtor.com

VI. Research & International

Research

The Association began keeping statistics on property values as early as 1908. Its first statistical department was formed in 1917, and the first research department in 1920. The Association has provided statistical data for the support of its lobbying efforts and for use by various federal agencies since the early 1920s. The monthly Existing Home Sales report was started in 1968, and continues to be an important indicator of the nation's economic health. Today, NAR's research group conducts surveys and prepares reports on the home buying and selling process, REALTOR® demographics, real estate firm structures, and other aspects of the real estate industry.

International

NAR has been involved in the international arena for nearly half a century. In the early 1950s, the Association helped establish the International Real Estate Federation (FIABCI); and has since hosted and participated in several public forums on housing and property rights issues around the world. In 1981, NAR formed an International Policy Committee to expand

its affiliation with real estate organizations in other nations and pursue a leadership role in the global marketplace. The Association's International Section (now called the CIPS Network) was formed in 1992. Currently, the Association maintains bilateral reciprocal agreement with 62 real estate associations in 52 countries. In May of 2001 the International Consortium of Real Estate Associations (ICREA) was formed around a multilateral agreement, with 23 founding members. NAR took the lead in the formation of this new organization and is a member of its Executive Committee and co-chair. In 2002, NAR signed the group's Transnational Referral Protocol, providing NAR members access to an easy and safe system for cross border referrals.

VII. Technology at the NATIONAL ASSOCIATION OF REALTORS®

Although technology is not new at NAR, REALTORS® have never before had such an extraordinary amount of information at their fingertips. The very first computer system used at the NATIONAL ASSOCIATION OF REALTORS® was installed in September 1973. Computerized multiple listing services (MLS) became a reality in 1975, and by the early 1980s the idea that computers would soon replace the traditional paper MLS directories was quickly becoming a reality. The National Association of REALTORS® has launched several programs over the years to help the industry take advantage of computer technology, including REINT and RCS-MLS in the 1980s.

In the 1990's NAR saw progress on several technology fronts. REALTOR.COM, the official Internet site of the NATIONAL ASSOCIATION OF REALTORS®, was launched in 1997, giving consumers a powerful tool to help them connect with REALTORS® and find a new home. Today, REALTOR.com features over 1.5 million property listings viewed by millions of consumers each day and is recognized as one of the most successful business Web sites on the Internet.

REALTOR.org is a valuable tool, providing REALTORS® with almost instant access to the information and services they need, including the latest HUD forms, online registration for the annual convention and industry news.

The National Realtors Database System, NRDS, an Internet database allowing local associations to post member records, was launched in 1998. When a record is entered into the system the state association and the national association have immediate access, eliminating duplication and giving members faster service. One benefit of NRDS is that it gives REALTORS® the ability to update their own information in their individual records on line.

In 1999, the REALTOR® Electronic Commerce Network was established. This new initiative promises to give REALTORS® easy online access to a variety of products and services from the National Association and state and local boards.

VIII. NAR in the Next Century

Real estate has changed and grown more complex since 1908 – from handwritten notes and 3x5 index cards to cell phones and Internet property listings. REALTORS® will be working with many different groups in the coming years, including Internet-savvy home buyers, aging Baby Boomers, young people buying their first homes, international investors and recent immigrants.

REALTORS® bring their knowledge and expertise to the real estate buying and selling process, guiding consumers in making the right decisions and helping to shape the future of the industry. As it reaches its 100th year and enters the 21st century, the NATIONAL ASSOCIATION OF REALTORS® continues to pursue its objective of keeping the REALTOR® at the center of the real estate transaction, promoting the interest of its members among consumers and policy makers and in the increasingly competitive real estate marketplace.



Vision Statement

The Greater El Paso Association of REALTORS® envisions a vibrant, diverse, and educated community fueled by participation and active engagement of REALTORS® of all levels. GEPAR amplifies our REALTORS® value that supports the economic development and success of the region.

Mission Statement

We exist to multiply the value of our members, advocate for private property rights, influence political direction, uphold high standards of professionalism and ethics, and to increase the economic viability of our region. Together, we are REALTOR® strong.

Mission: The Greater El Paso Association of REALTORS® protects property rights and facilitates a high standard of professionalism and ethics among our members.

Advocacy



Goal: Educate, motivate and mobilize REALTORS® and the public on issues affecting private property rights, the real estate industry and the economic vitality of the community.

The Greater El Paso Association of REALTORS® will:

- Promote the importance of TREPAC as it relates to the health and vitality of the real estate market and community as a whole.
- Maintain a strong and visible presence in all local political meetings and have the ability to engage all REALTOR® members in advocacy efforts when necessary.
- Encourage REALTOR® members to vote.
- Encourage members to serve in elected and appointed positions in local government and community organizations such as city council, planning and zoning boards, and promote the availability of opportunities to serve.
- Educate members on the importance of Calls for Action on local, state and national issues.

Association Outreach



Goal: Recognize the importance of having a positive public image and strong relationship between REALTORS® and the community.

The Greater El Paso Association of REALTORS® will:

- Be the Voice of Real Estate both internally to REALTORS® and externally to the public through diverse media strategies.
- Promote the value of the association and the role it serves as a community partner and trusted resource to members.
- Promote and encourage REALTORS® to engage in community involvement and service programs.
- Develop and utilize a marketing plan to promote the positive image of the REALTOR® to consumers.
- Explore opportunities and the resources necessary to expand the association's communications and marketing strategies to enhance the image of the association and our REALTOR® members with the public.

Development & Success



Goal: Promote growth and provide resources that elevate professionalism and contribute to the success of our members.

The Greater El Paso Association of REALTORS® will:

- Promote professionalism and provide resources that elevate the standards of professionalism within the industry.
- Improve the quality of our professional development program through the increased availability of modern and relevant training opportunities.
- Diversify the delivery of professional development opportunities in ways that fit member preferences for time and location.
- Ensure full transparency and accountability of the association to our members.
- Provide platforms for member input and feedback, including regular use of surveys.

Association Social Responsibility



Goal: Promote and encourage member participation to develop a sustainable plan to improve the economic and social conditions of our community.

The Greater El Paso Association of REALTORS® will:

- Recognize that REALTORS® are inextricably entwined and represent the fabric of their communities and that we, as REALTORS®, benefit from the economic vitality of our community and have a responsibility and moral obligation to give back to the community.
- Develop a program through the association to give and facilitate member giving to local charitable organizations.
- Recognize members and companies who participate in charitable giving.
- Solicit member input to help determine where charitable contributions should be directed.

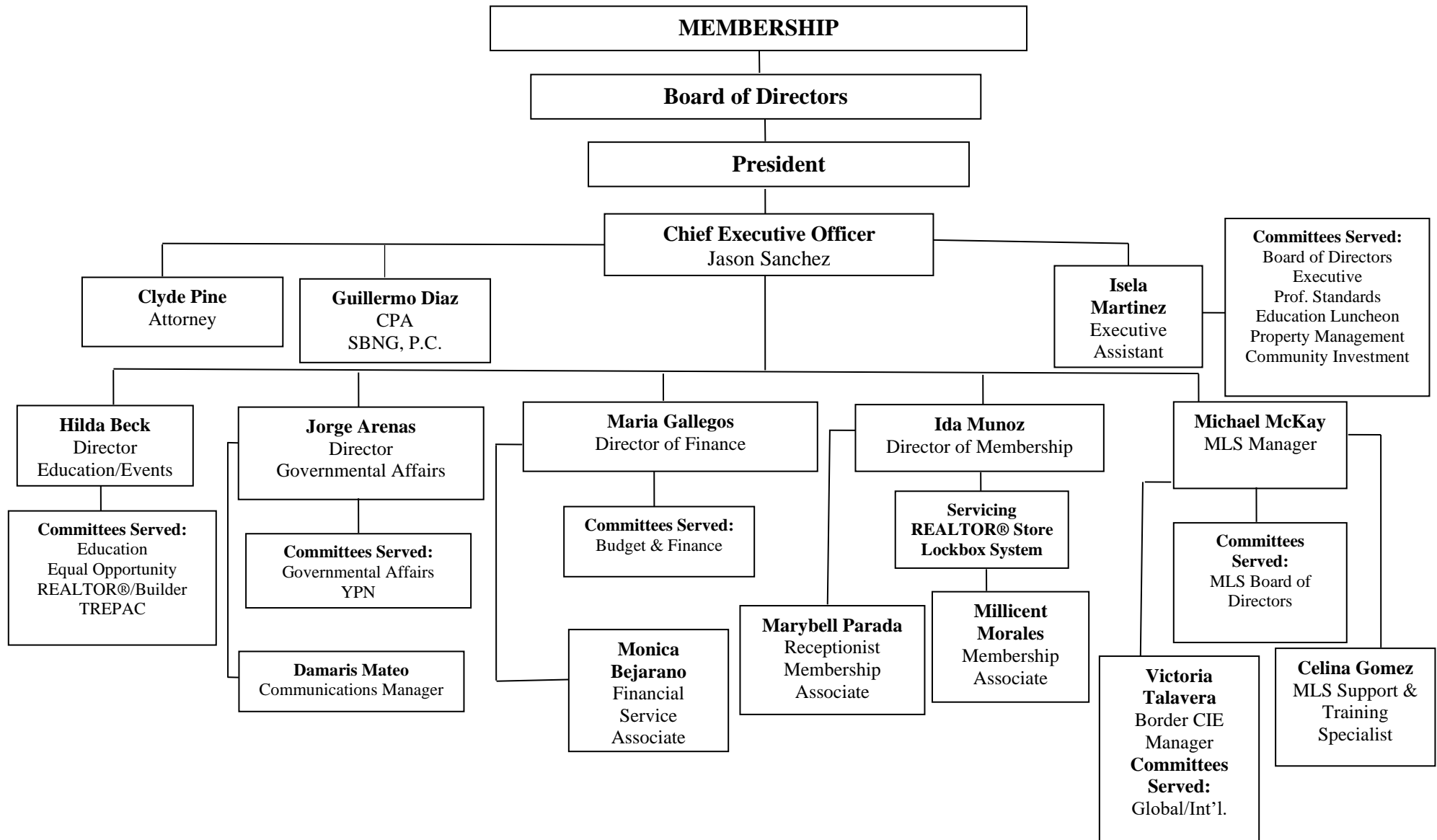
Member Engagement



Goal: Communicate the value of membership and develop long-term relationships with its members through a culture of engagement.

The Greater El Paso Association of REALTORS® will:

- Engage new members to help the association understand their expectations and educate them on the opportunities to be involved.
- Actively recruit new and emerging leaders for the association.
- Increase communication and transparency of the value of the association.
- Increase member engagement and assimilation through recognition.





2020 Executive Committee

President, Conrad Pickett
Golden Real Estate

President-Elect, Caroline Camfield
Home Pro's

Secretary/Treasurer, Jackie York
Century 21 The Edge

Immediate Past President, Alejandro Contreras
Century 21 The Edge

CEO, Jason Sanchez



2020 Directors

Jack Bumgardner	ERA Sellers, Buyers & Assoc.
Claudia Gaytan	Keller Williams
Karla Rayos	Coldwell Banker Legacy
Shy Rodriguez	Century 21 The Edge

2020 – 2021 Directors

Jaclyn Garcia	Northern Pass Properties
Anibal Olague	Home Pro's
Karen Polanco	Home Pro's
Lizeth Smith	Century 21 The Edge
Lisa Wise	Clear View Realty

NAR Directors

Doug Hamilton	Hamilton Associates
R. Scott Kesner	Century 21 The Edge

Texas REALTORS® Directors

Timothy Cantrell	Sandy Messer & Assoc.
Andrew Haggerty	Century 21 Haggerty
R. Scott Kesner	Century 21 The Edge
DJ Mora	ERA Sellers, Buyers & Assoc.

Texas REALTORS® Regional Vice President

Jennifer Viescas	Century 21 The Edge
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2020 Committee Chairs

Budget & Finance	Jackie York
Community Investment	Hope Jackson
Education	Claudia Gaytan
Ambassador Luncheon	Jaclyn Garcia
Equal Opportunity	Denise Weber
Governmental Affairs	Danny Gerard
Leasing & Property Management	John Hogan
REALTOR®/Builder	(vacant)
TREPAC	Alex Huereca
YPN	Cynthia Mendoza

Special Committees

Global/International	Anibal Olague
Affiliate	Sandra Canaba

2020 COMMITTEES

BUDGET & FINANCE **Jackie York, CHAIRMAN**

This Committee is responsible for creating the Association's annual budget based upon the Strategic Plan, which is submitted to the Board of Directors for final approval. It reviews membership changes, monitors and maintains adequate Association investments, researches new sources of income and reviews the performance of the budget throughout the year, making adjustments if necessary.

COMMUNITY INVESTMENT **Hope Jackson, CHAIRMAN**

EDUCATION COMMITTEE **Claudia Gaytan, CHAIRMAN**

Creativity, excitement, meeting important member needs, focusing on the future and doing something about it is what the Education Committee is about. The committee will plan and promote a number of educational programs for the membership, offer renewal licensing courses, professional designations and several seminars during the year. Education will not be a profit center for the Association.

EQUAL OPPORTUNITY COMMITTEE **Denise Weber, CHAIRMAN**

This committee is responsible for creating education awareness programs, communication of changes in the Fair Housing laws and assistance in the implementation of Fair Housing procedures.

1. Participate in Education Day with the Education Committee.
2. Write a monthly article for the "El Paso REALTOR®" which will be blasted out to our membership.
3. Make sure there is the latest information available to our members on Fair Housing and Equal Opportunity at all times.
4. This committee will only meet the first four months of the year unless there is a change in the laws that will affect the Fair Housing and/or Equal Opportunity.

GOVERNMENTAL AFFAIRS COMMITTEE **Danny Gerard, CHAIRMAN**

Identifying, analyzing, communicating and acting on local, state and national issues that affect the real estate industry and private property owners are some of the tasks that this Committee accepts as a challenge. In addition, Committee members get involved in the interviewing and recommending endorsements of political candidates at all levels of government and including the three largest school boards. Political involvement is prompted through calls for action alerts, support of political campaigns, political forums and grassroots lobbying.

Additionally, the TREPAC committee works with the Governmental Affairs Committee. The Texas Real Estate Political Action Committee is a bipartisan group of real estate professionals working to protect private property rights for commercial and residential REALTORS®, as well as all property owners. The Committee will encourage contributions from GEPAR members and raise funds through special events.

(Members may volunteer just to work on TREPAC without serving on the full Governmental Affairs Committee if so desired.)

GRIEVANCE COMMITTEE
Handled by Texas REALTORS®

This Committee is charged with upholding high ethical standards in the real estate profession and affording each REALTOR® member due process. The committee will examine each complaint brought against any REALTOR® member and will determine if the complaint warrants an arbitration or ethics hearing under the guidelines of the NAR 110 Manual.

This committee can consist of no more than two members from any one company and a training will be held during January for both Grievance and Professional Standards Committees.

PROFESSIONAL STANDARDS
Handled by Texas REALTORS®

This Committee is charged with the responsibility of enforcing the REALTORS® Code of Ethics. The Committee will also communicate and educate the membership to the rules and regulations of the Code of Ethics and Arbitration Manual of NAR and all aspects of the NAR Code of Ethics. There will be a training to be held in January of each year.

(Members of this Committee must have served at least two (2) years on the Grievance Committee.)

PROPERTY MANAGEMENT COMMITTEE
John Hogan, CHAIRMAN

This multi-faceted career can be challenging and rewarding both personally and financially. This committee will try to provide a broad yet detailed view of many areas in the property management field so that new and experienced property managers will have up to date and relevant information.

The purpose of this committee is to assist and provide GEPAR members who are dealing with property management an education and experience resource. To be able to provide learning and development of their skills in order to comply with Landlord and Tenant issues. Provide paper documentation as well as local, state and federal laws pertaining to Property Management.

REALTOR®/BUILDER COMMITTEE
(vacant), CHAIRMAN

This committee is responsible for creating marketing programs, goods and services that will advance the relationship between the real estate industry and the building industry. This will require getting volunteers to help with the two Home Shows, Parade of Homes, Festival of Homes, Low Income Housing Parade, bowling and golf tournaments. The Chairman will be asked to attend the monthly meeting of the Builders Association and be able to readily talk about events and news from the Association of REALTORS®.

Interaction with the Builders Association will be paramount on the agenda for this committee.

TREPAC COMMITTEE
Alex Huereca, CHAIRMAN

The political action committee is insurance to protect your livelihood and industry. During the next year, many issues affecting real estate will be debated on the national and state levels. Getting involved in TREPAC will ensure that the REALTOR® voice is heard in Congress and at the Capitol.

The meeting for this group is traditionally held on the first Thursday of every month.

YPN COMMITTEE
Cynthia Mendoza, CHAIRMAN

YPN helps young real estate professionals excel in their careers by giving them the tools and encouragement to become involved in four core areas:

- **REALTOR® associations.** Attend REALTOR® conferences and pursue leadership roles with their local, state, and national association.
- **Real estate industry.** Take an active role in policy discussions and advocacy issues; be informed about the latest industry news and trends.
- **Peers.** Network and learn from one another by attending events, participating in online communication, and seeking out mentoring opportunities.
- **Community.** Become exceptional members of their community by demonstrating a high level of REALTOR® professionalism and volunteering for causes they feel passionate about.



2020 CALL FOR COMMITTEE PARTICIPATION!

Please indicate your choice(s) in the spaces provided.

Do you want to serve on more than 1 committee? ☐ Yes ☐ No

_____ Budget & Finance

_____ Governmental Affairs

_____ Education

_____ REALTOR®/Builder

_____ Equal Opportunity

_____ TREPAC

_____ YPN (Young Professionals Network)

_____ Community Investment

_____ Property Management

_____ Education Luncheon

_____ Affiliate Special Committee

_____ Global/International
Special Committee

_____ Professional Standards Qualifications: All Professional Standards committee members must sign up online at the TAR website (www.texasrealtors.com) the prior year. For example, if you take the training in 2019, you will not be able to serve until 2020. We will notify you of the date and time of training once it has been scheduled. The cost is \$50.00 per person.

YES! I want to be a part of the decision making the process at the Greater El Paso Association of REALTORS® as a 2020 Committee Member!

NAME: _____

COMPANY: _____

ADDRESS AND ZIP CODE: _____

CELL PHONE: _____ OFFICE PHONE: _____

e-MAIL ADDRESS: _____

Please return this form to Isela Martinez (imartinez@gepar.org) at the Greater El Paso Association of REALTORS®, 6400 Gateway East, El Paso Texas, 79905.

****ABSENCE OF A COMMITTEE MEMBER FROM MORE THAN THREE (3) REGULAR MEETINGS WITHIN A TWELVE (12) MONTH PERIOD SHALL BE CONSTRUED AS RESIGNATION THEREFROM.**

THE REALTORS® DUES FORMULA - A FAIR SHARE

The delegates to the 1972 Convention of the NATIONAL ASSOCIATION OF REALTORS® overwhelmingly announced a dues formula for computing the dues of the REALTOR® Members. This dues formula calls for the assessment of the REALTOR® dues computed on the basis of the size of the REALTOR®'s organization (i.e., on the number of individuals licensed with the REALTOR®).

The number of individuals licensed with the REALTOR® was selected as the most accurate and equitable method of assessing dues proportionally to the membership benefits and services accruing to the REALTOR® and through the REALTOR® to all individuals licensed with the REALTOR® in the practice of Real Estate.

At the same time, two contingent provisions were adopted and approved as a part of the REALTOR® dues formula. First it was recognized that if some or all of the individuals licensed with the REALTOR® also held a REALTOR® Membership and paid dues for such membership, it would not be equitable to also charge the REALTOR® in respect to such persons; so a credit set off against the REALTOR®'s dues obligation was provided for each individual licensed with the REALTOR® who voluntarily held REALTOR® Membership as a matter of personal option. Secondly, in respect to any given firm comprised of more than one REALTOR® principal, it was specified that only one of the principals designated by the firm would be charged on the basis of size formula. All other principals of the firm would be charged only a base amount of dues as determined and not charged any dues in respect to the number of individuals licensed with the firm.

Since only the REALTOR® principal designated by the firm was obligated to pay dues based on the size of the firm, the size formula adopted has also been referred to as the "DESIGNATED REALTOR® DUES FORMULA". Since the designated REALTOR® is given credit against his dues obligation for each individual licensed with him who holds a REALTOR® Membership, his dues are then computed on the basis of:

1. A base amount as determined by the local Association
2. A further amount as determined times the number of individuals licensed with the REALTOR® who do not hold Membership in the Association.

Thus, in the final analysis, the designated REALTOR® pays dues (his own personal dues) for Membership benefits and services received by the REALTOR® which are proportional to the number of such persons affiliated with the REALTOR® who benefit from his REALTOR® Membership and its benefits and services, but do not personally hold Membership and pay no dues.

It must be clearly understood that the Designated REALTOR® is paying dues for individuals affiliated with him who elect not to be Board Members. They are not Board Members and no benefits or Board services are available to them.

It should be pointed out that this formula was adopted by the National Association in 1972 for REALTOR® Membership in the National Association and retained as the basis for REALTOR® Membership in the National Association until November 1978 when the National Association revised its Bylaws to require payment of dues only by Member Boards.

In turn: the Greater El Paso Association of REALTORS® has adopted and utilized the designated REALTOR® dues formula and looks to the designated REALTOR® for payment of dues calculated on the number of licensees affiliated with the REALTOR®, with credit offset for all affiliate licenses who hold

Board Membership. The dues provision of the Board Bylaw is applicable, of course only those licensees affiliated with the REALTOR® in any real estate firm in which the REALTOR® holds an ownership interest, provided that such dues obligation does not duplicate dues paid by another principal (designated REALTOR®) of such firm.

To identify clearly the intent of the National Association Bylaws with respect to the dues obligation of the Greater El Paso Association of REALTORS®, and in turn to clarify the basis upon which the Greater El Paso Association of REALTORS® might appropriately establish its dues provisions for designated REALTOR® members of the Association, the National Association amended Article II, Section (1B) of the Bylaws of the National Association to contain the following provisions:

“An individual shall be deemed to be licensed with a REALTOR® if the license of the individual is held by a REALTOR® or by an entity in which the REALTOR® has a direct ownership interest and which is engaged in soliciting and/or referring clients or customers to the REALTOR® for consideration on a substantially exclusive basis, provided that such licensee is not otherwise included in the computation of dues payable by the principal, partner, or corporate officer of entity.

The Texas Association of REALTORS® Board of Directors passed an amendment to the TAR dues policy, to take effect in 1998, **that will allow Designated REALTORS® a 45 day period from the date of issuance, including a new license or a transfer of a license by the Texas Real Estate Commission (TREC) of a salesperson’s license to return that license to TREC without incurring a dues liability for that sales person. NO other exceptions are allowed to the dues policy.**

**MEMBERSHIP DUES:
REALTOR® AND APPRAISER**
(Based on TREC license date)

	<u>LOCAL</u>	<u>STATE</u>	<u>NATIONAL</u>	<u>TOTAL</u>
January	\$114.00	\$152.00	\$155.00	\$421.00
February	104.50	142.25	145.00	\$391.75
March	95.00	132.50	135.00	\$362.50
April	85.50	122.75	125.00	\$333.25
May	76.00	113.00	115.00	\$304.00
June	66.50	103.25	105.00	\$274.75
July	57.00	93.50	95.00	\$245.50
August	47.50	83.75	85.00	\$216.25
September	38.00	74.00	75.00	\$187.00
October	28.50	64.25	65.00	\$157.75
November	19.00	54.50	55.00	\$128.50
December	9.50	44.75	45.00	\$ 99.25

Your 2017 dues include a \$20.00 mandatory assessment by the National Association of REALTORS® of all REALTOR®, REALTOR-Associate®, and Institute Affiliate Members to fund a nationwide public awareness campaign that includes TV network and cable ads highlighting the value a REALTOR® brings to a transaction and stressing the importance of using a REALTOR®.

The 2017 dues also include a \$10.00 mandatory assessment by the Texas Association of REALTORS® for the Issues Mobilization fund. Decisions and regulations affecting the Texas Real Estate industry and its REALTORS® are made daily at the local and state levels. Many directly impact how you will conduct your business today and tomorrow. This fund is available at the local and statewide level to bring REALTORS® viewpoints and perspective to the general public and its leaders to positively influence public opinion and public policy.

SENTRILOCK KEY CARD AND LOCK BOX SYSTEM FEES

Sentrilock Key Card Lease	\$54.13 Issuance Fee (including tax)
	\$18.41 Computer Use and Maintenance Fee (monthly including tax)
Sentrilock Key Box Lease	\$27.06 Annual lease fee (including tax)

TRANSFER FEES	\$20.00 (agents moving from one office to another)
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YOU GET A LOT OF SERVICE FOR YOUR MONEY!

BYLAWS OF THE GREATER EL PASO ASSOCIATION OF REALTORS®, INC.

ARTICLE I—NAME

SECTION 1. NAME. The name of this organization shall be the Greater El Paso Association of REALTORS®, Inc., hereafter referred to as the “Association.”

SECTION 2. REALTORS®. Inclusion and retention of the term REALTORS®, registered collective membership mark, 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 II—OBJECTIVES

The objectives of the Association are:

SECTION 1. To unite those engaged in the recognized branches of the real estate profession for the purpose of exerting a beneficial influence upon the profession and related interests.

SECTION 2. 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®.

SECTION 3. To provide a unified medium for real estate owners and those engaged in the real estate profession whereby their interests may be safeguarded and advanced.

SECTION 4. To further the interests of home and other real property ownership.

SECTION 5. To unite those engaged in the real estate profession in this community with the Texas Association of REALTORS® and the NATIONAL ASSOCIATION OF REALTORS®, thereby furthering their own objectives throughout the state and nation, and obtaining the benefits and privileges of membership therein.

SECTION 6. To designate, for the benefit of the public, individuals authorized to use the term REALTOR® or REALTORS® as licensed, prescribed, and controlled by the NATIONAL ASSOCIATION OF REALTORS®.

ARTICLE III—JURISDICTION

SECTION 1. The territorial jurisdiction of the Association as a Member of the NATIONAL ASSOCIATION OF REALTORS® shall be El Paso County, Texas as officially approved by the Board of Directors of the National Association.

SECTION 2. Territorial jurisdiction is defined to mean: 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.

ARTICLE IV—MEMBERSHIP

SECTION 1. There shall be five classes of Members as follows:

- (a) **REALTOR® Members:** REALTOR® Members, whether primary or secondary shall be:
 - (1) Individuals who, as sole proprietors, partners, corporate officers or branch managers, are engaged actively in the real estate profession including buying, selling, exchanging, renting or leasing, managing, appraising for others for compensation, counseling, building, developing or subdividing real estate, and who maintain, or are associated

with, an established real estate office located within the State of Texas or a state contiguous thereto. All persons who are partners in a partnership, or all officers in a corporation who are actively engaged in the real estate profession within the State of Texas or a state contiguous thereto shall qualify for REALTOR® Membership only, and each is required to hold REALTOR® Membership (except as provided in the following paragraph) in a Board of REALTORS® within the state or a state contiguous thereto unless otherwise qualified for Institute Affiliate Membership as described in Section 1(b) of Article IV. (Amended 1/05)

In the case of a real estate firm, partnership, or corporation, whose business activity is substantially all commercial, only those principals actively engaged in the real estate business in connection with the same office, or any other offices within the jurisdiction of the board in which one of the firm's principals holds REALTOR® membership, shall be required to hold REALTOR® membership unless otherwise qualified for Institute Affiliate Membership as described in Section 1(b) of Article IV.

NOTE: REALTOR® Members may obtain membership in a "secondary" Board in another state.

(2) Individuals who are engaged in the real estate profession other than as sole proprietors, partners, corporate officers, or branch managers and who are associated with a REALTOR® Member and meet the qualifications set out in Article V.

(3) Franchise REALTOR® Membership. Corporate officers (who may be licensed or unlicensed) of a real estate brokerage franchise organization with at least one hundred fifty (150) franchisees located within the United States, its insular possessions and the commonwealth of Puerto Rico, elected to membership pursuant to the provisions in the National Association of REALTORS® Constitution and Bylaws. Such individuals shall enjoy all of the rights, privileges and obligations of REALTOR® membership (including compliance with the Code of Ethics) **except:** obligations related to board mandated education, meeting attendance, or indoctrination classes or other similar requirements; the right to use the term REALTOR® in connection with their franchise organization's name; and the right to hold elective office in the local board, state association and National Association.

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

(5) Designated REALTOR® Members. Each firm (or office in the case of firms with multiple office locations) shall designate in writing one REALTOR® Member who shall be responsible for all duties and obligations of Membership including the obligation to arbitrate pursuant to Article 17 of the Code of Ethics and the payment of Board dues as established in Article X of the Bylaws. The "Designated REALTOR®" must be a sole proprietor, partner, corporate officer, or branch office manager acting on behalf of the firm's principal(s) and must meet all other qualifications for REALTOR® Membership established in Article V, Section 2, of the Bylaws.

(b) Institute Affiliate Members. Institute Affiliate members shall be individuals who hold a professional designation awarded by an Institute, Society or Council affiliated with the NATIONAL ASSOCIATION OF REALTORS® that addresses a specialty area other than residential brokerage or individuals who otherwise hold a class of membership in such Institute, Society or Council that confers the right to vote or hold office. Any such

individual, if otherwise eligible, may elect to hold REALTOR® membership, subject to payment of applicable dues for such membership.

(c) Affiliate Members. Affiliate Members shall be real estate owners and other individuals or firms who, while not engaged in the real estate profession as defined in paragraph (a) or (b) of this section, have interests requiring information concerning real estate, and are in sympathy with the objectives of the Association.

(d) Life Members. Life Members will be primary REALTOR® Members selected by the Board of Directors in recognition of outstanding contributions made to the Association, the real estate industry, and the community in general based upon the guidelines approved by the Board of Directors.

(e) Honorary Members. Honorary Members will be approved by the Board of Directors for outstanding contributions made to the Association and the real estate industry in general. Honorary Members shall be individuals not engaged in the real estate industry. The Outstanding Citizen of the Year will always receive an Honorary Membership.

ARTICLE V—QUALIFICATION AND ELECTION TO MEMBERSHIP

SECTION 1. APPLICATION.

(a) An application for membership shall be made in such manner and form as may be prescribed by the Board of Directors and made available to anyone requesting it. The application form shall contain among the statements to be signed by the applicant (1) that applicant agrees as a condition to membership to thoroughly familiarize himself with the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, the Constitutions, Bylaws, and Rules and Regulations of this Association, the State and National Associations, and if elected a Member, will abide by the Constitutions and Bylaws and Rules and Regulations of this Association, State and National Associations, and if a REALTOR® Member will abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® including the obligation to arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics, and as further specified in the *Code of Ethics and Arbitration Manual* of the NATIONAL ASSOCIATION OF REALTORS®, as from time to time amended, and (2) that applicant consents that the Association, may invite and receive information and comment about applicant from any Member or other person, and that applicant agrees that any information and comment furnished to the Association by any person in response to the invitation shall be conclusively deemed to be privileged and not form the basis of any action for slander, libel, and defamation of character. The applicant shall, with the form of application, have access to a copy of the Bylaws, Constitution, Rules and Regulations, and Code of Ethics referred to above.

SECTION 2. QUALIFICATION.

(a) An applicant for REALTOR® Membership who is a sole proprietor, partner, corporate officer, or branch office manager of a real estate firm shall supply evidence satisfactory to the Association that he is actively engaged in the real estate profession and maintains a current, valid real estate broker's or salesperson's license or is licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, has a place of business within the state, or state contiguous thereto (unless a secondary member), has no record of recent or pending bankruptcy,* has no record of official sanctions involving unprofessional conduct**, agrees to complete a course of instruction covering the Bylaws and Rules and Regulations of the Association, the Bylaws of the Texas Association of REALTORS®, and the Constitution and Bylaws and Code of

Ethics of the NATIONAL ASSOCIATION OF REALTORS®, and shall pass such reasonable and non-discriminatory written examination thereon as may be required by the Board of Directors and shall agree that if elected to Membership, he will abide by such Constitution, Bylaws, Rules and Regulations, and Code of Ethics.

NOTE: Article IV, Section 2, of the NATIONAL ASSOCIATION OF REALTORS® Bylaws prohibits Member Boards from knowingly granting REALTOR® or REALTOR-ASSOCIATE® membership to any applicant who has an unfulfilled sanction pending which was imposed by another Board or Association of REALTORS® for violation of the Code of Ethics.

(*) **NO RECENT OR PENDING BANKRUPTCY** is intended to mean that the applicant or any real estate firm in which the applicant is a sole proprietor, general partner, corporate officer or branch office manager is not involved in any pending bankruptcy or insolvency proceedings or has not been adjudged bankrupt in the past three (3) years. If a bankruptcy proceeding as described above exists, membership may not be rejected unless the Association establishes that its interests and those of its members and the public could not be adequately protected by requiring that the bankrupt applicant pay cash in advance for Association and MLS fees for up to one (1) year from the date that membership is approved or from the date that the applicant is discharged from bankruptcy (whichever is later). In the event that an existing member initiates bankruptcy proceedings, the member may be placed on a “cash basis” from the date that bankruptcy is initiated until one (1) year from the date that the member has been discharged from bankruptcy.

(**) **NO RECORD OF OFFICIAL SANCTIONS INVOLVING UNPROFESSIONAL CONDUCT** is intended to mean that the Association may only consider judgments within the past three (3) years of violations of (1) civil rights laws; (2) real estate license laws; (3) or other laws prohibiting unprofessional conduct against the applicant rendered by the courts and other lawful authorities; (4) criminal convictions if (a) the crime was punishable by death or imprisonment in excess of one year under the law under which the applicant was convicted, and (b) no more than ten (10) years have elapsed since the date of the conviction or the release of the applicant from the confinement imposed for the conviction, whichever is the later date. (Amended 5/07)

(b) Individuals who are actively engaged in the real estate profession other than as sole proprietors, partners, corporate officers, or branch office managers in order to qualify for REALTOR® Membership, shall at the time of application, be associated either as an employee or as an independent contractor with a Designated REALTOR® Member of the Board or a Designated REALTOR® Member of another Board (if a secondary member) and must maintain a current, valid real estate broker's or salesperson's license or be licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, shall complete a course of instruction covering the Bylaws and Rules and Regulations of the Association, the Bylaws of the State Association, and the Constitution and Bylaws and Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and shall pass such reasonable and nondiscriminatory written examinations thereon as may be required by the Membership Committee and shall agree in writing that if elected to membership he will abide by such Constitution, Bylaws, Rules and Regulations and the Code of Ethics.

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

1. All final findings of Code of Ethics violations and violations of other membership duties in this or any other REALTOR® association within the past three (3) years.
2. Pending ethics complaints (or hearings)
3. Unsatisfied discipline pending
4. Pending arbitration requests (or hearings)
5. Unpaid arbitration awards or unpaid financial obligations to 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 (except for violations of the Code of Ethics; See Article V, Section 2(a) NOTE) provided all other qualifications for membership have been satisfied. Association~~s~~ may reconsider the membership status of such individuals when all pending ethics and arbitration matters (and related discipline) have been resolved or if such matters are not resolved within six months from the date that provisional membership is approved.

Provisional members shall be considered REALTORS® and shall be subject to all of the same privileges and obligations of REALTOR® membership. If a member resigns from another association with an ethics complaint or arbitration request pending, the association may condition membership on the applicant's certification that he/she will submit to the pending ethics or arbitration proceeding (in accordance with the established procedures of the association to which the applicant has made application) and will abide by the decision of the hearing panel.

SECTION 3. ELECTION TO MEMBERSHIP.

(a) Applicants for REALTOR® membership shall be granted provisional membership immediately upon submission of a completed application form and remittance of applicable association dues and any application fee. Provisional members shall be considered REALTORS® and shall be subject to the same privileges and obligations of membership. Provisional membership is granted subject to subsequent review of the application by the Board of Directors. If the Board of Directors determines that the individual does not meet all of the qualifications for membership as established in the association's bylaws, or, if the individual does not satisfy all of the requirements of membership (for example, completion of a mandatory orientation program within sixty (60) days from the association's receipt of their application). Membership may, at the discretion of the Board of Directors be terminated.

(b) Dues shall be computed from the date of application and shall be non-refundable unless the association's Board of Directors terminates the individual's membership in accordance with subsection (a) above. In such instances, dues shall be returned to the individual less a prorated amount to cover the number of days that the individual receives association services and any application fee.

(c) The Board of Directors may not terminate any provisional membership without providing the provisional member with advance notice, an opportunity to appear before the Board of Directors, to call witnesses on his/her behalf, to be represented by counsel and make such statements as he/she deems relevant. The Board of Directors may also have counsel present. The Board of Directors shall require that written minutes be made of any hearing before it or may electronically or mechanically record the proceedings.

(d) If the Board of Directors determines that provisional membership should be terminated, it shall record its reasons with the Secretary. If the Board of Directors believe that termination of provisional membership may become the basis of litigation and a claim of damage by a provisional member, it may specify that termination shall become effective upon entry in a suit by the Board for a declaratory judgment by a court of competent jurisdiction of a final judgment declaring that the termination violates no right of the individual.

SECTION 4. NEW MEMBER CODE OF ETHICS ORIENTATION:

Applicants for REALTOR® and provisional REALTOR® members (where applicable) shall complete an orientation program on the Code of Ethics of not less than two hours and thirty minutes of instructional time. This requirement does not apply to applicants for REALTOR® membership or provisional members who have completed comparable orientation in another association, provided that REALTOR® membership has been continuous, or that any break in membership is for one year or less.

Failure to satisfy this requirement within sixty (60) days of the date of application (or, alternatively, the date that provisional membership was granted), will result in denial of the membership application or termination of provisional membership.

Note: Orientation programs must meet the learning objectives and minimum criteria established from time to time by the NATIONAL ASSOCIATION OF REALTORS®.

SECTION 5. REALTOR® CODE OF ETHICS TRAINING

Effective January 1, 2017 through December 31, 2018 and for successive two year periods thereafter, each REALTOR® member of the association (with the exception of REALTOR® members granted REALTOR® Emeritus status by the National Association) shall be required to complete ethics training of not less than two (2) hours and thirty (30) minutes of instructional time. This requirement will be satisfied upon presentation of documentation that the member has completed a course of instruction conducted by this or another association, the State Association of REALTORS®, the NATIONAL ASSOCIATION OF REALTORS®, or any other recognized educational institution or provider which meets the learning objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTORS® from time to time. REALTOR® members who have completed training as a requirement of membership in another association and REALTOR® members who have completed the New Member Code of Ethics Orientation during any two (2) year cycle shall not be required to complete additional ethics training until a new two (2) year cycle commences.

Failure to satisfy the required periodic ethics training shall be considered a violation of a membership duty. Failure to meet the requirement in any two (2) year cycle will result in suspension of membership for the first two months (January and February) of the year following the end of any two (2) years cycle or until the requirement is met, whichever occurs sooner. On March 1 of that year, the membership of a member who is still suspended as of that date will be automatically terminated. (Adopted 1/01, revised 5/05, Amended 11/2016)

SECTION 6. STATUS CHANGES

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

A REALTOR® (or REALTOR-ASSOCIATE®, where applicable) who is transferring their license from one firm comprised of REALTOR® principals to another firm comprised of REALTOR®

principals shall be subject to all of the privileges and obligations of membership during the period of transition. If the transfer is not completed within ten (10) business days of the date the board is advised of the disaffiliation with the current firm, membership will terminate automatically unless otherwise so directed by the Board of Directors.

NOTE: The Board of Directors, at its discretion, may waive any qualification which the applicant has already fulfilled in accordance with the Association's Bylaws.

(b) Any application fee related to a change in membership status shall be reduced by an amount equal to any application fee previously paid by the applicant.

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

ARTICLE VI—PRIVILEGES AND OBLIGATIONS

SECTION 1. The privileges and obligations of Members, in addition to those otherwise provided in these Bylaws, shall be as specified in this Article.

SECTION 2. Any REALTOR® Member of the Association may be reprimanded, fined, placed on probation, suspended, or expelled by the Board of Directors for a violation of these Bylaws and Association Rules and Regulations consistent with these Bylaws after a hearing as provided in the *Code of Ethics and Arbitration Manual* of the Association. Although Members other than REALTORS® are not subject to the Code of Ethics nor its enforcement by the Association, such Members are encouraged to abide by the principles established in the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and conduct their business and professional practices, accordingly. Further, Members other than REALTORS® may upon recommendation of the Board of Directors, or upon recommendation by a hearing panel of the Professional Standards Committee, be subject to discipline as described above, for any conduct, which in the opinion of the Board of Directors, applied on a nondiscriminatory basis, reflects adversely on the terms REALTOR® or REALTORS®, and the real estate industry, or for conduct that is inconsistent with or adverse to the objectives and purposes of the local Association, the State Association, and the NATIONAL ASSOCIATION OF REALTORS®.

SECTION 3. Any REALTOR® Member of the Board may be disciplined by the Board of Directors for violations of the Code of Ethics or other duties of membership, after a hearing as described in the *Code of Ethics and Arbitration Manual* of the Board, provided that the discipline imposed is consistent with the discipline authorized by the Professional Standards Committee of the NATIONAL ASSOCIATION OF REALTORS® as set forth in the *Code of Ethics and Arbitration Manual* of the National Association.

SECTION 4. Resignations of Members shall become effective when received in writing by the Board of Directors, provided, however, that if any Member submitting the resignation is indebted to the Board for dues, fees, fines, or other assessments of the Board of any of its services, departments, divisions, or subsidiaries, the Board may condition the right of the resigning Member to reapply for membership upon payment in full of all such monies owed.

SECTION 5. If a Member resigns from the association or otherwise causes membership to terminate with an ethics complaint pending, the complaint shall be processed until the decision of the association with respect to disposition of the complaint is final by this association (if respondent does not hold membership in any other association) or by any other association in which the respondent continues to hold membership. If an ethics respondent resigns or otherwise causes membership in all Boards to terminate before an ethics complaint is filed alleging unethical conduct

occurred while the respondent was a REALTOR®, the complaint, once filed, shall be processed until the decision of the association with respect to disposition of the complaint is final. In any instance where an ethics hearing is held subsequent to an ethic respondent's resignation or membership termination, any discipline ratified by the Board of Directors shall be held in abeyance until such time as the respondent rejoins an association of REALTORS®.

(a) If a Member resigns or otherwise causes membership to terminate, the duty to submit to arbitration (or to mediation if required by the association) continues in effect even after membership lapses or is terminated, provided that the dispute arose while the former Member was a REALTOR®.

SECTION 6. REALTOR® Members. REALTOR® Members, whether primary or secondary, in good standing whose financial obligations to the Association are paid in full shall be entitled to vote and to hold elective office in the Association; may use the terms REALTOR® and REALTORS®, which use shall be subject to the provisions of Article VIII; and have the primary responsibility to safeguard and promote the standards, interests, and welfare of the Association and the real estate profession.

(a) If a REALTOR® Member is a sole proprietor in a firm, partnership, or an officer in a corporation and is suspended or expelled, the firm, partnership, or corporation shall not use the terms REALTOR® or REALTORS® in connection with its business during the period of suspension, or until readmission to REALTOR® Membership, or unless connection with the firm, partnership, or corporation is severed, whichever may apply. The membership of all other principals, partners, or corporate officers shall suspend or terminate during the period of suspension of the disciplined Member, or until readmission of the disciplined Member, or unless connection of the disciplined Member with the firm, partnership, or corporation is severed, whichever may apply. Further the membership of REALTORS® other than principals who are employed by or affiliated as independent contractors with the disciplined Members shall suspend or terminate during the period of suspension of the disciplined Member or until readmission of the disciplined Member or until connection of the disciplined Member with the firm, partnership, or corporation is severed, or unless the REALTOR® Member (non-principal) elects to sever his 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.

(b) In any action taken against a REALTOR® Member for suspension or expulsion under Section 6(a) hereof, notice of such action shall be given to all REALTORS® employed by or affiliated as independent contractors with such REALTOR® Member and they shall be advised that the provisions in Article VI, Section 6(a) shall apply.

SECTION 7. INSTITUTE AFFILIATE MEMBERS. Institute Affiliate Members shall have such rights and privileges and be subject to obligations prescribed by the Board of Directors consistent with the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS®.

NOTE: Local associations establish the rights and privileges to be conferred on Institute Affiliate Members except that no Institute Affiliate Member may be granted the right to use the term REALTOR®, REALTOR-ASSOCIATE® or the REALTOR® logo; to serve as President of the local Association; or to be Participant in the local association's Multiple Listing Service.

SECTION 8. AFFILIATE MEMBERS. Affiliate Members shall have rights and privileges and be subject to obligations prescribed by the Board of Directors.

SECTION 9. LIFE MEMBERS. Life Members will be primary REALTOR® Members selected by the Board of Directors in recognition of outstanding contributions made to the Association, the real estate industry, and the community in general.

SECTION 10. HONORARY MEMBERS. Honorary Members shall confer only the right to attend meetings and participate in discussions.

SECTION 11. CERTIFICATION BY REALTOR®. “Designated” REALTOR® Members of the Association shall certify to the Association during the month of January, on a form provided by the Association, a complete listing of all individuals licensed or certified in the REALTOR’s® offices(s) 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® and if Designated REALTOR® Dues have been paid to another Association based on said non-member licenses, the Designated REALTOR® shall identify the Board to which dues have been remitted. These declarations shall be used for purposes of calculating dues under Article X, Section 2(a) of the Bylaws. Designated REALTOR® Members shall also notify the Association of any additional individual(s) licensed or certified with the firm(s) within thirty (30) days of the date of affiliation or severance of the individual.

SECTION 12. HARASSMENT. “Any member of the Association may be reprimanded, placed on probation, suspended or expelled for harassment of an Association or MLS employee or Association Officer or Director after an investigation in accordance with the procedures of the Association. As used in this Section, harassment means any verbal or physical conduct including threatening or obscene language, unwelcome sexual advances, stalking, actions including strikes, shoves, kicks, or other similar physical contact, or threats to do the same, or any other conduct with the purpose or effect of unreasonably interfering with an individual’s work performance by creating a hostile, intimidating or offensive work environment. The decision of the appropriate disciplinary action to be taken shall be made by the investigatory team comprised of the President, and President-Elect and one member of the Board of Directors selected by the highest ranking officer not named in the complaint, upon consultation with legal counsel for the Association. Disciplinary action may include any sanction authorized in the association’s Code of Ethics and Arbitration Manual. If the complaint names the President and/or President-Elect, they may not participate in the proceedings and shall be replaced by the Immediate Past President or, alternatively, by another member of the Board of Directors selected by the highest ranking officer not named in the complaint.

NOTE: Suggested procedures for processing complaints of harassment are available online through <http://www.REALTOR.org>, or from the Member Policy Department. (Amended 5/08)

ARTICLE VII—PROFESSIONAL STANDARDS AND ARBITRATION

SECTION 1. 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 the *Code of Ethics and Arbitration Manual* of the Association, as amended from time to time, which by this reference is incorporated into these Bylaws, provided, however, that any provision deemed inconsistent with state law shall be deleted or amended to comply with state law.

SECTION 2. It shall be the duty and responsibility of every REALTOR® Member of this Association to abide by the Constitution and Bylaws and the Rules and Regulations of the Association, the Constitution and Bylaws of the State Association, the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS®, and to abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, including the duty to arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics, and as further

defined and in accordance with the procedures set forth in the *Code of Ethics and Arbitration Manual* of this Association as from time to time amended.

SECTION 3. The responsibility of the Association and of Association Members relating to the enforcement of the Code of Ethics, the disciplining of Members, the arbitration of disputes, and the organization and procedures incident thereto, shall be consistent with the cooperative professional standards enforcement agreement entered into by the Association, which by this reference is made a part of these Bylaws.

ARTICLE VIII—USE OF THE TERMS REALTOR® AND REALTORS®

SECTION 1. Use of the terms REALTOR® and REALTORS® by Members shall, at all times, be subject to the provisions of the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS® and to the Rules and Regulations prescribed by its Board of Directors. This 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 by the Board of Directors after a hearing as provided for in the association's Code of Ethics and Arbitration Manual.

SECTION 2. REALTOR® Members of the Association shall have the privilege of using the terms REALTOR® and REALTORS® in connection with their places of business within the state or a state contiguous thereto so long as they remain REALTOR® Members in good standing. No other class of Members shall have this privilege.

SECTION 3. A REALTOR® Member who is a principal of a real estate firm, partnership, or corporation, may use the term 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 or a state contiguous thereto are REALTOR® Members of the Association or Institute Affiliate Members as described in Section 1(b) of Article IV.

In the case of a REALTOR® Member who is a principal of a real estate firm, partnership, or corporation whose business activity is substantially all commercial, the right to use the term REALTOR® or REALTORS® shall be limited to office locations in which a principal, partner, corporate officer, or branch office manager of the firm, partnership, or corporation holds REALTOR® membership. If a firm, partnership, or corporation operates additional places of business in which no principal, partner, corporate officer, or branch office manager holds REALTOR® membership, the term REALTOR® or REALTORS® may not be used in any reference to those additional places of business.

SECTION 4. 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 IX—STATE AND NATIONAL MEMBERSHIPS

SECTION 1. The Association shall be a Member of the NATIONAL ASSOCIATION OF REALTORS® and of the Texas Association of REALTORS®. By reason of the Association's Membership, each REALTOR® Member of the Association shall be entitled to Membership in the NATIONAL ASSOCIATION OF REALTORS® and the Texas Association of REALTORS without further payment of dues. The Association shall continue as a Member of the State and National Association, unless by a majority vote of all of its REALTOR® Members, decision is made to withdraw, in which case the State and National Associations shall be notified at least one month in advance of the date designated for the termination of such Membership.

SECTION 2. The Association recognizes the exclusive property rights of the NATIONAL ASSOCIATION OF REALTORS® in the terms REALTOR® and REALTORS®. The Association shall discontinue use of the terms in any form in its name, upon ceasing to be a Member of the National Association, or upon a determination by the Board of Directors of the National Association that it has violated the conditions imposed upon the terms.

SECTION 3. The Association adopts the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS® and agrees to enforce the Code among its REALTOR® Members. The Association and all of its Members agree to abide by the Constitution, Bylaws, Rules and Regulations, and policies of the National Association and the Texas Association of REALTORS®.

ARTICLE X—DUES AND ASSESSMENTS

SECTION 1. APPLICATION FEE. The Board of Directors may adopt a non-refundable application fee for REALTOR® Membership in a reasonable amount, not exceeding three times the amount of the annual dues for REALTOR® Membership, which shall be required to accompany each application for REALTOR® Membership, and which shall become the property of the Association upon final approval of the application.

SECTION 2. DUES. The annual dues of Members shall be as follows:

(a) REALTOR® Members. The annual dues of each Designated REALTOR® Member shall be in such amount as established annually by the Board of Directors, plus an amount to be established annually by the Board of Directors times the number of real estate salespersons and licensed or certified appraisers who (1) are employed by or affiliated as independent contractors, or who are otherwise directly or indirectly licensed with such REALTOR® Member, and (2) are not REALTOR® Members of any Association in the State of Texas or a state contiguous thereto or Institute Affiliate Members of the Association. In calculating the dues payable to the Association by a Designated REALTOR® Member, non-member licensees as defined in Section 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 or a state contiguous thereto, provided the Designated REALTOR® notifies the Association in writing of the identity of the Association to which dues have been remitted. In the case of a Designated REALTOR® Member in a firm, partnership, or corporation whose business activity is substantially all commercial, any assessments for non-member licensees shall be limited to licensees affiliated with the Designated REALTOR® (as defined in (1) and (2) of this paragraph) in the office where the Designated REALTOR® holds membership, and any other offices of the firm located within the jurisdiction of this association.

For the purpose of this Section, a REALTOR® Member of a Member Association shall be held to be any Member who has a place or places of business within the state or a state contiguous thereto and who, as a principal, partner, corporate officer, or branch office manager of a real estate firm, partnership, or corporation, is actively engaged in the real estate profession as defined in Article III, Section 1, of the Constitution of the NATIONAL ASSOCIATION OF REALTORS®. An individual shall be deemed to be licensed with a REALTOR® if the license of the individual is held by the REALTOR®, or by any broker who is licensed with the REALTOR®, or by any entity in which the REALTOR® has a direct or indirect ownership interest and which is engaged in other aspects of the real estate business (except as provided for in Section 2(a) (1) hereof) provided that such licensee is not otherwise included in the computation of dues payable by the principal, partner, corporate officer, or branch office manager of the entity.

A REALTOR® with a direct or indirect ownership interest in an entity engaged exclusively in soliciting and/or referring clients and customers to the REALTOR® for consideration on a substantially exclusive basis shall annually file with the Association on a form approved by the

Association a list of the licensees affiliated with that entity and shall certify that all of the licensees affiliated with the entity are solely engaged in referring clients and customers and are not engaged in listing, selling, leasing, managing, counseling or appraising real property. The individuals disclosed on such form shall not be deemed to be licensed with the REALTOR® filing the form for purposes of this Section and shall not be included in calculating the annual dues of the Designated REALTOR®.

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

- (a) REALTOR® Members. The annual dues of REALTOR® Members other than the Designated REALTOR® shall be as established by the Board of Directors.
- (b) Institute Affiliate Members. The annual dues of each Institute Affiliate Member shall be as established in Article II of the Bylaws of the National Association of REALTORS®.

NOTE: The Institutes, Societies and Councils of the National Association shall be responsible for collecting and remitting dues to the National Association for Institute Affiliate Members \$105.00. The National Association shall credit \$35.00 to the account of a local association for each Institute Affiliate Member whose office address is within the assigned territorial jurisdiction of that Association, provided, however, if the office location is also within the territorial jurisdiction of a Commercial Overlay Board (COB) the \$35.00 amount will be credited to the COB, unless the Institute Affiliate Members directs that the dues be distributed to the other board. The National Association shall always credit \$35.00 to the account of state associations for each Institute Affiliate Member whose office address is located within the territorial jurisdiction of the state association. Local and state associations may not establish any additional entrance, initiation fees, or dues for Institute Affiliate Members, but may provide service packages to which Institute Affiliate Members subscribe. (Amended 11//2013)

- (c) Affiliate Member. The dues of each Affiliate Member shall be in such amount as established annually by the Board of Directors and will not exceed the dues of a REALTOR® Member.
- (d) Lifetime Member. All REALTOR® Membership dues will be paid for Lifetime Members by this Association.
- (e) Honorary Members. No dues shall be charged to Honorary Members.

SECTION 3. LEGAL FUND. Each REALTOR® shall pay an assessment annually in such amount as shall be established by the Board of Directors in addition to regular dues. The REALTOR® shall pay the assessment amount established by the Board of Directors annually, plus an amount equal to such established assessment times the number of licensees employed by or affiliated with him who are not REALTOR® Members. If two or more REALTOR® Members are principals of the same firm, partnership, or corporation, the "Designated" REALTOR® shall be required to pay that portion of the assessment which is based on the number of licensees and independent contractors affiliated with such person, firm or corporation. The authority to assess and collect money for this fund must be approved by the Board of Directors. However, all new Members of the Greater El Paso Association of REALTORS® shall pay the amount assessed the year in which they joined.

SECTION 4. DUES PAYABLE. Dues for all Members, for the upcoming year shall be payable in advance not later than December 31st. Dues for new Members shall be computed from the date of application and granting of provisional membership. *(amended 5/2012)*

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

SECTION 5. NONPAYMENT OF FINANCIAL OBLIGATIONS. If dues, fees, fines or other assessments including amounts owed to the Association or the Association's Multiple Listing Service are not paid within one (1) month after the due date, the nonpaying Member is subject to suspension at the discretion of the Board of Directors. Two (2) months after due date, membership of the nonpaying Member may be terminated at the discretion of the Board of Directors. Three (3) months after due date, membership of the nonpaying Member shall automatically terminate unless within that time, the amount due is paid. However, no action shall be taken to suspend or expel a Member for nonpayment of disputed amounts until the accuracy of the amount owed has been confirmed by the Board of Directors. A former Member who has had his membership terminated for nonpayment of dues, 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 for new applicants for membership, after making payment in full of all accounts due as of the date of termination. If a terminated Member wants to join the Association, he must pay the application and bring all accounts current and in addition, any funds paid on behalf of attorneys or collection agents.

SECTION 6. INTEREST. When having received any service provided by the Association, including, but not limited to, MLS or any publication of the Association, an Association Member is deemed to have agreed that any charged account for which payment is not received by the Association within one (1) month of the due date shall be charged interest at a rate to be set by the Board of Directors, not to exceed the legal maximum set by law.

SECTION 7. DEPOSIT. All money received by the Association for any purpose shall be deposited to the credit of the Association in a financial institution or institutions selected by resolution of the Board of Directors.

SECTION 8. EXPENDITURES. The Board of Directors shall administer the finances of the Association, but shall not incur any obligation in excess of \$10,000.00 over the available cash on hand without authorization by vote of a majority of REALTOR® Members present and voting, in person or by proxy, at a membership meeting at which there is a quorum.

SECTION 9. NOTICE OF DUES, FEES, FINES, ASSESSMENTS, AND OTHER FINANCIAL OBLIGATIONS OF THE MEMBERS. All dues, fees, fines, assessments or other financial obligations to the Association or MLS shall be noticed to the delinquent Association Member's Designated REALTOR® setting forth the amount owed and due date.

SECTION 10. The dues of REALTOR® Members who are REALTOR® Emeriti (as recognized by the National Association), Past Presidents and Past Treasurers of the National Association or recipients of the Distinguished Service Award shall be as determined by the Board of Directors. *(Amended 11/2013)*

NOTE: A Member Association's dues obligation to the National Association is reduced by an equal amount which the Association is assessed for a REALTOR® Member times the number of REALTOR® Emeriti (as recognized by the National Association), Past Presidents and past

treasurers of the National Association, and recipients of the Distinguished Service Award of the National Association who are REALTOR® Members of the Association. The dues obligation of such individuals to the local Association should be reduced to reflect the reduction in the Association's dues obligation to the National Association. The Association may, at option, choose to have no dues requirement for such individuals except as may be required to meet the Association's obligation to the State Association with respect to such individuals. Member Associations should determine whether the dues payable by the Association to the State Association are reduced with respect to such individuals. It should be noted that this does not affect a "designated" REALTOR®'s dues obligation to the Association with respect to those licensees employed by or affiliated with the "designated" REALTOR® who are not Members of the local Association.

ARTICLE XI—OFFICERS AND DIRECTORS

SECTION 1. BOARD OF DIRECTORS. The governing body of the Association and the management of its affairs shall be vested in a Board of Directors. Officers and regular Directors of the Association who are elected by the general membership, or who have been appointed to fill a vacancy pursuant to Article XI, Section 8 of the bylaws shall be entitled to vote. REALTOR® Members who are current NATIONAL ASSOCIATION OF REALTORS® and TEXAS ASSOCIATION OF REALTORS® Directors or TEXAS ASSOCIATION OF REALTORS® Regional Vice Presidents, will be Board ex-officio Directors and shall be entitled to vote. (Amended 12/2015)

SECTION 2. OFFICERS. The Officers, who shall be REALTOR® Members, shall be a President, President Elect, Secretary/Treasurer, and Immediate Past President. Officers shall be ex officio Directors and shall be entitled to vote. The President shall vote only by written ballot or to break a tie vote.

SECTION 3 AUTHORITY OF OFFICERS AND DIRECTORS. There shall be no distinction between the rights and privileges of regular Directors and the Officers of the Association. The Board of Directors is charged with the general supervision and control of the Association, a Corporation and the formulation of matters of policy. All checks shall be countersigned by the Association Executive and one officer, except when the Association Executive is unavailable, they shall be signed by two officers. No real estate belonging to the Association shall be sold or conveyed, without approval of the Membership eligible to vote except for Community Revitalization Projects. Any proposed and/or attempted move from the land located at 6400 Gateway Blvd. East, El Paso, Texas, shall not be initiated without authorization by vote of a majority of REALTOR® Members of the Association.

SECTION 4. DIRECTORS. There shall be ten (10) Regular Directors who shall be REALTOR® Members and who shall hold office for a two-year term or until their successors are elected and qualified. Five (5) Directors shall be elected each year at an election held for such purpose. No elected Director shall be eligible for election to more than two consecutive full terms as a Director. Any regular Director who during his/her term of office is elected as an Officer of the Association shall be deemed thereby to have resigned his/her office as a regular director and he/she may not be re-elected as a regular director until he/she ceases to hold such office, or in the case of President, until after the expiration of one year from the end of his/her term of office.

SECTION 5. OFFICERS ELECTION AND TERM OF OFFICE. The Officers of the Association shall be elected annually at an election held for such purpose. Terms of all Officers shall be one calendar year beginning on January 1st following the Annual Business Meeting at which officers are elected. No elected Officer shall be eligible for election to no more than two consecutive full terms in the same office.

SECTION 6. REMOVAL OF OFFICERS OR DIRECTORS. In the event that an Officer or Director is deemed to be incapable of fulfilling the duties for which elected, but will not resign from office voluntarily, the Officer or Director may be removed from office under the following procedure.

(a) A petition requiring the removal of an Officer or Director and signed by not less than one-third of the voting membership or a majority of all Directors shall be filed with the President or if the President is the subject of the petition, with the next ranking Officer, and shall specifically set forth the reasons the subject thereof is deemed disqualified from further service.

(b) Upon receipt of the petition, and not less than twenty (20) days or more than forty-five (45) days thereafter, a special meeting of the voting membership of the Association shall be held and the sole business of the meeting shall be to consider the charge against the Officer or Director who is the subject of the petition and to render a decision on such petition.

(c) The special meeting shall be noticed to all voting Members at least ten (10) days prior to the meeting and shall be conducted by the President of the Association, unless the President's continued service in office is being considered at the meeting. In such case, the next ranking Officer will conduct the meeting of the hearing by the Members. Provided a quorum is present, a three-fourths vote of Members present and voting, shall be required for removal from office.

SECTION 7. DUTIES OF OFFICERS.

(a) The President shall be the principal Officer; and, in general, shall perform all duties incidental to the office of the President and such other duties as may be prescribed by the Board of Directors from time to time. No person shall be qualified to serve as President of the Association unless and until that person shall have been a REALTOR® Member of this Association for four (4) consecutive calendar years, and served as an elected officer for one (1) full year term, except as otherwise provided in these Bylaws.

(b) The President-Elect shall, when necessary, perform the duties of the President, and shall succeed to the Presidency in the event of the death, disability, removal from office or resignation of the President. The President-Elect shall perform such other duties as may be prescribed from time to time by the Board of Directors. No person shall be qualified to serve as President-Elect of the Association unless and until that person shall have been a REALTOR® Member of this Association for four consecutive years, and served as a Director of the Association for two consecutive calendar years. The President-Elect shall accept the nomination to office with the understanding that if elected, assuming the office and duties of the President will occur the following year.

(c) The Secretary/Treasurer shall be the official custodian of Corporate records and of the Seal of the Corporation, shall have general charge of all funds and securities of the Corporation, and shall in general perform all duties incidental to the office or as may be prescribed by the Board of Directors. The Secretary/Treasurer shall serve as Chairman of the Budget and Finance Committee. No person shall be qualified to serve as Secretary/Treasurer of the Association unless and until that person shall have been a REALTOR® Member of this Association for four consecutive years, and served as a Director of the Association for two consecutive calendar years.

(d) It shall be the particular duty of the Chief Executive Officer or designee to keep the records of the Association and to carry on all necessary correspondence with the National Association of REALTORS® and the Texas Association of REALTORS®. The Chief Staff Executive shall be the Chief Administrative Officer of the Association. The Chief Executive Officer shall have the authority to hire, supervise, evaluate and terminate other staff, if any, and shall perform such other duties as prescribed by the Board of Directors.

SECTION 8. VACANCIES AMONG THE BOARD OF DIRECTORS AND OFFICERS.

Vacancies among the Board of Directors and Officers shall be appointed by the Board of Directors until the next succeeding election or until their successors are qualified. Any Director or Officer who serves by virtue of appointment to fill a vacancy has the same rights and privileges as an Officer or Director elected by the Membership.

SECTION 9. ELECTION OF OFFICERS AND DIRECTORS.

(a) Election of Directors and Officers shall take place the week prior to the Annual Meeting. At least sixty (60) days before the annual meeting, the President, with the approval and participation of the Board of Directors, shall appoint seven (7) REALTOR® Members plus one (1) REALTOR® Member alternate of the Association to serve as Members of the Nominating Committee which will consist of the following:

Chairman	=	Immediate Past President
Three (3) Members	=	Appointed by President
Three (3) Members	=	Selected by Board of Directors
One (1) Alternate	=	Selected by Board of Directors

No member of the Nominating Committee may serve more than two (2) consecutive years as a member of the Nominating Committee. If a member of the Nominating Committee is placed on the ballot, he must resign from the Nominating Committee. No more than one (1) individual from any one company shall serve on the Nominating Committee excluding the Immediate Past President.

The President shall invite the Membership to submit REALTOR® Member names for consideration by the Nominating Committee to serve as Officers and Directors of the Association. The Nominating Committee shall agree on which candidates, from the membership's submission will be interviewed in order to select a slate of Officers and Directors for the election process. The Nominating Committee will select one candidate for the President-Elect position and may select more than one candidate for the Secretary-Treasurer position. The committee will then select eight (8) candidates for the five (5) places to be filled on the Board of Directors. In no event should 30% of the cumulative voting members of the Board of Directors be associated with the same company. A report of the Nominating Committee shall be published in the Association's newsletter at least forty (40) days preceding the Annual Meeting and additional candidates for the offices and places to be filled may be placed in nomination by a petition signed by at least ten (10) percent of the REALTOR® Members. Such petition must be filed with the Association Executive at least seven (7) days before the first day of voting. Any Member desiring to remove his/her name from a petition may do so only by delivering a signed, written notice to that effect to the Association Executive at the Association office at least six (6) days before the first day of voting. Staff, including the Association Executive, shall keep the identities of any persons withdrawing their names from a petition confidential, and shall disclose those identities only to the Members of the Election Committee. The Association Executive, upon request, shall disclose to a Member the numbers of signature withdrawals, if any, received to date. The petition will have the following wording disclosed at the top of each petition:

"We the undersigned, certify that we are REALTOR® Members of the Greater El Paso Association of REALTORS®, Inc. and it is our desire that the following members be placed on the GREATER EL PASO ASSOCIATION OF REALTORS® Election Ballot."

The petition shall bear the printed name as well as the signature of each member who signs.

(b) The election electronic pre-voting process shall commence at 8:00 a.m. MST on the Monday eighteen days preceding the Friday prior to the Annual Meeting and continue

throughout until 5:00 p.m. MST on the Friday prior to the Annual Meeting. The printed ballot election process shall commence at 8:00 a.m. MST on the Monday preceding the Friday prior to the Annual Meeting and continue throughout that week until 5:00 p.m. MST on the Friday prior to the Annual Meeting. Election shall be by ballot. The ballot shall contain the names of all candidates and the offices for which they are nominated. Each REALTOR® Member will be allowed to cast their ballot at the Association office and will be required to supply proper identifications prior to obtaining their ballot for the election process. Each member will sign his/her name on the ballot stub in a legible manner and will also print his/her name under their signature. They will place his/her ballot in a ballot box and the ballot stub in a separate box which will be provided. In order for votes cast to be counted, all ballots must be completed at the Association office and there will be no voting accepted after the Friday, 5:00 p.m. MST deadline. All REALTOR® Members will be required to vote for up to five (5) of the candidates running for the places on the Board of Directors. A REALTOR® Member may also vote electronically or by a signed and dated written proxy, in which event the person voting the proxy will furnish the original proxy for verification purposes, leave a copy of the proxy at the Association office, and print his/her name, and the name of the person on whose behalf the proxy is voted, on the ballot stub. (Amended 10/2/15)

(c) On the following Monday, after the last day of voting held on Friday, the Election Committee shall meet to count votes cast. Officers shall be elected by a majority of votes cast. Regarding the election of candidates for places on the Board of Directors and subject to other provisions of this section (Section 11), the five (5) candidates receiving the most votes of the total votes cast shall be deemed elected to the Board of Directors.

(d) The President, with the approval of the Board of Directors, shall appoint an Election Committee of five (5) REALTOR® Members to conduct the election. In the event of a tie vote between any two or more candidates for director, or in the event no officer candidate receives a majority, the issue shall be determined on the day of the Annual Meeting by holding a written ballot run-off election and the candidate receiving the most votes will be declared the winner. If no candidate for a particular officer position receives a majority in the initial voting, the run-off election shall be between the two candidates receiving the highest number of votes for that officer position. Any and all questions, disputes, or contests relating to the validity or effectiveness of a petition, ballot, or proxy, or otherwise incidental to the election process, shall be determined by the Election Committee; provided that, in questions involving legal issues, the Election Committee shall consult with Association counsel prior to making its decision. The Board of Directors shall have the authority to adopt specific rules and regulations governing the election process not inconsistent with these bylaws, the Association's Articles of Incorporation and the Texas Non-Profit Corporation Act.

ARTICLE XII—MEETINGS

SECTION 1. MEETINGS OF DIRECTORS.

(a) The Board of Directors shall designate a regular time and place of meetings. Unexcused absence of a Director or Ex-officio Director from more than three (3) regular meetings within a calendar year shall be construed as resignation therefrom. Ex-officio Directors and Directors will be excused only if they are required to attend NATIONAL ASSOCIATION OF REALTORS® or the TEXAS ASSOCIATION OF REALTORS® functions. Ex-officio Directors will be eligible to come back on the Board in the next applicable service year if he/she has an on-going NATIONAL ASSOCIATION OF REALTORS®/TEXAS ASSOCIATION OF REALTORS® Director term. The President shall be Chairman of the Board. The Secretary-Treasurer shall act as Secretary of the Board and keep the minutes of the meeting. (Amended 12/15)

(b) Special meetings of the Board of Directors may be called by the President or by a majority of the Board of Directors. Notice of Special Meetings of the Board of Directors, which may be given by telephone, shall be given at least twenty-four (24) hours before the meeting, except that in the event of an emergency, a shorter notice period may be provided.

SECTION 2. ANNUAL MEETINGS OF MEMBERSHIP. The Annual Meeting of the Membership shall be held during October of each year or at such other date designated by the Board of Directors. The date and place and time of the meeting shall be published in the Association newsletter at least ten (10), but not earlier than fifty (50), days prior to the meeting, but no other notice shall be required.

SECTION 3. SPECIAL MEETINGS. Special meetings of the Members shall be held at such times as the President of the Board of Directors may determine, or upon the written request of at least ten percent of the REALTOR® Members.

SECTION 4. NOTICE OF MEETINGS. Written notice of special meetings shall be given to each Member entitled to participate in a special meeting at least ten (10), but not earlier than fifty (50), days prior to the date of the meeting. The notice shall state the place, day and hour of the meeting, and the purpose or purposes for which the meeting is called, and shall be delivered either personally, by electronic transmission or by mail. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Member at his/her address as it appears on the records of the Association, with postage thereon paid.

SECTION 5. QUORUM. A quorum for the transaction of business at a General Membership meeting shall consist of ten (10) percent of the REALTOR® Members of the Association, present in person. A majority of the Board of Directors shall constitute a quorum.

SECTION 6. VOTE. Voting, except as may otherwise be prescribed in these Bylaws, shall be by voice, show of hands, ballot, electronically or, upon request of any REALTOR® Member or Director, written ballot.

SECTION 7. MAJORITY VOTE. Unless otherwise required by the NATIONAL ASSOCIATION OF REALTORS®, or applicable law, all questions shall be decided by a majority vote of those present and voting, in person or by proxy. A quorum being present, the Chairman at a meeting shall not vote except, by written ballot or to break a tie vote.

ARTICLE XIII—COMMITTEES AND DIVISIONS

SECTION 1. STANDING COMMITTEES. Except for the Executive Committee, the President shall appoint, subject to confirmation by the Board of Directors, the following Standing Committees: *(amended 10/2016)*

Budget and Finance	Professional Standards
Community Investment	Property Management
Education	TREPAC
Governmental Affairs	REALTOR®/Builder
Equal Opportunity	YPN

SECTION 2. SPECIAL COMMITTEES. The President shall appoint, subject to confirmation by the Board of Directors, special committees and task forces as deemed necessary.

SECTION 3. EXECUTIVE COMMITTEE. The Executive Committee shall consist of the Immediate Past President, the President, the President Elect, the Secretary/Treasurer, and the Chief Staff Executive who shall have such powers to act on behalf of the Board of Directors as the Board may delegate to them.

SECTION 4. The REALTOR® Commercial Alliance (RCA) is a division of the Association and operates under its own governing documents as approved by the Association's Board of Directors.

SECTION 5. PRESIDENT. The President shall be an ex officio Member of all standing committees; and shall be notified of their meetings.

SECTION 6. ACTION WITHOUT MEETING. Any action of a committee may be allowed without a meeting if an acknowledgment in writing delivered by mail or electronically, by one or more written consents setting forth the action so taken, signed by all the Members of a committee entitled to vote on the matter.

SECTION 7. ATTENDANCE BY TELEPHONE. Members of a committee may participate in any meeting through the use of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Such participation shall be at the discretion of the President and shall constitute presence at the meeting.

ARTICLE XIV—FISCAL AND ELECTIVE YEAR

SECTION 1. The fiscal and elective year of the Association shall be the calendar year.

ARTICLE XV—RULES OF ORDER

SECTION 1. Robert's Rules of Order, latest edition, shall be recognized as the authority governing the meetings of the Association, its Board of Directors and Committees, in all instances wherein its provisions do not conflict with these Bylaws.

ARTICLE XVI—AMENDMENTS

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

SECTION 2. Notice of all meetings at which amendments are to be considered shall be mailed or sent by electronic transmission to every member eligible to vote at least one (1) week prior to the meeting.

SECTION 3. 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 only upon their approval as authorized by the Board of Directors of the NATIONAL ASSOCIATION OF REALTORS®.

SECTION 4. Amendments to these Bylaws shall be proposed for vote by resolution of the GREATER EL PASO ASSOCIATION OF REALTORS® Board of Directors or by the written petition of at least one-third (1/3) of all REALTOR® Members, addressed to the Board of Directors, requesting that a stated amendment be submitted for vote.

ARTICLE XVII- DISSOLUTION

SECTION 1. Upon the dissolution or winding up of the affairs of this Association, the Board of Directors, after providing for the payment of all obligations, shall distribute any remaining assets to the Texas Association of REALTORS® or, within its discretion, to any other non-profit tax-exempt organization.

ARTICLE XVIII—SUBSIDIARY MULTIPLE LISTING CORPORATION

(Multiple Listing Service Operated as a Separate Corporation Wholly-Owned by the Association)

SECTION 1. AUTHORITY. The Association shall maintain for the use of its Members a Multiple Listing Service, which shall be a lawful non-profit corporation of the State of Texas, the only “member” of which shall be this Association of REALTORS®.

SECTION 2. PURPOSE. A Multiple Listing Service is a means by which authorized Participants make blanket unilateral offers of compensation to other Participants (acting either as subagents, buyer agents, or in other agency or non-agency capacities defined by law); by which cooperation among participants is enhanced; by which information is accumulated and disseminated to enable authorized participants to prepare appraisals, analyses and other valuations of real property for bona fide clients and customers; by which Participants engaging in real estate appraisal contribute to common databases; and is a facility for the orderly correlation and dissemination of listing information so participants may better serve their clients and the public. Entitlement to compensation is determined by the cooperating broker’s performance as procuring cause of the sale (or lease). (Amended 11/04)

SECTION 3. GOVERNING DOCUMENTS. The Board of Directors shall cause any Multiple Listing Service established by it pursuant to this Article to conform its corporate Articles of Incorporation, Bylaws, Rules, Regulations, Policies, Practices, and Procedures at all times to the Constitution, Bylaws, Rules, Regulations, and Policies of the NATIONAL ASSOCIATION OF REALTORS®.

SECTION 4. PARTICIPATION. Any REALTOR® of this or any other Board who is a principal, partner, corporate officer, or branch office manager acting on behalf of a principal, without further qualification, except as otherwise stipulated in these Bylaws, shall be eligible to participate in the Multiple Listing Service upon agreeing in writing to conform to the Rules and Regulations thereof and to pay the costs incidental thereto. However, under no circumstances is any individual or firm, regardless of membership status, entitled to Multiple Listing Service “membership” or “participation” unless they hold a current, valid real estate broker’s license and offer or accept compensation to and from other participants or are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property. Use of information developed by or published by the Multiple Listing Service is strictly limited to the activities authorized under a Participant’s licensure(s) or certification and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey “Participation” or any right of access to information developed by or published by the Multiple Listing Service where access to such information is prohibited by law. (Amended 11/08)

Mere possession of a broker's license is not sufficient to qualify for MLS participation. Rather, the requirement that an individual or firm offers or accepts cooperation and compensation means that the participant actively endeavors during the operation of its real estate business to list real property of the type listed on the MLS and/or to accept offers of cooperation and compensation made by listing brokers or agents in the MLS. “Actively” means on a continual and ongoing basis during the operation of the participant's real estate business. The “actively” requirement is not intended to preclude MLS participation by a participant or potential participant that operates a real estate business on a part-time, seasonal, or similarly time-limited basis or that has its business interrupted by periods of relative inactivity occasioned by market conditions. Similarly, the requirement is not intended to deny MLS participation to a participant or potential participant who has not achieved a minimum number of transactions despite good faith efforts. Nor is it intended to permit an MLS to deny participation based on the level of service provided by the participant or potential participant as long as the level of service satisfies state law. (Adopted 11/08)

The key is that the participant or potential participant actively endeavors to make or accept offers of cooperation and compensation with respect to properties of the type that are listed on the MLS in

which participation is sought. This requirement does not permit an MLS to deny participation to a participant or potential participant that operates a “Virtual Office Website” (VOW) (including a VOW that the participant uses to refer customers to other participants) if the participant or potential participant actively endeavors to make or accept offers of cooperation and compensation. An MLS may evaluate whether a participant or potential participant actively endeavors during the operation of its real estate business to offer or accept cooperation and compensation only if the MLS has a reasonable basis to believe that the participant or potential participant is in fact not doing so. The membership requirement shall be applied in a nondiscriminatory manner to all participants and potential participants. (Adopted 11/08)

SECTION 5. SUBSCRIBERS. Subscribers (or users) of the MLS include non-principal brokers, sales associates, and licensed and certified appraisers affiliated with “Participants.”

SECTION 6. KEYSAFES. The keysafe system, owned and operated by the Association, for services to the REALTOR® Members will be operated in accordance with a contract between the Association and the REALTOR® Members containing all the rules and regulations. REALTOR® Members must be MLS Participants or MLS Subscribers in order to have access to the keysafe system. (Amended 10/3/2014)

SECTION 7. MAJORITY VOTE. Unless otherwise required by the NATIONAL ASSOCIATION OF REALTORS®, the Bylaws, the Articles of Incorporation of the Greater El Paso Association of REALTORS® Multiple Listing Service, Inc., or applicable law, all questions shall be decided by a majority vote of those present and voting, in person or by proxy. A quorum being present, the Chairman at a meeting shall not vote except to change the result of the vote.



**MULTIPLE LISTING SERVICE
2020 BOARD OF DIRECTORS**

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MULTIPLE LISTING SERVICE

HISTORY AND BACKGROUND OF THE MULTIPLE LISTING SERVICE

HISTORY

Multiple Listing, in one form or another, dates back to the Nineteenth Century. The first Board of REALTORS® was established as “Real Estate Exchanges.” On certain appointed days, the Members of Board of REALTORS® gathered at the Board offices and “exchanged” information about their listings. They, in effect, carried in an auction as they frequently came prepared to purchase certain property desired by the principals, but listed by another broker, this practice was common in the 1880's and 1890's.

Shortly after the end of the nineteenth Century, the term “multiple listing” was in use. It is mentioned as an activity of Boards of REALTORS® as early as 1907.

In the 1920's, multiple listing had become widely accepted. The expansion of this function continues through succeeding years and spread throughout the country with the result that today hundreds of local Boards of REALTORS® provided Multiple Listing Services, in one form or another, to their Members.

DEFINITION

A Multiple Listing Service is defined as a means by which one Participant makes an offer of subagency, buyer agency, or both, to other Participants and as a facility for the orderly correlation and dissemination of listing information among the Participants so that they may better serve their clients and the public.

PUBLIC

Through the facility of multiple listing, information concerning individual listings can be made known to all REALTORS® who participate in the activity. In Boards of REALTORS® with few Members, the actual operation can be very simple. Each REALTOR® can duplicate enough copies of the information concerning his listing to distribute to all other Participants. However, when many REALTORS® are involved, the distribution of information becomes more burdensome and may require reasonable rules or procedure and efficient and central office management to expedite the service. Regardless of the method, however, the basis of the multiple listing activity is the creation of a facility whereby REALTORS® may most effectively invite other brokers to enter into subagency or buyer agency agreements with them for the sale of their listings and provide information necessary to permit such operation.

MULTIPLE LISTING SERVICE AND COMPUTER ON-LINE SYSTEM

The Association provides a highly cost-effective Multiple Listing Service. Also there is an on-line computer system at each MLS Participant's option.

MLS FEES:

M.L.S. Broker Application Fee	\$200.00
Computer Access & Tax Information	\$ 40.51* (Per Agent)

MLS RULES AND REGULATIONS

INTRODUCTION

A Multiple Listing Service is:

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

Definition of MLS Participant:

The term "Participant" in a Board Multiple Listing Service is defined, as follows:

Any REALTOR® of this or any other Board who is a principal, partner, corporate officer, or branch office manager acting on behalf of a principal, without further qualification, except as otherwise stipulated in these bylaws, shall be eligible to participate in Multiple Listing upon agreeing in writing to conform to the rules and regulations thereof and to pay the costs incidental thereto. However, under no circumstances is any individual or firm, regardless of membership status, entitled to MLS 'Membership' or 'Participation' unless they hold a current, valid real estate broker's license and offer or accept compensation to and from other Participants or are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property. Use of information developed by or published by a Board Multiple Listing Service is strictly limited to the activities authorized under a Participant's licensure(s) or certification and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey 'Participation' or 'Membership' or any right of access to information developed by or published by a Board Multiple Listing Service where access to such information is prohibited by law. Additionally, the foregoing does not prohibit Board Multiple Listing Services, at their discretion, from categorizing non-principal brokers, sales licensees, licensed and certified appraisers and others affiliated with the MLS 'Members' or 'Participants' as 'users' or 'subscribers' and, holding such individuals personally subject to the rules and regulations and any other governing provisions of the MLS and to discipline for violations thereof. MLS's may, as a matter of local determination, limit participatory rights to individual principal brokers, or to their firms and to licensed or certified appraisers, who maintain an office or Internet presence from which they are available to represent real estate sellers, buyers, lessors, or lessees or from which they provide appraisal services.

Mere possession of a broker's license is not sufficient to qualify for MLS participation. Rather, the requirement that an individual or firm offers or accepts cooperation and compensation means that the participant actively endeavors during the operation of its real estate business to list real property of the type listed on the MLS and/or to accept offers of cooperation and compensation made by listing brokers or agents in the MLS. "Actively" means on a continual and ongoing basis during the operation of the participant's real estate business. The "actively" requirement is not intended to preclude MLS participation by a participant or potential participant that operates a real estate business on a part-time, seasonal, or similarly time-limited basis or that has its business interrupted by periods of relative inactivity occasioned by market conditions. Similarly, the requirement is not intended to deny MLS participation to a participant or potential

participant who has not achieved a minimum number of transactions despite good faith efforts. Nor is it intended to permit an MLS to deny participation based on the level of service provided by the participant or potential participant as long as the level of service satisfies state law. (Adopted 11/08)

The key is that the participant or potential participant actively endeavors to make or accept offers of cooperation and compensation with respect to properties of the type that are listed on the MLS in which participation is sought. This requirement does not permit an MLS to deny participation to a participant or potential participant that operates a “Virtual Office Website” (VOW) (including a VOW that the participant uses to refer customers to other participants) if the participant or potential participant actively endeavors to make or accept offers of cooperation and compensation. An MLS may evaluate whether a participant or potential participant actively endeavors during the operation of its real estate business to offer or accept cooperation and compensation only if the MLS has a reasonable basis to believe that the participant or potential participant is in fact not doing so. The membership requirement shall be applied in a nondiscriminatory manner to all participants and potential participants. (Adopted 11/08)

When the term ‘subscriber’ or ‘user’ are used in connection with a Multiple Service owned and operated by a Board of REALTORS®, they refer to non-principle brokers, sales licensees, and licensed and certified real estate appraisers affiliated with an MLS Participant and may, as a matter of local option, also include a Participant’s affiliated unlicensed administrative and clerical staff, personal assistants, and individuals seeking licensure or certification as real estate appraisers provided that any such individual, is employed by or contracted for and is under the direct supervision of an MLS Participant or the Participant’s licensed designee. If such access is available to unlicensed or uncertified individuals, their access is subject to the rules and regulations, the payment of applicable fees and charges (if any), and the limitations and restrictions of state law. None of the foregoing shall diminish the Participant’s ultimate responsibility for ensuring compliance with the rules and regulations of the MLS by all individuals affiliated with the Participant. The Board of Directors shall be the final authority in determining access to the Multiple Listing Service.

Under the ‘Board of Choice’ MLS participatory rights shall be available to any REALTOR® (principal) or any firm comprised of REALTORS® (principals) irrespective of where they hold primary membership subject only to their agreement to abide by any MLS rules and regulations; agreement to arbitrate disputes with other Participants; and payment of any MLS dues, fees, and charges. Participatory rights granted under Board of Choice do not confer voting privileges or eligibility for office as an MLS committee member, officer, or director, except as granted at the discretion of the local MLS.

The universal access to services component of Board of Choice is to be interpreted as requiring that MLS Participatory rights be available to REALTOR® principals, or to firms comprised of REALTOR® principals, irrespective of where primary or secondary membership is held. This does not preclude an MLS from assessing REALTORS® not holding primary or secondary membership locally fees, dues or charges that exceed those, or alternatively, that are less than those charged Participants holding such memberships locally or additional fees to offset actual expenses incurred in providing MLS services such as courier charges, long distance phone charges, etc., or for charging any Participant specific fees for optional additional services.

None of the foregoing shall be construed as requiring a Board to grant MLS participatory rights, under Board of Choice, where such rights have been previously terminated by action of that of the Board’s Board of Directors.

AGREEMENT

Each Participant, Subscriber, Independent Subscriber and Vendor desiring access to the MLS information shall sign an agreement acknowledging receipt and acceptance of a copy of these Rules and Regulations, prior to obtaining, access to such information.

LISTING PROCEDURES

Section 1. LISTING PROCEDURES: Listings of real or personal property of the following TYPES which are listed subject to a real estate broker's license, located within the territorial jurisdiction of the Association of REALTORS®, taken by participants on listing forms accepted by the Multiple Listing Service and shall be delivered to the Multiple Listing Service not later than forty-eight (48) hours after all necessary signatures of seller(s) have been obtained:

- Single family homes for sale or exchange.
- Vacant lots and acreage for sale or exchange.
- Two-family, three-family, and four-family residential buildings for sale or exchange.

The Greater El Paso Association of REALTORS® Multiple Listing Service, Inc. (MLS or Service) shall not require a Participant to submit listings on a form other than the form the Participant individually chooses to utilize provided the listing is of a type accepted by the Service, although a property data form may be required as approved by the Multiple Listing Service. MLS, through its legal counsel, reserves the right to refuse acceptance of a listing form which fails to adequately protect the interest of the public and the Participants. No listing form filed with the MLS shall establish, directly or indirectly, any contractual relationship between MLS and the client (buyer or seller).

MLS shall accept exclusive right to sell listing contracts and exclusive agency listing contracts, and may accept other forms of agreement which make it possible for the listing broker to offer cooperation and compensation to the other participants of MLS acting as subagents, buyer agents, or both.

The listing agreement must include the seller's authorization to submit the listing to the Multiple Listing Service.

The different types of listing agreements include:

- Exclusive right to sell
- Exclusive agency
- Open
- Net

The Service may not accept net listings because they are deemed unethical and, in most states, illegal. Open listings are not accepted except where required by law because the inherent nature of an open listing is such as to usually not include the authority to cooperate and compensate other brokers and inherently provides a disincentive for cooperation.

The exclusive right to sell listing is the conventional form of listing submitted to the Multiple Listing Service in that the seller authorizes the listing broker to cooperate with and to compensate other brokers.

The exclusive agency listing also authorizes the listing broker, as exclusive agent, to offer cooperation and compensation on blanket unilateral bases, but also reserves to the seller the general right to sell the property

on an unlimited or restrictive basis. Exclusive agency listings and exclusive right to sell listings with named prospects exempted should be clearly distinguished by a simple designation such as a code or symbol from exclusive right to sell listings with no named prospects exempted, since they can present special risks of procuring cause controversies and administrative problems not posed by exclusive right to sell listings with no named prospects exempted. Care should be exercised to ensure that different codes or symbols are used to denote exclusive agency and exclusive right to sell listings with prospect reservations

A Multiple Listing Service does not regulate the type of listings its Members may take. This does not mean thus a Multiple Listing Service must accept every type of listing. The Multiple listing Service shall decline to accept open listings (except where acceptance is required by law) and net listings and it may limit its service to listings of certain kinds of property. But, if it chooses to limit the kind of listings it will accept, it shall leave its Members free to accept such listings to be handled outside the Multiple Listing Service.

A Multiple Listing Service may, as a matter of local option, accept exclusively listed property that is subject to auction. If such listings do not show a listed price, they may be included in a separate section of the MLS compilation of current listings.

Section 1.1 Types of Properties: The following are some of the types of properties that may be published through the Service, including types described in the preceding paragraph that are required to be filed with the Service and other types that may be filed with the Service at the Participant's option provided, however, that any listing submitted is entered into within the scope of the Participant's licensure as a real estate broker.

- Residential
- Residential Income
- Subdivided Vacant Lot
- Land and Ranch
- Business Opportunity
- Motel-Hotel
- Mobile Homes
- Mobile Home Parks
- Commercial Income
- Industrial

Section 1.1.1 Listings Subject to Rules and Regulations of the Service: Any listing taken on a contract to be filed with the Multiple Listing Service is subject to the Rules and Regulations of the Service upon signature of the seller(s).

Section 1.1.2 Duplication of Listing in the MLS: only one (1) Active (A, P, PAO, or W) listing, per property class, is allowed entry into the GEPAR MLS. Manipulating a property's address to circumvent entry into the GEPAR MLS is subject to immediate fine.

Section 1.2 Detail on Listings Filed with the Service: A listing agreement or property data form, when filed with the Multiple Listing Service by the listing broker, shall be complete in every detail which is ascertainable as specified on the property data form. A listing will not be confirmed active without the minimum number of required photos, unless expressly directed by a seller that photographs of the property remain out of the MLS. A signed photo waiver will be given to the service, signed by the seller at the time of the contract. A main photo for the purposes of the section is defined as follows:

- **Residential Single Family Resale Property:** Main photo must be of the front exterior structure as recognizable from the street. Residential properties shall have a minimum of six (6) different photos within seven (7) days of activating in the MLS.
- **Multifamily and Rental Properties:** Main photo must be of the front of the exterior structure as recognizable from the street. Residential properties shall have a minimum of six (6) different photos within seven (7) days of activating in the MLS.
- **Residential New Home Construction and Un-Improved Residential Lots:** Main photo may be an artist rendition, floor plan, photo of model home, subject property or lot. New Home Construction and Un-Improved Residential lots shall have a minimum of three (3) different photos within seven (7) days from activation date.
- **Land and Farm Property:** Main photo may be plat map, survey or photo of the lot/farm. Land and Farm Property shall have a minimum of three (3) different photos within seven (7) days from activation date.
- **Improved Commercial Property:** Main photo must be of the front elevation or aerial view. Improved commercial property shall have a minimum of six (6) different photos within seven (7) days of activating in the MLS
- **Un-Improved Commercial Property:** Main photo must be of the front or aerial view. Un-improved commercial property shall have a minimum of three (3) different photos within seven (7) days of activating in the MLS.

Deleting the main photo after confirming the listing and not inserting another image of the subject property is prohibited and will be subject to an immediate fine.

The MLS Department reserves the right to remove any non-compliant photos and issue notice to the broker.

Section 1.2.3 Prohibited Listing Photos: Photos of persons are prohibited in the main photo and gallery.

Section 1.2.5 Copying a Photograph, Drawing or Virtual Tour in the Service: Copying a photograph, drawing or virtual tour from another listing for use on your own listing, regardless of the listing status, is prohibited unless written permission is obtained from the member who originally loaded them into the system. A copy of the written permission must be submitted within 48 hours. Violation of this requirement will subject the participant to sanctions pursuant to article 9 of these rules and regulations.

Section 1.2.6 Public display: Public display of seller's(s') and/or occupant's(s') name(s), phone number(s), and email address(es) or URLs is prohibited. All virtual tours are to be un-branded, MLS compliant. Listing shall not contain any contact information, marketing promotional messages or a visible copyright mark in the public viewable field.

Section 1.2.7 Incentive or Bonus Remarks: An MLS Participant is prohibited from entering a condition into the public remarks or confidential section of the MLS. A condition is defined as anything that is not otherwise a unilateral offer, in other words, any language that causes another MLS Participant or their client to react in a time-sensitive or non-unilateral manner to gain a benefit is a condition.

Section 1.3 Exempted Listings: If the seller refuses to permit the listing to be disseminated by the Service, the Participant may then take the listing ("office exclusive) and such listing shall be filed with the Service but not disseminated to the Participants. Filing of the listing should be accompanied by certification signed by the seller that he does not desire the listing to be disseminated by the Service.

Section 1.4 Change of Status Listing: Any change in listed price or other change in the original listing agreement shall be made only when authorized in writing by the seller and shall be filed with the Service within twenty-four (24) hours after the authorized change is received by the listing broker.

Section 1.5 Withdrawal of Listing Prior to Expiration: Listings of property may be withdrawn from the Multiple Listing Service by the listing broker before the expiration date of the listing agreement, provided notice is filed with the Service, including a copy of the agreement between the seller and the listing broker which authorizes the withdrawal.

Sellers do not have the unilateral right to require an MLS to withdraw a listing without the listing broker's concurrence. However, when a seller(s) can document that his exclusive relationship with the listing broker has been terminated, the Multiple Listing Service may remove the listing at the request of the seller, even without the concurrence of the listing broker.

Section 1.6 Contingencies Applicable to Listings: Any contingency or conditions of any term in a listing shall be specified and noticed to the Participants.

Section 1.7 Listing Price Specified: The full gross listing price stated in the listing contract will be included in the information published in the MLS compilation of current listings, unless the property is subject to auction. Auction List Price can reflect either the full gross listing price or minimum reserve bid for the property. Auction dates, auction open house dates, and auction contract information are allowed in the MLS Confidential Remarks, not in Public Remarks. All auction properties are to be flagged in the Multiple Listing System as Auction (Yes) then an auction date must be entered. A listing agent with incomplete auction information in the MLS may be subject to having the listing removed and/or fined.

Section 1.8 Listing Multiple Unit Properties: All properties which are to be sold or which may be sold separately must be indicated individually in the listing and on the property data form. When part of a listed property has been sold, proper notification should be given to the Multiple Listing Service.

Section 1.9 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 1.10 Expiration of Listings: Listings filed with the Multiple Listing Service will automatically be removed from the compilation of current listings on the expiration date specified in the agreement, unless prior to that date the MLS receives notice that the listing has been extended or renewed.

If notice of renewal or extension is received after the listing has been removed from the compilation of current listings, the extension or renewal will be published in the same manner as a new listing. Extensions and renewals of listings must be signed by the seller(s) and filed with the Service.

Section 1.11 Termination Date on Listings: Listings filed with the Service shall bear a definite and final termination date, as negotiated between the listing broker and the seller.

Section 1.12 Service Area: Only listings of the designated types of property located within the service area of the Greater El Paso Association of REALTORS® MLS are required to be submitted to the Service.

Listings of property located outside the MLS's service area will be accepted if submitted voluntarily by a Participant, but cannot be required by the Service.

Section 1.13 Listings of Suspended Participants: When a Participant of the Service is suspended from the MLS for failing to abide by a membership duty (i.e., violation of the Code of Ethics, Association Bylaws, MLS Bylaws, MLS Rules and Regulations, or other membership obligation except failure to pay appropriate dues, fees or charges), all listings currently filed with the MLS by the suspended Participant shall, at the Participant's option, be retained in the Service until sold, withdrawn or expired, and shall not be renewed or extended by the MLS beyond the termination date of the listing agreement in effect when the suspension became effective. If a Participant has been suspended from the Association (except where MLS participation without Association membership is permitted by law) or MLS (or both) for failure to pay appropriate dues, fees or charges, an Association MLS is not obligated to provide MLS services, including continued inclusion of the suspended Participant's listings in the MLS compilation of current listing information. Prior to any removal of a suspended Participant's listings from the MLS, the suspended Participant should be advised, in writing, of the intended removal so that the suspended Participant may advise his clients.

Section 1.14 Listings of Expelled Participants: When a Participant of the Service is expelled from the MLS for failing to abide by a membership duty (i.e., violation of the Code of Ethics, Association Bylaws, MLS Bylaws, MLS Rules and Regulations, or other membership obligations except failure to pay appropriate dues, fees or changes), all listings currently filed with the MLS shall, at the expelled Participant's option, be retained in the Service until sold, withdrawn or expired, and shall not be renewed or extended by the MLS beyond the termination date of the listing agreement in effect when the expulsion became effective. If a participant has been expelled from the Association (except where MLS participation without Association membership is permitted by law) or MLS (or both) for failure to pay appropriate dues, fees or charges, the MLS is not obligated to provide MLS services, including continued inclusion of the expelled Participant's listings in the MLS compilation of current listing information. Prior to any removal of an expelled Participant's listings from the MLS, the expelled Participant should be advised, in writing, of the intended removal so that the expelled Participant may advise his clients.

Section 1.15 Listings of Resigned Participants: When a Participant resigns from the MLS, the MLS is not obligated to provide services, including continued inclusion of the resigned Participant's listings in the MLS compilation of current listing information. Prior to any removal of a resigned Participant's listings from the MLS, the resigned Participant should be advised, in writing, of the intended removal so that the resigned Participant may advise his clients.

Selling Procedures

Section 2. Showings and Negotiations

Appointments for showings and negotiations with the seller for the purchase of listed property filed with the multiple listing service shall be conducted through the listing broker, except under the following circumstances:

- The listing broker gives the cooperating broker specific authority to show and/or negotiate directly, or
- After reasonable effort, the cooperating broker cannot contact the listing broker or his representative; however, the listing broker, at his option, may preclude such direct negotiations by cooperating brokers.

During any such direct showing of the property and any discussions with the seller, the cooperating broker shall not directly or indirectly negotiate or attempt to negotiate the sale, exchange, or lease of the property with the seller.

Section 2.1 Presentation of Offers: The listing broker must make arrangements to present the offer as soon as possible, or give the cooperating broker a satisfactory reason for not doing so.

Section 2.2 Submission of Written Offers and Counter-offers: The listing broker shall submit to the seller all written offers until closing unless precluded by law, government rule, regulation, or agreed otherwise in writing between the seller and the listing broker. Unless the subsequent offer is contingent upon the termination of an existing contract, the listing broker shall recommend that the seller obtain the advice of legal counsel prior to acceptance of the subsequent offer.

Participants representing buyers or tenants shall submit to the buyer or tenant all offers and counter-offers until acceptance, and shall recommend that buyers and tenants obtain legal advice where there is a question about whether a pre-existing contract has been terminated.

Section 2.3 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 or lessor 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 or lessor and the listing broker. However, if the seller or lessor 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 2.4 Right of Listing Broker in Presentation of Counter-Offers: The listing broker or his representative has the right to participate in the presentation of any counter-offer made by the seller or lessor. He does not have the right to be present at any discussion or evaluation of a counter-offer by the purchaser or lessee (except when the cooperating broker is a subagent). However, if the purchaser or lessee 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 or lessee's written instructions.

Section 2.5: Reporting Sales to the Service: Status changes, including final closing of sales and sales prices, shall be reported to the multiple listing service by the listing broker within 48 hours after they have occurred. If negotiations were carried on under Section 2 a. or b. hereof, the cooperating broker shall report accepted offers and prices to the listing broker within 24 hours after occurrence and the listing broker shall report them to the MLS within 72 hours after receiving notice from the cooperating broker. (Amended 11/11)

Note 1: The listing agreement of a property filed with the MLS by the listing broker should include a provision expressly granting the listing broker authority to advertise; file the listing with the MLS; to provide timely notice of status changes of the listing to the MLS; and to provide sales information including selling price to the MLS upon sale of the property. If deemed desirable by the MLS to publish sales information prior to final closing (settlement) of a sales transaction, the

listing agreement should also include a provision expressly granting the listing broker the right to authorize dissemination of this information by the MLS to its participants.

Submission of accurate sales information is vital. If a pattern of submission of inaccurate information is determined, then the MLS shall have the option to expel the offending Participant after following the procedures under Section 9.1.

Note 2: In disclosure states, if the sale price of a listed property is recorded, the reporting of the sale price may be required by the MLS. In states where the actual sale prices of completed transactions are not publicly accessible, failure to report sale prices can result in disciplinary action only if the MLS:

- categorizes sale price information as confidential and
- limits use of sale price information to participants and subscribers in providing real estate services, including appraisals and other valuations, to customers and clients; and to governmental bodies and third-party entities only as provided below.

The MLS may provide sale price information to governmental bodies only to be used for statistical purposes (including use of aggregated data for purposes of valuing property) and to confirm the accuracy of information submitted by property owners or their representatives in connection with property valuation challenges; and to third-party entities only to be used for academic research, statistical analysis, or for providing services to participants and subscribers. In any instance where a governmental body or third-party entity makes sale price information provided by the MLS available other than as provided for in this provision, a listing participant may request the sale price information for a specific property be withheld from dissemination for these purposes with written authorization from the seller, and withholding of sale price information from those entities shall not be construed as a violation of the requirement to report sale prices.

Note 3: As established in the Virtual Office Website (“VOW”) policy, sale prices can only be categorized as confidential in states where the actual sale prices of completed transactions are not accessible from public records.

Section 2.6 Reporting Resolutions of Contingencies: The listing broker shall report to the Multiple Listing Service within twenty-four (24) hours that a contingency on file with the Multiple Listing Service has been fulfilled or renewed, or the agreement cancelled.

Section 2.7 Advertising of Listing Filed with the Service: A listing shall not be advertised by any Participant, other than the listing broker, without the prior consent of the listing broker.

Section 2.8 Reporting Cancellation of Pending Sale: The listing broker shall report immediately to the Multiple Listing Service the cancellation of any pending sale, and the listing shall be reinstated immediately.

Section 2.9 Disclosing the Existence of Offers: Listing Brokers, in response to inquiries from buyers or cooperating brokers shall, with the seller’s approval, disclose the existence of offers on the property. Where disclosure is authorized, the listing broker shall also disclose, if asked, whether offers were obtained by the listing licensee, by another licensee in the listing firm, or by a cooperating Broker.

Section 2.10 Availability of Listed Property: Listing brokers shall not misrepresent the availability of access to show or inspect listed property.

REFUSAL TO SELL

Section 3. 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 the listing, such fact shall be transmitted immediately to the Service and to all Participants.

PROHIBITIONS

Section 4. Information for Participants Only: Any listing filed with the Service shall not be made available by the service to any broker or firm not a Member of the MLS without the prior consent of the listing broker.

Section 4.1 "For Sale" Signs: Only the "For Sale" sign of the listing broker may be placed on the property.

Section 4.2 "SOLD" Signs: Prior to closing, only the "Sold" sign of the listing broker may be placed on a property, unless the listing broker authorizes the cooperating (selling) broker to post such a sign.

Section 4.3 Solicitation of Listing Filed with the Service: Participants shall not solicit a listing on property filed with the Service unless such solicitation is consistent with Article 16 of the REALTORS Code of Ethics, its Standards of Practice and its Case Interpretations.

Note: This Section is to be construed in a manner consistent with Article 16 of the Code of Ethics and particularly Standard of Practice 16-4. This Section is intended to encourage sellers to permit their properties to be filed with the Service by protecting them from being solicited, prior to expiration of the listing, by brokers and sales persons seeking the listing upon its expiration.

Without such protection, a seller could receive hundreds of calls, communications, and visits from brokers and salespersons who have been made aware through MLS filing of the date the listing will expire and desire to substitute themselves for the present broker.

This Section is also intended to encourage brokers to participate in the Service by assuring them that other Participants will not attempt to persuade the seller to breach the listing agreement or to interfere with their attempts to market the property. Absent the protection afforded by this Section, listing brokers would be most reluctant to generally disclose the identity of the seller to the availability of the property to other brokers.

This Section does not preclude solicitation of listings under the circumstances otherwise recognized by the Standards of practice related to Article 16 of the Code of Ethics.

DIVISION OF COMMISSIONS

Section 5. Compensation Specified on Each Listing: The listing broker shall specify, on each listing filed with the multiple listing service, the compensation offered to other multiple listing service participants for their services in the sale of such listing. Such offers are unconditional except that entitlement to compensation is determined by the cooperating broker's performance as the procuring cause of the sale (or lease) or as otherwise provided for in this rule. The listing broker's

obligation to compensate any cooperating broker as the procuring cause of the sale (or lease) may be excused if it is determined through arbitration that, through no fault of the listing broker and in the exercise of good faith and reasonable care, it was impossible or financially unfeasible for the listing broker to collect a commission pursuant to the listing agreement. In such instances, entitlement to cooperative compensation offered through MLS would be a question to be determined by an arbitration hearing panel based on all relevant facts and circumstances including, but not limited to, why it was impossible or financially unfeasible for the listing broker to collect some or all of the commission established in the listing agreement; at what point in the transaction did the listing broker know (or should have known) that some or all of the commission established in the listing agreement might not be paid; and how promptly had the listing broker communicated to cooperating brokers that the commission established in the listing agreement might not be paid. (Amended 11/98)

Multiple listing services must give participants the ability to disclose to other participants any potential for a short sale. As used in these rules, short sales are defined as a transaction where title transfers, where the sale price is insufficient to pay the total of all liens and costs of sale, and where the seller does not bring sufficient liquid assets to the closing to cure all deficiencies. Multiple listing services may, as a matter of local discretion, require participants to disclose potential short sales when participants know a transaction is a potential short sale. In any instance where a participant discloses a potential short sale, they may, as a matter of local discretion, also be permitted to communicate to other participants 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 listing and cooperating participants. All confidential disclosures and confidential information related to short sales, if allowed by local rules, must be communicated through dedicated fields or confidential "remarks" available only to participants and subscribers. (Amended 5/09)M

Note 1: In filing a property with the Multiple Listing Service of an Association of REALTORS®, the Participant of the Service is making blanket unilateral offers of compensation to the other MLS Participants, and shall therefore specify on each listing filed with the Service, the compensation being offered to the other MLS Participants. Specifying the compensation on each listing is necessary because the cooperating broker has the right to know what his compensation shall be prior to his endeavor to sell.*

The listing broker retains the right to determine the amount of compensation offered to other Participants (acting as subagents, buyers agents, or in other agency or non-agency capacities defined by law) which may be the same or different.

This shall not preclude the listing broker from offering any MLS Participant compensation other than the compensation indicated on any listing published by the MLS, provided the listing broker informs the other broker, in writing, in advance of submitting an offer to purchase, and provided that the modification in the specified compensation is not the result of any agreement among all or any other Participants in the Service. Any superseding offer of compensation must be expressed as either a percentage of the gross sales price or as a flat dollar amount.

The Multiple Listing Service shall not have a rule requiring the listing broker to disclose the amount of total negotiated commission in his listing contract and the Multiple Listing Service shall not publish the total negotiated commission on a listing which has been submitted to

the MLS by a Participant. The Multiple Listing Service shall not disclose in any way the total commission negotiated between the seller and the listing broker.

* The compensation specified on listings filed with the Multiple Listing Service shall appear in one of two forms. The essential appropriate requirement by a Multiple Listing Service is that the information to be published shall clearly inform the Participants as to the compensation they will receive in cooperative transactions, unless advised otherwise by the listing broker, in writing, in advance of submitting an offer to purchase. The compensation specified on listings published by the MLS shall be shown in one of the following forms:

- By showing a percentage of the gross selling price.
- By showing a definite dollar amount

Note 2: The listing broker may, from time to time, adjust the compensation offered to other Multiple Listing Service Participants for their services with respect to any listing by advance published notice to the Service so that all participants will be advised. (Amended 4/92)

Note 3: The Multiple Listing Service shall make no rule on the division of commissions between Participants and nonparticipants. This will remain solely the responsibility of the listing broker.

Note 4: Multiple Listing Services, at their discretion, may adopt rules and procedures enabling listing brokers to communicate to potential cooperating brokers that gross commissions established in listing contracts are subject to court approval or to lender approval; and that compensation payable to cooperating brokers may be reduced if the gross commission established in the listing contract is reduced by a court or by a lender. In such instances, the fact that the gross commission is subject to court or to lender approval and either the potential reduction in compensation payable to cooperating brokers or the method by which the potential reduction in compensation will be calculated must be clearly communicated to potential cooperating brokers prior to the time they submit an offer that ultimately results in a successful transaction. (Amended 5/10)

Note 5: Nothing in these MLS rules precludes a listing participant and a cooperating participant, as a matter of mutual agreement, from modifying the cooperative compensation to be paid in the event of a successful transaction. (Amended 11/05)

Note 6: Multiple listing services must give participants the ability to disclose to other participants any potential for a short sale. As used in these rules, short sales are defined as a transaction where title transfers, where the sale price is insufficient to pay the total of all liens and costs of sale and where the seller does not bring sufficient liquid assets to the closing to cure all deficiencies. Multiple listing services may, as a matter of local discretion, require participants to disclose potential short sales when participants know a transaction is a potential short sale. In any instance where a participant discloses a potential short sale, they may, as a matter of local discretion, also be permitted to communicate to other participants 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 listing and cooperating participants. All confidential disclosures and confidential information related to short sales, if allowed by local rules, must be communicated through dedicated fields or confidential "remarks" available only to participants and subscribers. (Amended 5/09)

Note 7: While MLSs are not required to authorize participants to offer cooperative compensation based on net sale prices, those that do permit such offers must define “seller concessions” for purposes other than new construction, unless that term is defined by applicable state law or regulation. The following definition of “seller concessions” is suggested but not required for adoption.

Points paid by seller on behalf of buyer, seller-paid buyer closing costs, cash or cash allowances not escrowed, down payment assistance, additions or alterations not considered deferred maintenance, and personal property not usual and customary to such transactions conveyed from seller to buyer having an agreed upon monetary value. (Adopted 5/12)

Section 5.0.1 Participant must disclose potential short sales: 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 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. (Amended 5/09)

Section 5.1 Participant as Principal: If a Participant or any licensee (or licensed or certified appraiser) affiliated with a Participant has any ownership interest in property, the listing of which is to be disseminated through the Multiple Listing Service, that person shall disclose that interest when the listing is filed with the Multiple Listing Service and such information shall be disseminated to all Multiple Listing Service Participants.

Section 5.2 Participant as Purchaser: If a Participant or any licensee (including licensed and certified appraisers) affiliated with a Participant wishes to acquire an interest in property listed with another Participant, such contemplated interest shall be disclosed, in writing, to the listing broker not later than the time an offer to purchase is submitted to the listing broker.

Section 5.3 Dual or Variable Rate Commission Arrangements: The existence of a dual or variable rate commission arrangement (i.e., one in which the seller/landlord agrees to pay a specified commission if the property is sold/leased by the listing broker without assistance and a different commission if the sale/lease results through the efforts of a cooperating broker, or one in which the seller/landlord agrees to pay a specified commission if the property is sold/leased by the listing broker either with or without the assistance of a cooperating broker and a different commission if the sale/lease results through the efforts of a seller/landlord) shall be disclosed by the listing broker by a key, code, or symbol as required by the MLS. The listing broker shall, in response to inquiries from potential cooperating brokers, disclose the differential that would result in either a cooperative transaction or, alternatively, 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.

SERVICE CHARGES

Section 6. Service Fees and Charges: The following service charges for operation of the Multiple Listing Service are in effect to defray the costs of the Service and are subject to change from time to time in the manner prescribed:

- **Initial Participation Fee:** An applicant for participation as a Participant firm in the Service shall pay an application fee of \$200.00 with such fee to accompany the application.
- **Recurring Participation Fee:** The MLS Board will annually determine the need to assess each Participant and Independent Subscriber a recurring participation fee in July for the period July 1 to June 30, with the exception of 1995. The recommendation shall be sent to the Association Board of Directors for approval. Approval shall be deemed given unless 80% of the Association Directors, with voting rights, vote against the recommendation.
- **Subscription Fee:** Access shall be supplied to the Participant, upon payment of the initial Participation Fee. The quarterly participation fee of each Participant shall be an amount equal to the quarterly fee established by the Board of Directors times each salesperson and licensed or certified appraiser who has access to the use of the Service, whether licensed as a broker, sales licensee, or licensed or certified appraiser, or appraiser trainee who is employed by or affiliated as an independent contractor with such Participant. Payment of such fees shall be made on or before the first day of each calendar quarter. A restore service fee to be established by the Board of Directors annually will be assessed for payments received one (1) month after the due date. Quarterly fees will be prorated for new Participants/Subscribers to the service upon application. Prorated fees will not be granted for any Participant/Subscriber who had access to the Service the prior calendar quarter. Payment of fees will be made by the Participant except that a Subscriber to the service may make payments for Subscribers service unless instructed otherwise by the participant. The amount of the quarterly subscription shall be determined by the MLS Board of Directors, and shall be reviewed by the Board at least once annually.

However, MLS's must provide participants the option of a no-cost waiver of MLS fees, dues, and charges for any licensee or licensed or certified appraiser who can demonstrate subscription to a different MLS where the principal broker participates. MLSs may, at their discretion, require waiver recipients and their participants to sign a certification for nonuse of its MLS services, which can include penalties and termination of the waiver if violated.

Section 6.1 Jurisdiction of Board/Association Multiple Listing Service: The jurisdiction of Multiple Listing Services owned and operated by Boards and Associations of REALTORS® is not limited to the jurisdiction of the parent Board(s) or Association(s) of REALTORS®. Rather, Board(s) and Association(s) are encouraged to establish Multiple Listing Services that encompass natural market areas and to periodically reexamine such boundaries to ensure that they encompass the relevant market area. While Boards and Associations are encouraged to work cooperatively to establish market area Multiple Listing Services, the absence of such an agreement shall not preclude any Board or Association from establishing and maintaining a Multiple Listing Service whose territory exceeds that of the parent Board or Association. Where the territory of an MLS exceeds that of the parent Board(s) or Association(s), the authority of the MLS to require offices of a Participant or a Participant's firm to participate in the MLS is limited to offices located within the jurisdiction of the Board(s) or Association(s) of REALTORS® that own and operate the MLS or that are parties to a multi-Board or regional MLS service agreement. MLSs may, as a matter of local determination, require that each of a firm's offices located within the jurisdiction of the Board(s) or Association(s) that own and operate the MLS or that are parties to a multi-board or regional MLS service agreement participate in the MLS if any office of that firm participates in that MLS.

Section 6.2 Waivers: Request for waivers of service charges may be submitted to the MLS Board by the Participant for those affiliated sales licensees who do not have a use for, and will not at any time use the service. Licensees who fall into this category are those who are in the specialty areas designated by the Board of MLS, including:

- Commercial
- Real Estate Instructors
- Waivers for disability may also be granted to subscribers for inactivity created by a medical condition.
- Military deployed outside the El Paso area for at least twelve months.
- Participants' agents who reside outside the El Paso area and do not have any current activity in the GEPAR Multiple Listing Service.
- Subscription to a different MLS where principal broker participates.

COMPLIANCE WITH RULES

Section 7.1 Compliance with Rules: The following action may be taken for noncompliance with the Rules:

- For failure to pay any service charge or fee within one (1) month of the due date, the subscriber's service shall be suspended until service charges or fees are paid in full. Two months after due date, participation by the nonpaying Participant may be terminated at the discretion of the Board of Directors. Three months after due date, participation of the nonpaying Participant shall automatically terminate unless within that time, the amount due is paid.
- For failure to comply with any other rule, the provisions of Section 9 and 9.1 shall apply.

Section 7.2 Applicability of Rules to Users and/or Subscribers: Non-principal brokers, sales licensees, appraisers and others authorized to have access to information published by the MLS are subject to these Rules and Regulations and may be disciplined for violations thereof provided that the user or subscriber has signed an agreement acknowledging that access to and use of MLS information is contingent on compliance with the Rules and Regulations. Further, failure of any user or subscriber to abide by the rules and/or sanction imposed for violations thereof can subject the Participant to the same or other discipline. This provision does not eliminate the Participant's ultimate responsibility and accountability for all users or subscribers affiliated with the Participant.

MEETINGS

Section 8. Meetings: The meeting of Participants in the Service or the Board of Directors of the Multiple Listing Service for the transaction of business of the Service shall be held in Accordance with the provisions of Article 7, Bylaws of the Service.

ENFORCEMENT OF RULES OR DISPUTES

Section 9. Consideration of Alleged Violations: The MLS Board of Directors shall give consideration to all written complaints having to do with a violation of the Rules and Regulations.

Section 9.1 Violations of Rules and Regulations: If the alleged offense is a violation of the MLS Rules and Regulations of the service and does not involve a charge of alleged unethical conduct or request for arbitration and the MLS has a procedure established to conduct hearings, it may be considered and

determined by the MLS Tribunal and if a violation is determined, the MLS Tribunal may direct the imposition of sanction, provided the recipient of such sanction may request an appeal to the MLS Board of Directors within twenty (20) days of the tribunal's decision. Alleged violations involving unethical conduct shall be referred to the professional standards committee of the association of REALTORS® for processing in accordance with the professional standards procedures of the association. If the charge alleges a refusal to arbitrate, such charge shall be referred directly to the board of directors of the association of REALTORS®

Sanctions for violations may include:

- Letter of warning
- Letter of reprimand
- Attendance at MLS orientation or other appropriate courses or seminars which the participant or subscriber can reasonably attend taking into consideration cost, location, and duration
- Appropriate, reasonable fine not to exceed \$15,000
- Suspension of MLS rights, privileges, and services for not less than thirty (30) days nor more than one (1) year
- Suspension of MLS rights, privileges, and services for not less than thirty (30) days nor more than one (1) year
- Termination of MLS rights, privileges, and services with no right to reapply for a specified period not to exceed three (3) years.

Note: A participant (or user/subscriber, where appropriate) can be placed on probation. Probation is not a form of discipline. When a participant (or user/subscriber, where appropriate) is placed on probation the discipline is held in abeyance for a stipulated period of time not longer than one (1) year. Any subsequent finding of a violation of the MLS rules during the probationary period may, at the discretion of the Board of Directors, result in the imposition of the suspended discipline. Absent any subsequent findings of a violation during the probationary period, both the probationary status and the suspended discipline are considered fulfilled, and the individual's record will reflect the fulfillment. The fact that one or more forms of discipline are held in abeyance during the probationary period does not bar imposition of other forms of discipline which will not be held in abeyance.

Section 9.1.1. Special Rule for Violations of Sections 1.2 (second sentence) and 1.2.6: In the case of violation of the requirements of Sections 1.2 (second sentence), fines may be assessed as follows: A notification will be sent to the Participant. Participant may be administratively fined the amount of \$100.00 on the third day of violation, an additional \$100.00 on the sixth day of violation, and an additional \$100.00 on the ninth day of violation, for a possible total of \$300.00 per month in fines per violation. The sequencing of these fines will repeat during the second and subsequent months, until the violation has been corrected by the Participant. These fines may be assessed administratively, but they may be appealed by the Participant to the Board of Directors, by filing a timely appeal no later than 20 days following the date that the Participant is notified of the fine. The Board of Directors may direct the imposition of sanction, provided the recipient of such sanction may request a hearing before the Professional Standards Committee of the Greater El Paso Association of REALTORS® within twenty (20) days following receipt of the decision. This special provision for violation of the requirements of the sections identified hereinabove is provided as an alternative to Section 9.1 above, and fines or other sanctions shall not be imposed upon the

same Participant under both Section 9.1 and this Section 9.1.1 for the same violation over the same time period.

If, rather than conducting an administrative review, the MLS has a procedure established to conduct hearings, any appeal of the decision of the hearing tribunal may be appealed to the board of directors of the MLS within twenty (20) days of the tribunal's decision. Alleged violations involving unethical conduct shall be referred to the professional standards committee of the association of REALTORS® for processing in accordance with the professional standards procedures of the association. If the charge alleges a refusal to arbitrate, such charge shall be referred directly to the board of directors of the association of REALTORS®.

Section 9.2 Complaints of Unethical Conduct: All other complaints of unethical conduct shall be referred by the Board of Directors of the Service to the Greater El Paso Association of REALTORS® for appropriate action in accordance with the Professional Standards procedures established in the Association of REALTORS® Bylaws.

CONFIDENTIALITY OF MLS INFORMATION

Section 10: Confidentiality of MLS Information: Any information provided by the Multiple Listing Service to the Participants shall be considered official information of the Service. Such information shall be considered confidential and exclusively for the use of Participants and real estate licensees affiliated with such Participants and those Participants who are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property and licensed or certified appraisers affiliated with such Participants.

Section 10.1 MLS Not Responsible for Accuracy of Information: The information published and disseminated by the service is communicated verbatim, without change by the Service, as filed with the Service by the Participant the Service does not verify such information provided and disclaims any responsibility for its accuracy. Each Participant agrees to hold the Service harmless against any liability arising from any inaccuracy or inadequacy of the information such Participant provides.

Section 10.2 Access to Comparable and Statistical Information: Association of REALTORS® Members who are actively engaged in real estate brokerage, management, appraising, land development or building, but who do not participate in the MLS, are nonetheless entitled to receive by purchase or lease all information other than current listing information that is generated wholly or in part by the MLS, including "comparable information", "Sold information", and "statistical reports". This information is provided for the exclusive use of Association members and individuals affiliated with Association members who are also engaged in the real estate business and may not be transmitted, retransmitted, or provided in any manner to any unauthorized individual, office or firm, except as otherwise provided in these Rules and Regulations. Information received through a multiple listing service or any other offer of cooperation may not be used to target clients or other MLS participants to whom such offers to provide services may be made.

OWNERSHIP OF MLS COMPILATION* AND COPYRIGHT

Section 11: By the act of submitting any property listing content to the MLS, the Participant represents that he 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 comparable. 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 listed property.

Note: The Digital Millennium Copyright Act (DMCA) is a federal copyright law that enhances the penalties for copyright infringement occurring on the Internet. The law provides exemptions or “safe harbors” from copyright infringement liability for online service providers (OSP) that satisfy certain criteria. Courts construe the definition of “online service provider” broadly, which would likely include MLSs as well as participants and subscribers hosting an IDX display.

One safe harbor limits the liability of an OSP that hosts a system, network or website on which Internet users may post user-generated content. If an OSP complies with the provisions of this DMCA safe harbor, it cannot be liable for copyright infringement if a user posts infringing material on its website. This protects an OSP from incurring significant sums in copyright infringement damages, as statutory damages are as high as \$150,000 per work. For this reason, it is highly recommended that MLSs, participants and subscribers comply with the DMCA safe harbor provisions discussed herein.

To qualify for this safe harbor, the OSP must:

- Designate on its website and register with the Copyright Office an agent to receive takedown requests. The agent could be the MLS, participant, subscriber, or other individual or entity.
- Develop and post a DMCA-compliant website policy that addresses repeat offenders.
- Comply with the DMCA takedown procedure. If a copyright owner submits a takedown notice to the OSP, which alleges infringement of its copyright at a certain location, then the OSP must promptly remove allegedly infringing material. The alleged infringer may submit a counter-notice that the OSP must share with the copyright owner. If the copyright owner fails to initiate a copyright lawsuit within ten (10) days, then the OSP may restore the removed material.
- Have no actual knowledge of any complained-of infringing activity.
- Not be aware of facts or circumstances from which complained-of infringing activity is apparent.
- Not receive a financial benefit attributable to complained-of infringing activity when the OSP is capable of controlling such activity.

Note: Full compliance with these DMCA safe harbor criteria will mitigate an OSP’s copyright infringement liability. For more information see 17 U.S.C. §512.

Section 11.1: All right, title, and interest in each copy of every Multiple Listing compilation created and copyrighted by the Greater El Paso Association of REALTORS® Multiple Listing Service, Inc., and in the copyrights therein, shall at all times remain vested in the GEPAR MLS Inc.

Section 11.2: Each Participant shall be entitled to lease from the Association Board of REALTORS® a number of copies of each MLS compilation sufficient 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 set by the MLS. Participants shall acquire by such lease only the right to use the MLS compilation in accordance with these rules.

USE OF COPYRIGHTED MLS COMPILATION

Section 12. Distribution: Participants shall at all times, maintain control over and responsibility for each copy of any MLS compilation leased to them by the Association of REALTORS® shall not distribute any such copies to persons other than subscribers who are affiliated with such Participant as licensees, those individuals who are licensed or certified by an appropriate state regulatory agency to engage in the appraisal

of real property, and any other subscribers as authorized pursuant to the governing documents of the MLS. Use of information developed by or published by the Association Multiple Listing Service is strictly limited to the activities authorized under a Participant's licensure(s) or certification and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey "Participation, or "Membership or any right of access to information developed by or published by an Association Multiple Listing Service where access to such information is prohibited by law.

* The term "MLS compilation," as used in Sections 11 and 12 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 bound book, loose-leaf binder, computer database, card file, or any other format whatever.

** This section should not be construed to require the Participant to lease a copy of the MLS compilation for any licensee (or licensed or certified appraiser) affiliated with the Participant who is engaged exclusively in a specialty of the real estate business other than listing, selling, or appraising the types of properties which are required to be filed with the MLS and who does not, at any time, have access to or use of the MLS information or MLS facility of the Board.

Section 12.0.1 Secure Login: User to abide by automated security login by agreeing not to share ID and password with, but not limited to, any other user, agent, client, customer or non- member.

Section 12.1 Display: Participants, and those persons affiliated as licensees with such Participants shall be permitted to display the MLS compilation to prospective purchasers only in conjunction with their ordinary business activities of attempting to locate ready, willing, and able buyers for the properties described in said MLS compilation.

Section 12.2 Reproduction: Participants or their affiliated licensees shall not reproduce any MLS compilation or any portion thereof, except in the following limited circumstances:

Participants or their affiliated licensees may reproduce from the MLS compilation and distribute to prospective purchasers a reasonable* number of single copies of property listing data contained in the MLS compilation which relate to any properties in which the prospective purchasers are or may, in the judgment of the Participants or their affiliated licensees, be interested.

Reproductions made in accordance with this rule shall be prepared in such a fashion that the property listing data of properties other than that in which the prospective purchaser has expressed interest, or in which the Participant or the affiliated licensees are seeking to promote interest, does not appear on such reproduction.

Nothing contained herein shall be construed to preclude any Participant from utilizing, displaying, distributing, or reproducing property listing sheets or other compilations of data pertaining exclusively to properties currently listed for sale with the Participant.

Any MLS information, whether provided in written or printed form, provided electronically, or provided in any other form or format, is provided for the exclusive use of the Participant and those licensees affiliated with the Participant who are authorized to have access to such information. Such information may not be transmitted retransmitted or provided in any manner to any unauthorized individual, office, or firm.

None of the foregoing shall be construed to prevent any individual legitimately in possession of current listing information, sold information, comparable, or statistical information from utilizing such information to support valuations on particular properties for clients and customers. Any MLS content in data feeds available to participants for real estate brokerage purposes must also be available to participants for

valuation purposes, including automated valuations. MLSs must either permit use of existing data feeds, or create a separate data feed, to satisfy this requirement. MLSs may require execution of a third-party license agreement where deemed appropriate by the MLS. MLSs may require participants who will use such data feeds to pay the reasonably estimated costs incurred by the MLS in adding or enhancing its downloading capacity for this purpose. Information deemed confidential may not be used as supporting documentation. Any other use of such information is unauthorized and prohibited by these rules and regulations. (Amended 05/14)

* It is intended that the Participant be permitted to provide prospective purchasers with listing data relating to properties which the prospective purchaser has a bona fide interest in purchasing or in which the Participant is seeking to promote interest. The term reasonable, as used herein, should therefore be construed to permit only limited reproduction of property listing data intended to facilitate the prospective purchasers' decision-making process in the consideration of a purchase. Factors which shall be considered in deciding whether the reproductions made are consistent with this intent and thus reasonable in number, shall include, but are not limited to, the total number of listings in the MLS compilation, how closely the types of properties contained in such listings accord with the prospective purchaser's expressed desires and ability to purchase, whether the reproductions were made on a selective basis, and whether the type of properties contained in the property listing data is consistent with a normal itinerary of properties which would be shown to the prospective purchaser.

Section 12.3. Internet Display: The Board of Directors of the Service by majority vote, with the approval of the Board of Directors of the Association, (which approval shall be deemed given unless 80% of the Association directors with voting rights vote against the action), may contract with one or more third parties for the non-exclusive use of MLS information for display, distribution, or use upon the Internet, upon such terms and conditions as the Board of Directors of the Service may determine from time to time.

USE OF MLS INFORMATION

Section 13. Limitations on Use of MLS Information: Information from MLS compilations of current listing information, from statistical reports, and from any sold or comparable report of the association or MLS may be used by MLS participants as the basis for aggregated demonstrations of market share or comparisons of firms in public mass-media advertising or in other public representation. This authority does not convey the right to include in any such advertising or representation information about specific properties which were sold by other participants (as either listing or cooperating broker).

However, any print or non-print forms of advertising or other forms of public representations based in whole or in part on information supplied by the Association or its MLS must clearly demonstrate the period of time over which such claims are based and must include the following, or substantially similar, notice:

“Based on information from the Greater El Paso Association of REALTORS® Multiple Listing Service, for the period (date) through (date).” Under no circumstances may a Participant or Subscriber sell MLS information to an individual, group, company, organization, corporation, or government entity.

CHANGES IN RULES AND REGULATIONS

Section 14. Changes in Rules and Regulations: Amendments to the Rules and Regulations of the Service shall be by consideration and approval of the Board of Directors of the Multiple Listing Service, subject to final approval by the Board of Directors of the Greater El Paso Association of REALTORS.

Effective Date of Rules and Regulations: These Rules and Regulations have been approved by the Greater El Paso Association of REALTORS Multiple Listing Service, Inc., and the Greater El Paso Association of REALTORS Boards of Directors, reviewed by the National Association of REALTORS and shall take effect and be in full force on September 1, 2003.

ORIENTATION

Section 17. Orientation: Any applicant for MLS participation and any licensee (including licensed or certified appraisers) affiliated with an MLS participant who has access to and use of MLS generated information shall complete an orientation program of no more than eight (8) classroom hours devoted to the MLS rules and regulations and computer training related to MLS information entry and retrieval and the operation of the MLS within thirty (30) days after access has been provided.

Participants and subscribers may be required, at the discretion of the MLS, to complete additional training of not more than four (4) classroom hours in any twelve (12) month period when deemed necessary by the MLS to familiarize participants and subscribers with system changes or enhancement and/or changes to MLS rules or policies. Participants and subscribers must be given the opportunity to complete any mandated orientation and additional training remotely.

PROVISIONS FOR ESTABLISHING INTERNET DATA EXCHANGE ("IDX")

Internet Data Exchange ("IDX")

Section 18 IDX Defined IDX: IDX affords MLS participants the ability to authorize limited electronic display and delivery of their listings by other participants via the following authorized mediums under the participant's control: websites, mobile apps, and audio devices. As used throughout these rules, "display" includes "delivery" of such listings.

Section 18.1 Authorization: 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, frame or display the aggregated MLS data of other participants.

Section 18.2 Participation: Participation in IDX is available to all MLS participants who are REALTORS® who are engaged in real estate brokerage and who consent to display of their listings by other participants.

Section 18.2.1: Participants must notify the MLS of their intention to IDX information and must give the MLS direct access for purposes of monitoring/ensuring compliance with applicable rules and policies.

Section 18.2.2: MLS participants may not use IDX-provided listings for any purpose other than display as provided for in these rules. This does not require participants to prevent indexing of IDX listings by recognized search engines.

Section 18.2.3: Listings, including property addresses, can be included in IDX displays except where a seller has directed their listing broker to withhold their listing or the listing's property

address from all display on the Internet (including, but not limited to, publicly-accessible websites or VOWs) or other electronic forms of display or distribution. (Amended 05/17)

Section 18.2.4: Participants may select the listings they choose to display—through IDX based only on objective criteria including, but not limited to, factors such as geography or location (“uptown,” “downtown,” etc.), list price, type of property (e.g., condominiums, cooperatives, single-family detached, multi-family), cooperative compensation offered by listing brokers, type of listing (e.g., exclusive right-to-sell or exclusive agency), or the level of service being provided by the listing firm. Selection of listings displayed-through IDX must be independently made by each participant.

Section 18.2.5: Participants must refresh all MLS downloads and refresh IDX displays automatically fed by those downloads at least once every twelve (12) hours.

Section 18.2.6: Except as provided in the IDX policy and these rules, an IDX site or a participant or user operating an IDX site or displaying IDX information as otherwise permitted may not distribute, provide, or make any portion of the MLS database available to any person or entity.

Section 18.2.7: Any IDX display controlled by a participant must clearly identify the name of the brokerage firm under which they operate in a readily visible color and typeface. For purposes of the IDX policy and these rules, “control” means the ability to add, delete, modify and update information as required by the IDX policy and MLS rules.

Section 18.2.8: Any IDX display controlled by a participant or subscriber that:

- Allows third-parties to write comments or reviews about particular listings or displays a hyperlink to such comments or reviews in immediate conjunction with particular listings, or
- Displays an automated estimate of the market value of the listing (or hyperlink to such estimate) in immediate conjunction with the listing,

Either or both of those features shall be disabled or discontinued for the seller’s listings at the request 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 displays controlled by participants. Except for the foregoing and subject to Section 18.2.9, a participant’s IDX display may communicate the participant’s professional judgment concerning any listing. Nothing shall prevent an IDX display from notifying its customers that a particular feature has been disabled at the request of the seller.

Section 18.2.9: Participants shall maintain a means (e.g., e-mail address, telephone number) to receive comments about the accuracy of any data or information that is added by or on behalf of the participant beyond that supplied by the MLS and that relates to a specific property. Participants shall correct or remove any false data or information relating to a specific property upon receipt of a communication from the listing broker or listing agent for the property explaining why the data or information is false. However, participants shall not be obligated to remove or correct any data or information that simply reflects good faith opinion, advice, or professional judgment.

Section 18.2.10 be added to the Internet Data Exchange (“IDX”) Rules: An MLS Participant (or where permitted locally, an MLS Subscriber) may co-mingle the listings of other brokers received in an IDX feed with listings available from other MLS IDX feeds, provided all such displays are consistent with the IDX rules, and the MLS Participant (or MLS Subscriber) holds participatory rights in those MLSs. As used in

this policy, “co-mingling” means that consumers are able to execute a single property search of multiple IDX data feeds resulting in the display of IDX information from each of the MLSs on a single search results page; and that Participants may display listings from each IDX feed on a single webpage or display.

Section 18.2.11: Participants shall not modify or manipulate information relating to other participants listings. MLS participants may augment their IDX display of MLS data with applicable property information from other sources to appear on the same webpage or display, clearly separated by the data supplied by the MLS. The source(s) of the information must be clearly identified in the immediate proximity to such data. This requirement does not restrict the format of the MLS data display or display of fewer than all of the available listings or fewer authorized fields.

Section 18.2.12: All listings displayed pursuant to IDX shall identify the listing firm in a reasonably prominent location and in a readily visible color and typeface not smaller than the median used in the display of listing data.*

* Displays of minimal information (e.g., “thumbnails”, text messages, “tweets”, etc., of two hundred [200] characters or less) are exempt from this requirement but only when linked directly to a display that includes all required disclosures. For audio delivery of listing content, all required disclosures must be subsequently delivered electronically to the registered consumer performing the property search or linked to through the devices application.

Section 18.3 Display: Display of listing information pursuant to IDX is subject to the following rules:

Section 18.3.1: Listings displayed pursuant to IDX shall contain only those fields of data designated by the MLS. Display of all other fields (as determined by the MLS) is prohibited. Confidential fields intended only for other MLS participants and users (e.g., cooperative compensation offers, showing instructions, property security information, etc.) may not be displayed.

Section 18.3.1.1: The type of listing agreement (e.g., exclusive right to sell, exclusive agency, etc.) may not be displayed.

Section 18.3.5: Non-principal Brokers and sales licensees affiliated with IDX participants may display information available through IDX on their own Web sites subject to their participant’s consent and control and the requirements of state law and/or regulation.

Section 18.3.7: All listings displayed pursuant to IDX shall show the MLS as the source of the information. Displays of minimal information (e.g. “thumbnails,” text messages, “tweets”, etc. of two hundred [200] characters or less) are exempt from this requirement but only when linked directly to a display that includes all required disclosures.

Section 18.3.8: Participants (and their affiliated licensees, if applicable) shall indicate on their Web sites that IDX information is provided exclusively for consumers’ personal, non-commercial use that it may not be used for any purpose other than to identify prospective properties consumers may be interested in purchasing, and that data is deemed reliable but is not guaranteed accurate by the MLS. The MLS may, at its discretion, require use of other disclaimers as necessary to protect participants and/or the MLS from liability. Displays of minimal information (e.g. “thumbnails,” text messages, “tweets”, etc. of two hundred [200] characters or less) are exempt from this requirement but only when linked directly to a display that includes all required disclosures.

Section 18.3.10: The right to display other participants’ listings pursuant to IDX shall be limited to a participant’s office(s) holding participatory rights in this MLS.

Section18.3.11: Listings obtained through IDX feeds from REALTOR® Association MLSs where the MLS Participant holds participatory rights must be displayed separately from listings obtained from other sources. Listings obtained from other sources (e.g., from other MLSs, from non-participating brokers, etc.) must display the source from which each such listing was obtained. Displays of minimal information (e.g., “thumbnails”, text messages, “tweets”, etc., of two hundred [200] characters or less) are exempt from this requirement but only when linked directly to a display that includes all required disclosures. (Amended 11/14)

Note: An MLS Participant (or where permitted locally, an MLS Subscriber) may co-mingle the listings of other brokers received in an IDX feed with listings available from other MLS IDX feeds, provided all such displays are consistent with the IDX rules, and the MLS Participant (or MLS Subscriber) holds participatory rights in those MLSs. As used in this policy, “co-mingling” means that consumers are able to execute a single property search of multiple IDX data feeds resulting in the display of IDX information from each of the MLSs on a single search results page; and that Participants may display listings from each IDX feed on a single webpage or display.

Section18.3.12: Display of expired, withdrawn, and sold listings is prohibited.

Section18.3.13: Display of seller’s(s’) and/or occupant’s(s’) name(s), phone number(s), and email address(es) is prohibited.

Section18.3.14: Participants are required to employ appropriate security protection such as firewalls, on their websites and displays provided that any security measures required may not be greater than those employed by the MLS.

Section18.3.15: IDX Participants must maintain an audit trail of consumer activity on their website and make that information available to the MLS if the MLS believes the IDX site has caused or permitted a breach in the security of the data or a violation of MLS rules related to use by consumers.

Section18.3.16: Deceptive or misleading advertising (including co-branding) on pages displaying IDX-provided listings is prohibited. For purposes of the rules, co-branding will be presumed not to be deceptive or misleading if the participant’s logo and contact information is larger than that of any third party.

Section18.4 Service Fees and Charges: Service fees and charges for participation in IDX shall be as established annually by the Board of Directors.

Virtual Office Website (VOW) Rules for MLSs

Section 19.1 VOW Defined:

- 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.

- As used in Section 19 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.
- "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 the 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 behalf the AVP operates a VOW.
- As used in Section 19 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 19.2:

- 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.
- 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").
- 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 19.3:

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:

- 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.

- 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.
- The Participant must require each Registrant to have a user name and a 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.

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.

If the MLS has reason to believe that a Participant’s VOW has caused or permitted a breach in the security of 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.

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:

- That the Registrant acknowledges entering into a lawful consumer-broker relationship with the Participant;
- That all information obtained by the Registrant from the VOW is intended only for the Registrant’s personal, non-commercial use;
- 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;
- 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;
- That the Registrant acknowledges the MLS’s ownership of, and the validity of the MLS’s copyright in, the MLS database.

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.

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 19.4: A Participant's VOW must prominently display an e-mail 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-principal 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 19.5: 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 19.6:

- 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.
- 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

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.

OR

- 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.

I understand and acknowledge that, if I have selected 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

The Participant shall retain such forms for at least one year from the date they are signed, or one (1) year from the date the listing goes off the market, whichever is greater.

Section 19.7:

(a) Subject to subsection (b), a Participant's VOW may allow third-parties to:

- Write comments or reviews about particular listings or display a hyperlink to such comments or reviews in immediate conjunction with particular listings, or;
- 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 Participants' websites. Subject to the foregoing and to Section 19.8, 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 19.8: A Participant's VOW shall maintain a means (e.g., e-mail 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 is false. The Participant shall not, however, be obligated to correct or remove any data or information that simply reflects good faith opinion, advice, or professional judgment.

Section 19.9: A Participant shall cause the MLS Listing Information available on its VOW to be refreshed at least once every three (3) days.

Section 19.10: Except as provided in these rules, the NATIONAL ASSOCIATION OF REALTORS® VOW Policy, or any other applicable MLS rules or policies, no Participant shall distribute, provide, or make accessible any portion of the MLS Listing Information to any person or entity.

Section 19.11: 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 19.12: 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 19.13: 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 to all MLS Participants for purposes of verifying compliance with these Rules, the VOW Policy, and any other applicable MLS rules or policies.

Section 19.14: 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 VOWs 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 19.15: A Participant's VOW may not make available for search by, or display to, Registrants any of the following information:

- Expired and withdrawn, ~~or pending ("under contract")~~ listings.
Note: Due to the 2015 changes in IDX policy and the requirement that participants be permitted to make MLS listing information available to Registrants of VOW sites where such information may be made available via other delivery mechanisms, MLSs can no longer prohibit the display of pending ("under contract") listings on VOW sites.
- The compensation offered to other MLS Participants.
- The type of listing agreement, i.e., exclusive right to sell or exclusive agency.
- The seller's and occupant's name(s), phone number(s), or e-mail address(es).
- Instructions or remarks intended for cooperating brokers only, such as those regarding showings or security of listed property.
- Sold information

Section 19.16: 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 19.17: 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 19.18: 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 19.19: The number of listings that may be viewed, retrieved, or downloaded should be specified by the MLS in the context of this rule, but may not be fewer than five hundred (500) listings or fifty percent (50%) of the listings in the MLS, whichever is less.

Section 19.20: A Participant shall require that Registrants' passwords be reconfirmed or changed every 90 days.

Section 19.21: 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 19.22: 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 19.23: A Participant shall cause any listing displayed on his or her VOW obtained from other sources, including from another MLS or from a broker not participating in the MLS, to be searched separately from listings in the MLS.

Section 19.24: Participants and the AVPs operating VOWs on their behalf must execute the license agreement required by the MLS.

Section 19.25: 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.

MLS Listing Policy Statements

- **Multiple Listing Policy Statement 7.31, Section 6, Lock Box Security:** Lock boxes may not be placed on a property without written authority from the seller. This authority may be established in the listing contract or in a separate document created specifically for the purpose. Inclusion in MLS compilations cannot be required as a condition of placing lock boxes on listed property.
- **Multiple Listing Policy Statement 7.31, Section 8 Lock Box Security Requirements:** Boards shall adopt written, reasonable, and appropriate rules and procedures for administrators of lock box systems which may include appropriate fines, not to exceed \$15,000.

- **Policy Statement 7.58 IDX Advertising, Print and Electronic:** The IDX policy gives MLS participants the ability to authorize limited electronic display of their listings by other participants.

Associations of Realtors® and their multiple listing services must enable MLS participants to display aggregated MLS listing information by specified electronic means in accordance with this policy. Electronic display subject to this policy means displays on participants' public websites and displays using applications for mobile devices that participants control. For purposes of this policy "control" means participants must have the ability to add, delete, modify and update information as required by this policy. All displays of IDX listings must also be under the actual and apparent control of the participant, and must be presented to the public as being the participant's display. Actual control requires that the participant has developed the display, or caused the display to be developed for the participant pursuant to an agreement giving the participant authority to determine what listings will be displayed, and how those listings will be displayed. Apparent control requires that a reasonable consumer viewing the participant's display will understand the display is the participant's, and that the display is controlled by the participant. Factors evidencing control include, but are not limited to, clear identification of the name of the brokerage firm under which the participant operates in a readily visible color and typeface, except as otherwise provided for in this policy (e.g., displays of minimal information). All electronic display of IDX information conducted pursuant to this policy must comply with state law and regulations, and MLS rules. Any display of IDX information must be controlled by the participant, including the ability to comply with this policy and applicable MLS rules.

To comply with this requirement MLSs must, if requested by a participant, promptly provide basic downloading of all active listings, a minimum of three (3) years sold* listing data and other listings authorized under applicable MLS rules and may not exclude any listings from the information which can be downloaded or displayed under IDX except those listings for which a participant has withheld consent, or listings for which the seller has prohibited Internet display. Associations and MLSs can also offer alternative display options including framing of board, MLS, or other publicly-accessible sites displaying participants' listings (with permission of the framed site). For purposes of this policy, "downloading" means electronic transmission of data from MLS servers to participants' servers on a persistent or transient basis, at the discretion of the MLS. The MLS's IDX download must be refreshed to accurately reflect all updates and status changes no less frequently than every twelve (12) hours. Data transmitted must exclude the listing or property address, respectively, of any seller who affirmatively directs that the listing or the property address not appear on the Internet or other electronic forms of display or distribution. (*Amended 11/14*)

MLSs that allow persistent downloading of the MLS database by participants for display or distribution on the Internet or by other electronic means may require that participants' websites (1) utilize appropriate security protection, such as firewalls, provided that any security obligations imposed on participants may not be greater than those employed concurrently by the MLS, and/or (2) maintain an audit trail of consumer activity on participants' websites and make that information available to the MLS if the MLS has reason to believe that a participant's IDX website has caused or permitted a breach in the security of the data or a violation of MLS rules related to use by consumers. This policy does not require associations or MLSs to establish publicly accessible sites displaying participants' listings.

Unless state law requires prior written consent from listing brokers, listing brokers' consent for IDX display may be presumed unless a listing broker affirmatively notifies the MLS that the listing broker 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 IDX display of that participant's listings, then that participant may not display the aggregated MLS data of other participants on an IDX site.

Alternatively, MLSs may require that participants' consent for IDX display of their listings by other participants be affirmatively established in writing. Even where participants have given blanket authority for other participants' IDX display of their listings, such consent may be withdrawn on a listing-by-listing basis as instructed by the seller. *(Amended 05/12)*

Access to MLS databases, or any part of such databases, may not be provided to any person or entity not expressly authorized such access under the MLS rules. *(Amended 11/09)*

Participants' Internet websites and other authorized display mechanisms may also provide other features, information, or services in addition to IDX information (including Virtual Office Website ["VOW"] functions) which are not subject to this policy. *(Amended 05/12)*

Policies Applicable to Participants' IDX Websites and Displays:

- Participants must notify the MLS of their intention to display IDX information and give the MLS direct access for purposes of monitoring/ensuring compliance with applicable rules and policies. *(Amended 05/12)*
- MLS participants may not use IDX-provided listings for any purpose other than IDX display. This does not require participants to prevent indexing of IDX listings by recognized search engines. *(Amended 05/12)*
- Listings or property addresses of sellers who have directed their listing brokers to withhold their listing or property address from display on the Internet (including, but not limited to, publicly accessible websites or VOWs) shall not be accessible via IDX display. *(Amended 05/12)*
- Participants may select the IDX listings they choose to display based only on objective criteria including, but not limited to, factors such as geography or location ("uptown", "downtown", etc.), list price, type of property (e.g., condominiums, cooperatives, single family detached, multi-family), cooperative compensation offered by listing brokers, type of listing (e.g., exclusive right-to-sell or exclusive agency), or the level of service provided by the listing firm. Selection of IDX listings to be displayed must be independently made by each participant. *(Amended 05/12)*
- Participants must refresh all MLS downloads and displays automatically fed by those downloads not less frequently than every twelve (12) hours. *(Amended 11/14)*
- Except as provided elsewhere in this policy or elsewhere in an MLS's rules and regulations, an IDX display or participant engaging in IDX display may not distribute, provide, or make any portion of the MLS database available to any person or entity. *(Amended 05/12)*
- When displaying listing content, a participant's or user's IDX display must clearly identify the name of the brokerage firm under which they operate in a readily visible color and typeface. This policy acknowledges that certain required disclosures may not be possible in displays of minimal information (e.g., "thumbnails", text messages, "tweets", etc., of 200 characters or less). Such displays are exempt from the disclosure requirements established in this policy but only when linked directly to a display that includes all required disclosures. *(Amended 05/12)*

- With respect to any participant's IDX display that:
 - allows third-parties to write comments or reviews about particular listings or displays a hyperlink to such comments or reviews in immediate conjunction with particular listings, or
 - displays an automated estimate of the market value of the listing (or hyperlink to such estimate) in immediate conjunction with the listing, either or both of those features shall be disabled or discontinued with respect to the seller's listing at the request 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 by all participants. Except for the foregoing and subject to paragraph 9, a participant's IDX display may communicate the participant's professional judgment concerning any listing. Nothing shall prevent an IDX display from notifying customers that a particular feature has been disabled at the request of the seller. (Amended 05/12)
- Participants shall maintain a means (e.g., e-mail address, telephone number) to receive comments about the accuracy of any data or information that is added by or on behalf of the participant beyond that supplied by the MLS and that relates to a specific property. The participant shall correct or remove any false data or information relating to a specific property upon receipt of a communication from the listing broker or listing agent for that property explaining why the data or information is false. However, the participant shall not be obligated to remove or correct any data or information that simply reflects good faith opinion, advice, or professional judgment. (Amended 05/12)
- An MLS Participant (or where permitted locally, an MLS subscriber) may co-mingle the listings of other brokers received in an IDX feed with listings available from other MLS IDX feeds, provided all such displays are consistent with the IDX rules, and the MLS Participant (or MLS subscriber) holds participatory rights in those MLSs. As used in this policy, "co-mingling" means that consumers are able to execute a single property search of multiple IDX data feeds resulting in the display of IDX information from each of the MLSs on a single search results page; and that Participants may display listings from each IDX feed on a single webpage or display. (Adopted 11/14)

STATEMENT 7.85 BROKERS OBTAIN AND GRANT LICENSES TO MLS CONTENT: The listing broker owns the listing agreement. Prior to submitting a listing to the MLS, the listing broker should own, or have the authority to cause license all listing content (e.g., photographs, images, graphics, audio and video recordings, virtual tours, drawings, descriptions, remarks, narratives, pricing information, and other details or information related to listed property) to be published in the MLS compilation of listing information.

Use of listings and listing information by MLSs for purposes other than the defined purposes of MLS requires participants' consent. Such consent cannot be required as a condition of obtaining or maintaining MLS participatory rights. MLSs may presume such consent provided that listing brokers are given adequate prior notice of any intended use unrelated to the defined purpose of MLS, and given the opportunity to affirmatively withhold consent for that use. Participants cannot be required to transfer any ownership rights (including intellectual property rights) in their listings or listing content to MLS to obtain or maintain participatory rights except that MLS's may require participants to consent to grant the licenses necessary for storage, reproduction, compiling, and distribution of listings and listing information to the extent necessary to fulfill the defined purposes of MLS. MLSs may also require participants to warrant that they have the rights in submitted information necessary to grant these rights to MLS.

“Participants cannot be required to transfer any ownership rights (including intellectual property rights) in their listings or listing content to MLS to obtain or maintain participatory rights except that MLSs may require participants to consent to grant the licenses necessary for storage, reproduction, compiling, and distribution of listings and listing information to the extent necessary to fulfill the defined purposes of MLS. MLSs may also require participants to warrant that they have the rights in submitted information necessary to grant these rights to MLS.” be added to the MLS disclaimer when adding photos.

- **Policy Statement 7.90, Real Estate Transaction Standards (RETS), revised as follows:**

The integrity of data is a foundation to the orderly real estate market. The Real Estate Transaction Standards (RETS) provide a vendor neutral; secure approach to exchanging listing information between the broker and the MLS. In order to ensure that the goal of maintaining an orderly marketplace is maintained, and to further establish REALTOR® information as the trusted data source, MLS organizations owned and operated by associations of REALTORS® will implement the RESO Standards including: the RESO Data Dictionary by January 1, 2016; the RESO Web API by June 30, 2016 and will keep current by implementing new releases of RESO Standards within one (1) year from ratification. Compliance with this requirement can be demonstrated using the Real Estate Standards Organization (RESO) compliance Certification Process.

- **Policy Statement 7.92, Orientation and Other Training, adopted as follows:**

Multiple listing services may, as a matter of local discretion, require applicants for MLS participation and licensees (including licensed or certified appraisers) affiliated with an MLS participant who have access to and use of MLS-generated information to complete an orientation program of no more than eight (8) classroom hours devoted to the MLS rules and regulations, computer training related to MLS information entry and retrieval, and the operation of the MLS within thirty (30) days after access has been provided. Participants and subscribers may also be required, at the discretion of the MLS, to complete additional training of not more than four (4) classroom hours in any twelve (12) month period when deemed necessary by the MLS to familiarize participants and subscribers with system changes or enhancements and/or changes to MLS rules or policies. Participants and subscribers must be given the opportunity to complete any mandated additional training remotely.

- **Policy Statement 7.93, Submission of Photographs or Other Graphic Representations, adopted as follows:** Multiple Listing Services may, as a matter of local discretion, require submission of a reasonable number of photographs or other graphic representations that accurately depict listed property except where sellers expressly direct that photographs of their property not appear in MLS compilations.

- **Policy Statement 7.94, Submission of Legally Required Seller Disclosure Information, adopted as follows:** Multiple Listing Services may, as a matter of local discretion, require submission of all legally-required seller disclosure information except where sellers expressly direct that such disclosure documents not be disseminated through MLS.

- **Policy Statement 7.95, Price Change Information, adopted as follows:** MLS's are not required to track or report price change information other than the most recent increase or decrease in the price of current listings. If such information (either with respect to a current listing or to prior listings of that property) is tracked by an MLS and made available to participants and subscribers, neither it nor any information from which it may be determined shall be classified as confidential nor may participants be prohibited from making such information available to clients and customers pursuant to the same rules governing dissemination of other non-confidential data fields. Classification as non-confidential permits inclusion of such information in advertisements, including IDX display, of other participants' listings as a matter of local option.
- **Policy Statement 7.96, Days/Time on Market Information, adopted as follows:** MLS's are not required to track or report days/time on market information (i.e., the length of time a property has been listed for sale pursuant to a current listing agreement or prior listing agreements, whether with the same or different listing brokers or firms). If such information is tracked by an MLS and made available to participants and subscribers, neither it nor any information from which it may be determined (such as the current list date, or prior list and expiration dates) shall be classified as confidential, nor may participants be prohibited from making such information available to clients or customers pursuant to the same rules governing dissemination of other non-confidential data fields. Classification as non-confidential permits inclusion of such information in advertisements, including IDX display, of other participants' listings as a matter of local option.
- **NEW Policy Statement 7.97, Need to Disclose if Property is a Foreclosure, is Bank-owned, or is Real Estate Owned ("REO"), adopted.** As a matter of local discretion, Multiple Listing Services may require participants to disclose if a listed property is a foreclosure, bank-owned, or real estate owned ("REO"). (*Adopted 11/11*)

**BYLAWS OF THE GREATER EL PASO ASSOCIATION OF REALTORS®
MULTIPLE LISTING SERVICE, INC.**

ARTICLE 1, NAME

The name of this organization shall be the Greater El Paso Association of REALTORS® Multiple Listing Service, Inc., hereinafter referred to as the Service. The Service is a Texas Non-Profit Corporation, and its sole "Member" is the Greater El Paso Association of REALTORS® (hereinafter referred to as the "Association").

ARTICLE 2, PURPOSES

A Multiple Listing Service is a means by which authorized Participants make blanket unilateral offers of and compensation to other Participants (acting as subagents, buyers agents, or in other agency or none agency capacities defined by law); by which cooperation among participants is enhanced; by which information is accumulated and disseminated to enable authorized Participants to prepare appraisals, analyses, and other valuations of real property for bona fide clients and customers; by which Participants engaging in real estate appraisal contribute to common databases; and is a facility for the orderly correlation and dissemination of listing information so participants may better serve their clients and the public. Entitlement to compensation is determined by the cooperating broker's performance as a procuring cause of the sale (or lease). In addition, the Multiple Listing Service data may be used by third parties for Internet display under specific authority from and contract with the Service.

ARTICLE 3, SERVICE AREA

The area within which the service shall function shall at all times be coextensive with the territorial jurisdiction of the Association.

ARTICLE 4, PARTICIPATION

A. Participation Defined:

Participation in the Service is available to the firm, partnership, or corporation of any REALTOR® principal member if any Board Association of Realtors without further qualification except payment of required dues and fees and agreement to abide by these Bylaws and Rules and Regulations of Service (or as otherwise stipulated in the Bylaws). *However, under no circumstances is any individual or firm, regardless of membership status, entitled to Multiple Listing Service "Participation" unless they hold a current, valid real estate broker's license and offer or accept compensation to and from other Participants or are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property.** Use of information developed by or published by a Board Multiple Listing Service is strictly limited to the activities authorized under a Participant's licensure(s) or certification and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey "Participation" or any right of access to information developed by or published by the Service where access to such information is prohibited by law. (Amended 11/08)

The REALTOR® principal of any firm, partnership, corporation, or the branch office manager designated by said firm, partnership, or corporation as the "Participant" shall have all rights, benefits, and privileges of the Service, and shall accept all obligations to the Service for the Participant's firm, partnership, or corporation, and for compliance with the Bylaws and Rules and Regulations of the Service by all persons affiliated with the Participant who utilize the service.

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

The key is that the Participant or potential Participant actively endeavors to make or accept offers of cooperation and compensation with respect to properties of the type that are listed on the MLS in which participation is sought. This requirement does not permit an MLS to deny participation to a Participant or potential Participant that operates a Virtual Office Website ("VOW") (including a VOW that the Participant uses to refer customers to other Participants) if the Participant or potential Participant actively endeavors to make or accept offers of cooperation and compensation. An MLS may evaluate whether a Participant or potential Participant "actively endeavors during the operation of its real estate business" to "offer or accept cooperation and compensation" only if the MLS has a reasonable basis to believe that the Participant or potential Participant is in fact not doing so. The membership requirement shall be applied on a nondiscriminatory manner to all Participants and potential Participants. (Adopted 11/08)

B. Application for Participation

Application for participation shall be made in such manner and form as may be prescribed by the Board of Directors of the Service and made available to any REALTOR (principal) requesting it. The application form shall contain a signed statement agreeing to abide by these Bylaws and any other applicable Rules and Regulations of the service as from time to time amended or adopted.

C. Discontinuance of Service

Participants of the Service may discontinue the Service by giving the Service 10 days written notice and may reapply to the Service by making formal application in the manner prescribed for new applicants for participation provided all past dues and fees are fully paid.

D. Subscribers

Subscribers (or users) of the MLS include non-principal brokers, sales associates, and licensed and certified appraisers affiliated with Participants.

E. Internet Display

The Board of Directors of the Service by majority vote, with the approval of the Board of Directors of the Association, may contract with one or more third parties for the non-exclusive use of Multiple Listing Service data for display, distribution, or use upon the Internet, upon such terms and conditions as the Board of Directors of the Service may determine from time to time.

ARTICLE 5, SERVICE CHARGES

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

Non Payment of Financial Obligations Monthly subscriber fees shall be collected and governed by the Rules and Regulations of the service. If other dues, fees, fines and other Approved by MLS 9/17/03 Approved by GEPAR 9/26/03 3 assessments including amounts for monthly subscriber fees owed to the Service are not paid within one month after the due date, the nonpaying Participant is subject to suspension at the discretion of the Board of Directors. Two months after due date, participation by the nonpaying Participant may be terminated at the discretion of the Board of Directors. Three months after due date, Participation of the nonpaying Participant shall automatically terminate unless within that time, the amount due is paid. However, no action shall be taken to suspend or expel a participant for nonpayment of disputed amounts until the accuracy of the amount owed has been confirmed by the Board of Directors. A former Participant who has had his membership terminated for nonpayment of dues, 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 Service or any of its services, departments, or divisions may apply for reinstatement in a manner prescribed for new applicants for Participation, after making payment in full of all accounts due as of the date of termination. If a terminated Participant wants to join the service, he must bring all accounts current and in addition, any funds paid on behalf of attorneys or collection agents.

ARTICLE 6, GOVERNING BODY

A. Government of the Service

The government of the Service shall be vested in a Board of Directors nominated and elected as described in this Article.

B. Board of Directors and Officers of the Service

There shall be a total of nine Directors. Five directors will be elected as described in Section C below, and four directors will be appointed by the Greater El Paso Association of REALTORS® Board of Directors from among the Participants of the Service. Each year, two of the open Director positions will be filled by appointment, and the balance of open Director positions (either two or three, as the case may be) will be filled by election. The Directors shall elect from among themselves a President, a Vice President, Secretary, and shall have such duties as described in this article. The Directors may elect other officers as they may deem necessary.

C. Nomination and Election of Directors

The five elected Directors of the service shall be nominated by a vote of the Participants in the Service in accordance with the provisions of Article 7, Meetings, of these Bylaws and further set forth following:

1. Nominating Committee. The President of the Service shall appoint a Nominating Committee each year which committee shall be comprised of five (5) Participants of the Service. The Appointment of the Nominating Committee shall be made by such a date as to enable the Committee to meet and select a proposed slate of Directors of the Service not more than sixty (60) nor less than forty (40) days prior to the date of the annual meeting of the Service. The proposed slate of Directors shall be reported to the President and Secretary of the service. Approved by MLS 9/17/03 Approved by GEPAR 9/26/03 4

2. Notice of Proposed Nominees. The President shall cause a list of the proposed nominees selected by the Nominating Committee to be forwarded to the Participants of the Service, setting forth the time, place, and other pertinent conditions of the process to select the final list of nominees by vote of the Participants of the Service. No two nominees or directors shall be from the same Participant firm.

3. Rights of Participants to Select Additional Nominees. The names of additional proposed nominees may be added to the list selected by the Nominating Committee by a petition submitted to the Secretary of the service by 10% of the Participants of the service, with said petition received not less than 7 days prior to the first day of voting of the Participants to select nominees for Directors. The names contained in such petition, if duly received and certified, shall be presented in writing to the Participants as additional Nominees for consideration for such office as specified in the petition.

4. Voting by Electronic or Printed Ballot. Voting for selection of nominees shall be by secret ballot. Only members of the Election Committee shall have access to the ballots cast for the purpose of verifying the number of votes each participant is entitled to cast. MLS Approved 08.29.12

5. Vote to Select Nominees. Voting shall be in accordance with provisions of Article 7 of these Bylaws, and with the following provisions. The election electronic pre-voting process shall commence at 8:00 a.m. on the Monday eighteen days preceding the Friday prior to the Annual Meeting and continue throughout until 5:00 p.m. on the Friday prior to the Annual Meeting. The printed ballot election process shall commence at 8:00 a.m. on Monday preceding the Friday prior to the annual meeting of the Service and continue throughout that week until 5:00 p.m. on the Friday prior to the annual meeting. Election shall be by ballot. The ballot shall contain the names of all candidates and the offices for which they are nominated. Each Participant will be allowed to cast their ballot at the Association office and will be required to supply proper identification prior to obtaining their ballot for the election process. Each participant will sign their name on the ballot stub in a legible manner and will also print their name under their signature. They will place their ballot in a ballot box and the ballot stub in a separate box which will be provided. In order for votes cast to be counted, all ballots must be completed at the Association office and there will be no voting accepted after the Friday, 5:00 p.m. deadline. All participants will be required to vote for the same number of candidates as there are open places on the Board of Directors or that section of the ballot will be declared void. A Participant may also vote by a signed and dated written proxy, which may be delivered by mail or a selected messenger. If delivered by messenger, the person voting the proxy will furnish the original proxy for verification purposes, leave a copy of the proxy at the Association office, and print his/her name and the name of the person on whose behalf the proxy is voted, on the ballot stub. The proxy will be accepted at the Association office at any time during normal business hours, from the date of distribution of the proxy to Participants, until the close of voting. MLS Approved 08.29.12

On the following Monday, after the last day of voting held on Friday, the Election Committee shall meet to count votes cast. Regarding the election of candidates for places on the Board of Directors and subject to other provisions of this section, the nine candidates receiving the most votes of the total votes cast shall be deemed nominated to the Board of Directors. Approved by MLS 9/17/03 Approved by GEPAR 9/26/03 5

The President, with the approval of the Board of Directors, shall appoint an Election Committee of three Participants to conduct the election. In the event of a tie vote between any two or more candidates for director, the issue shall be determined by the participants on the day of the Annual Meeting of the Service by holding a written ballot run-off election and the candidate receiving the most votes will be declared the winner. Any and all questions, disputes, or contests relating to the validity or effectiveness of a petition, ballot, or proxy, or otherwise incidental to the election process, shall be determined by the Election Committee; provided that, in questions involving legal issues, the Election Committee shall consult the Service's legal counsel prior to making its decision. The Board of Directors shall have the authority to adopt specific rules and regulations governing the election process not inconsistent with these bylaws, the Service's Articles of Incorporation and the Texas Non-Profit Corporation Act.

6. Nominees Submitted to Member for Election. When nominees for Directors of the Service for the forthcoming fiscal year have been selected by vote of the participants of the Service, such nominees shall be submitted to the Board of Directors of the Association for formal election. Said nominees shall be deemed to be formally elected, unless 80% of the Association's Directors with voting rights vote against said nominee. Upon election by the Board

of Directors of the Association, the individuals so elected shall be considered Directors-Elect and shall assume their respective offices on the succeeding January 1.

The term of office for Officers and Directors of the Service shall be on a calendar year basis. In the event (1) or more nominee(s) is/are not elected by the Board of Directors of the Association, and upon notice of such failure of election, the president of the Service shall select a proposed Participant or Participant, as required, subject to confirmation by the Board of Directors, for submission as nominee(s) to the Board of Directors of the Association to be considered for election (using the same 80% vote required to reject described above) to fill the vacancy or vacancies existing.

E. Term of Office

The Officers, elected by and from among the Directors, shall serve for a one-year term. The Directors shall serve for staggered two year terms; provided, however, that the initial Directors shall all serve one-year terms, and their successors shall draw lots to determine which five shall serve two-year terms and which four shall serve one-year terms. Each year, two of the open Director positions will be filled by appointment, and the balance of open Director positions (either two or three, as the case may be) will be filled by election. Officers and Directors shall take office upon the effective date of their offices and shall continue until their successors are elected, qualified, and installed. No Officer or Director shall be nominated and elected to the same office for more than two consecutive terms.

E. Duties of Officers and Directors Approved by MLS 9/17/03 Approved by GEPAR 9/26/03

The duties of the Officers and Directors shall be as follows:

1. The President shall be the chief officer of the Service and shall preside at its meetings and those of the Board of Directors, and shall perform all the duties of President subject to declared policies and, as required, subject to confirmation of the Board of Directors.
2. The Vice President shall, in the absence of the President, perform all duties of the President.
3. The Secretary/Treasurer shall be the custodian of the funds of the Service and shall keep an accurate record of all receipts and disbursements. The Secretary /Treasurer shall provide to all Members of the Board of Directors a quarterly statement of all accounts and financial affairs for the Service.
4. The Board of Directors of the Service shall be the governing body of the Service and shall have control of all the affairs of the Service and shall authorize all expenditures of funds. The Board of Directors shall, prior to the end of each fiscal year, prepare a budget reflecting projected costs and expenses of the Service for the next fiscal year, indicating projected income from all sources. The budget shall be submitted to the Participants of the Service for approval on a date not less than 60 days prior to the first day of the fiscal year. The Board of Directors shall not incur an obligation in excess of \$10,000 over the total budget without the authorization by vote of a two-thirds majority of REALTOR Participants of the Service present and voting unless such excess is the result of an increase in the volume of listings processed by the Service over that projected in preparing the annual budget. The Board of Directors shall employ on behalf of the Service such office personnel deemed necessary to care for and maintain the properties of the Service and otherwise conduct the administrative business of the Service; provided, however, that the Service shall contract with the Association to provide all its personnel needs, with said contract to include a provision for addressing any dissatisfaction by the Service in the personnel services provided by the Association. The Service shall be initially headquartered and housed at the same address as the Association, and shall lease space from the Association, at fair market rental, and reimburse the Association for its proportional share of office and overhead expenses. The Board of Directors shall have the right to make an audit of all books and accounts at any time without notice. Except as otherwise provided in these Bylaws and Rules and Regulations, the action of the Board of Directors shall be final.

F. Removal of Officers

Any officer or director may be removed from office under the following procedure:

1. A petition requiring the removal of an officer or director and signed by Participants holding not less than 33-1/3% of the voting rights in the Service, or by a majority of all Directors, shall be filed with the president, or if the president is subject to the petition, with the next ranking officer, and shall specifically set forth the reasons for the removal of the subject thereof. Approved by MLS 9/17/03 Approved by GEPAR 9/26/03 7

2. Upon receipt of the petition, not less than 20 days or more than 45 days thereafter, a special meeting of the Participants of the Service shall be held and the sole business of the meeting shall be to consider whether to remove the officer or Director.

3. A special meeting shall be noticed to all Participants at least 10 days prior to the meeting and shall be conducted by the president of the Service, unless the president's continued service in office is being considered at the meeting. In such case, the next ranking officer will conduct the meeting of the Participants. Provided a quorum is present, two-thirds of voting rights represented by Participants present and voting at the meeting shall be required for recommended removal from office. Any recommended removal from office shall be reported to the Board of Directors of the Association, which recommendation shall be accepted, causing such removal to be final and automatically effectuated, unless 80% of the Association Directors with voting rights vote against the recommended removal.

4. Officers and Directors of the Corporation may also be removed by the vote of 80% of the Directors of the Association having voting rights.

G. Vacancies of Officers and/or Directors

In the event a vacancy is created by resignation, removal, or death, of any director, the President may appoint, with the approval of 80% of the directors, an active Participant, to fill the open director position for the unfinished term created by the vacancy.

In the event a vacancy is created by resignation, removal, or death, of any officer, the President may appoint, with the approval of 80% of the directors, an active Director to fill the open officer position for the unfinished term created by the vacancy.

ARTICLE 7, MEETINGS

A. Annual Meeting

The annual meeting of Participants of the Service shall be held during the month of October at the time and place specified by the Board of Directors.

B. Special Meetings of the Service

Special meetings of Participants of the Service may be called from time to time by the President, the Board of Directors, or by 10% of the Participants of the Service. Written notice stating the day, place, and hour of the meeting, and the purpose or purposes for which the meeting is called, shall be delivered to all REALTORS who are Participants in the Service not less than 10, but not more than 50, days prior to said meeting.

C. Quorum and Voting at Meetings of the Service

For the transaction of business, 10% of the Participants (both by number of Participants and by the total number of votes they are entitled to cast) of the service shall be considered a quorum. A Approved by MLS 9/17/03 Approved by GEPAR 9/26/03 8 majority vote by such participants present and voting in person or by proxy shall be required for passage of motions at Participant's meetings. A majority vote of those Directors present and voting at a board of Directors meeting attended by a quorum shall be required for passage of motions at such meetings. Each participant

shall be entitled to cast a number of votes equal to the number of licensees and certified appraisers affiliated with the Participant as of January 1 each year (including the Participant) and not exempt from calculation of MLS charges.

D. Meeting of the Board of Directors

The Board of Directors shall designate a regular time and place of meetings. Absence of a Director from more than three (3) regular meetings within a twelve (12) month period shall be construed as resignation therefrom. Five Directors (including Officers) shall constitute a quorum. A majority vote by the Directors present and voting at a meeting attended by a quorum shall be required for passage of motions.

E. Presiding Officer

At all meetings of the Participants of the Service, or of the Board of Directors, the president or, in the absence of the President, the Vice President shall be the presiding officer. In the absence of the Vice President, the Secretary/Treasurer shall be the presiding officer. In the absence of the President Vice President, and Secretary, the President shall name a temporary Chairperson from among the Directors or, upon the President's failure to do so, the Board of Directors of the Service shall appoint a temporary Chairperson from among the Directors.

ARTICLE 8, COMMITTEES

A. Appointment of Committees

The President, with the approval of the Board of Directors, shall create such standing or Ad Hoc Committees as the President deems desirable and shall appoint their Members. Each Committee shall consist of not less than three Participants in the Service, but may also include REALTORS employed by or affiliated as independent contractors with a REALTOR Participant serving as a representatives of said REALTOR Participants and with their consent, and who may serve either as a Chairperson or Member of a Committee.

B. Executive Committee

The volunteer officers of the organization shall constitute the membership of the Executive Committee. The Executive Committee shall be authorized in an emergency, to take any and all necessary action on behalf of the Board of Directors. In the event the Executive Committee exercises this emergency authority provision, the full board shall be informed in writing within three days of the action, and the action shall be placed on the agenda for the next meeting of the Directors as a Ratification of Action agenda item. Approved by MLS 9/17/03 Approved by GEPAR 9/26/03 9

ARTICLE 9, FISCAL YEAR

The fiscal year of the Service shall commence on January 1 and shall end on December 31.

ARTICLE 10, AMENDMENTS TO BYLAWS AND RULES AND REGULATIONS

A. Amendments to Bylaws

Amendments to these Bylaws shall be by vote of the Participants of the Service, and shall be determined at an Annual Meeting or Special Meeting of the Service in accordance with the provisions of Article 7 concerning Meetings of the Service, except that the Board of Directors of the service may, at any regular or special meeting of the Board of Directors at which a quorum is present, approve amendments to the Bylaws which are mandated by NAR policy. Amendments to the Bylaws of the Service approved by the Participants, or Directors of the Service if mandated by NAR, shall further be subject to approval of the Board of Directors of the Association, which approval shall be deemed given unless 80% of the Association Directors with voting rights vote against said amendment.

When amendments to the Bylaws of the Service have been approved by the Board of Directors of the Association as set out above, said amendments shall be effective immediately or as stated in the amending resolution.

If the proposed amendments to the Bylaws of the Multiple Listing Service are disapproved by the Board of Directors of the Association, the Board of Directors of the Service shall be informed, and advised that the proposed amendment or amendments to Bylaws be further considered and resubmitted to the Association's Board of Directors as approved by the Participants of the Multiple Listing Service.

B. Rules and Regulations

Adoption of and amendments to the Rules and Regulations of the Service shall be by consideration and approval of the Board of Directors of the Multiple Listing Service in accordance with the provisions of Article 7, Section D, concerning Meetings of the Board of Directors, subject to final approval by the Board of Directors of the Association, which approval shall be deemed given unless 80% of the Association Directors with voting rights vote against said amendment.

When approved by the Board of Directors of the Association as described, the amendments to the Rules and Regulations of the Multiple Listing Service shall be effective immediately or as stated in the amending resolution.

If the proposed amendments of the Multiple Listing Service Rules and Regulations fail approval by the Board of Directors of the Association, the Board of Directors of the Service shall be informed, and advised that the proposed amendment or amendments must be further considered and resubmitted to the Association's Board of Directors as approved by the Board of Directors of the Service.

ARTICLE 11, DISSOLUTION

In the event this service shall at any time terminate its activities, the Board of Directors of the Service shall consider and adopt a plan of liquidation and dissolution with the approval of the participants thereof and of the Board of Directors of the Association. Said plan shall provide for the collection of all assets, the payment of all liabilities, and that the remaining portions of the assets be assigned to the Association.

As approved by the Participants of the Greater El Paso Association of REALTORS® , the Board of Directors of the Greater El Paso Association of REALTORS® Multiple Listing Service, Inc. and the Board of Directors of the Greater El Paso Association of REALTORS® and incorporating amendments through September 26, 2003.

Attest: _____ Date July 29, 2009
Secretary/Treasurer, Greater El Paso Association
of REALTORS® Multiple Listing Service Inc.

Attest: _____ Date July 29, 2009
Secretary/Treasurer, Greater El Paso Association
of REALTORS®

Code of Ethics and Standards of Practice

of the NATIONAL ASSOCIATION OF REALTORS®

Effective January 1, 2020

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. Upon the written request of a cooperating broker who submits an offer to the listing broker, the listing broker shall provide, as soon as practical, a written affirmation to the cooperating broker stating that the offer has been submitted to the seller/landlord, or a written notification that the seller/landlord has waived the obligation to have the offer presented. 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 1/20)*

• **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)*

- **Standard of Practice 3-11**

REALTORS® may not refuse to cooperate on the basis of a broker’s race, color, religion, sex, handicap, familial status, national origin, sexual orientation, or gender identity. *(Adopted 1/20)*

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 consultative 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 consultative 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**

Unless they are receiving no compensation from any source for their time and services, REALTORS® may use the term “free” and similar terms in their advertising and in other representations only if they clearly and conspicuously disclose:

- 1) by whom they are being, or expect to be, paid;
- 2) the amount of the payment or anticipated payment;
- 3) any conditions associated with the payment, offered product or service, and;
- 4) any other terms relating to their compensation. *(Amended 1/20)*

• **Standard of Practice 12-2**

(Deleted 1/20)

• **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 either in the advertisement or in electronic advertising via a link to a display with all required disclosures. *(Adopted 11/86, Amended 1/16)*

• **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, images, 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) otherwise misleading consumers, including use of misleading images. *(Adopted 1/07, Amended 1/18)*

• **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.

FAIR HOUSING

FEDERAL HOUSING LAW

It is illegal for anyone (including the public housing officials, landlords, and real estate brokers) to engage in discrimination in housing.

Violation of the Fair Housing Act can be serious and could mean the loss of your real estate license, expulsion from the Association of REALTORS®, actual damages, injunctive relief, civil penalties, attorney's fees, punitive damages and in the case of criminal prosecution, imprisonment. In addition, fighting these charges in court, whether groundless or not, can result in months of costly litigation and could greatly increase your cost of doing business.

So, what can you do to live up to your commitment to uphold the law? Let's look at the legal and ethical standards that you should maintain, some of the more common legal hazards you need to watch out for and a few recommendations to help you stay within the law and to avoid unnecessary exposure to liability.

A. LEGAL AND ETHICAL STANDARDS

You as a REALTOR® must comply with these three Fair Housing Standards:

1. Title 8 of the Civil Rights Act of 1968: The Federal Fair Housing Act

It is illegal for anyone (including public housing officials, landlords and real estate brokers) to engage in discrimination in housing because of race, color, religion, sex, handicap, familial status or national origin.

2. Article 10 of the REALTORS®'s Code of Ethics

The REALTOR® shall not deny equal professional services to any person or be a party to any plan to discriminate against any person on the basis of race, color, religion, sex, handicap, familial status or national origin.

Handicap "includes" a physical or mental impairment which substantially limits one or more of such person's major life activities."

"Familial status" includes one or more minors living with a parent or custodian, and also includes any person who is pregnant.

3. The NAR Code for Equal Opportunity in Housing

REALTORS® must offer equal services to all clients and prospects.

Must not engage in, or induce, panic peddling activities.

Must not print, display or circulate discriminating materials

Must not volunteer information regarding racial, creedal, or ethnic composition of an area.

B. LEGAL HAZARDS

It is easy to violate the Fair Housing Standards without really intending to. Be sure to watch out for these **Common Legal Hazards**.

1. Unequal Professional Treatment

Failing to serve or insulting, ignoring, or referring the minority customer to another minority broker.

The term “minority” as used herein includes all persons protected by the Fair Housing Act, because of race, color, religion, sex, handicap, familial status, or national origin.

Failing to or delaying the submission of the minority customer’s offer or inducing the seller to reject the offer.

Failing to give your best efforts to conclude the transaction, for example, failure to identify financing alternatives or failure to make appointments to show the property.

Offering property on less favorable terms, such as requiring a higher down payment or later move-in date.

2. Steering

Showing the money customer properties only in minority or transitional areas.

Downgrading a non-integrated area to a minority buyer or downgrading an integrated area to a non-minority buyer.

Slanting the choice listings.

3. Blockbusting

Persuading a homeowner to list property because minority persons are moving into the neighborhood.

Campaigning for listings in a changing neighborhood

C. BUSINESS RECOMMENDATIONS

Your strict compliance with the Fair Housing Standards should eliminate any customer complaint. But if a complaint should arise, these **Business Recommendations** should help put you in a position to demonstrate your compliance.

1. **Post**

Post a notice of Equal Housing Opportunity in a prominent place in your office.

2. **Documentation - Establish a filing system that will:**

Demonstrate that a minority prospect was offered the same number and range of listing as of any other prospect of similar means.

Demonstrate that a minority prospect received the same degree of follow-up and the same quality of sale effort.

The key to Fair Housing is NOT to vary the procedures according to the race, or other protected status condition, of the client or customer. However, landlords do need to make “reasonable accommodations” for the benefit of handicapped tenants, as described more fully in the Fair Housing Act.

ANTITRUST ASPECTS OF REAL ESTATE MARKETING

General Substantive Problems Under Section 1 of the Sherman Act

S. Anthony Safi

I.

Statutory Provisions

A. Section 1 of the Sherman Act

Every contract, combination in the form of trust or otherwise, or conspiracy, in restraint of trade or commerce among the several States, or with foreign nations, is declared to be illegal. Every person who shall make any contract or engage in any combination or conspiracy hereby declared to be illegal shall be deemed guilty of a felony, and, on conviction thereof, shall be punished by fine not exceeding \$10,000,000 if a corporation or, if any other person, \$350,000, or by imprisonment not exceeding three years, or by both said punishments, in the discretion of the court.

B. (A)ny person who shall be injured in his business or property by reason of anything forbidden in the antitrust laws may sue therefore in any district court of the United States in the district in which the defendant resides or is found or has an agent, without respect to the amount in controversy, and shall recover threefold the damages by him sustained, and the cost of the suit, including a reasonable attorney's fee.

II.

Judicial Construction

A. Literal reading would be extremely broad.

"Were § 1 to be read in the narrowest possible way, any commercial contract could be condemned to violate it." United States v. Topco Associates, Inc., 405 U. S. 596, 606, 92 S. Ct. 1126, 1133 (1972)

B. Only unreasonable restraints illegal.

Congress intended "to leave it to be determined by the light of reason, guided by the principles of law and the duty to apply and enforce the public policy embodied in the statutes, in every given case whether any particular act or contract was within the contemplation of the statute." Standard Oil Co. V. U.S., 221 U.S. 1, 63-64 (1911). Congress effectively invited the federal courts to develop a federal common law of antitrust.

C. Some agreements so inherently unreasonable that they are illegal per se.

"(T)here are certain agreements or practices which because of their pernicious effect on competition and lack of any redeeming virtue are conclusively presumed to be unreasonable and therefore illegal without elaborate inquiry as to the precise harm they have caused or the business excuse for their use. The principle of per se unreasonableness not only makes the types of restraints which are prescribed by the Sherman Act more certain to the benefit of everyone concerned, but it also avoids the necessity for an incredibly complicated and prolonged economic investigation into the entire history of the industry involved, as well as related industries, in an effort to determine at larger whether a particular restraint has been unreasonable -- an inquiry so often wholly fruitless when undertaken." Northern Pac. Ry. V. United States, 356 U.S. 1, 5, 79 S. Ct. 514, 518 (1958).

TEXAS CONSUMER PROTECTION AND DECEPTIVE TRADE PRACTICES ACT

False, misleading, or deceptive acts or practices in the conduct of any trade or commerce are unlawful.

Deceptive trade practice suits continue to be filed on a daily basis across the state against REALTORS® for alleged “deceptive acts” in real estate transaction. As a Texas REALTOR®, it is important that you have a thorough working knowledge of the current Deceptive Trade Practices Act. The 1979 amendments to the Act have given REALTORS® tools to avoid unnecessary exposure to liability.

To help you use these tools properly, let’s look at the law itself, common legal hazards that may affect you, and business suggestions you can use to help you stay within the law and out of the courtroom.

THE LAW

The purposes of the Deceptive Trade practices Act are:

1. To protect consumers against false, misleading, and deceptive business practices, unconscionable actions and breaches of warrant.
2. May file suit to recover amount of actual damages, and expenses, including attorney’s fees.
3. Must file suit within two years after he knew, or should have known of the alleged deception.
4. May recover two times actual damages which do not exceed \$1,000.
5. May recover three times actual damages which exceed \$1,000 if actual awareness or falsity, deception, or unfairness can be proven.
6. May accept settlement offered by REALTOR®.

THE REALTOR®

1. May defend against liability charges.
2. May offer settlement to consumer
3. May file settlement with the court if rejected by the consumer.

LEGAL HAZARDS

It is part of our business to promote the most desirable features of our listings. Just be careful to avoid false, deceptive, or misleading acts or practices.

1. Representing that goods and services have sponsorship, approval, characteristics, uses, benefits or qualities which they do not have or that a person has sponsorship, approval, status, affiliation, or

connection which he does not.

2. Representing that goods are original or new if they are not
3. Representing that an agreement confers or involves rights, remedies, or obligations which it does not or which are prohibited by law.
4. Representing that a guarantee or warranty confers or involves right or remedies which it does not have.
5. Representing that work or services that have been performed on or parts replaced in, when the work or services were not performed.
6. Failing to disclose known information in order to induce the consumer into a transaction into which the consumer would not have entered had the information been disclosed

UNCONSCIONABLE ACTION

You should know that an Unconscionable Action is also a deceptive trade practice which may entitle a consumer to recover damages.

1. Takes advantage of the lack of knowledge, ability, experience, or capacity of a person to be grossly unfair degree.
2. Results in a gross disparity between the value received and consideration paid, in a transaction involving transfer or consideration.

BUSINESS SUGGESTIONS

When providing information to perspective buyers, it is absolutely necessary that the information:

1. Be obtained from a reliable documented source
2. Be passed on to the buyer in writing
3. Be disclosed as being from another source.

Particularly sensitive information includes:

1. Square footage
2. Age
3. Zoning
4. Condition
5. Availability and source of sewer and water services
6. Existence of latent defects

For your convenience, TAR has prepared sample listings, worksheets, and addendum forms which we recommend that you utilize. For further information on these forms, contact your Association office or call TAR.

Remember, if you are asked a question about real property and you do not know the correct answer, simply say: **“I DON’T KNOW”** and obtain the information in writing from a reliable source and pass it on in writing to the buyer, along with the name of that source.

REFERENCE MATERIALS

ORDINANCE NO. 017732

AN ORDINANCE AMENDING TITLE 15 (PUBLIC SERVICES), CHAPTER 15.08 (STREET RENTALS), SECTION 15.08.120 (SPECIAL PRIVILEGE LICENSES AND PERMITS), OF THE EL PASO CITY CODE, TO AMEND THE CRITERIA FOR THE EXCEPTION REQUIREMENTS FOR TEMPORARY SIGNS LOCATED IN THE PUBLIC RIGHT-OF-WAY; THE PENALTY BEING AS PROVIDED IN SECTION 15.08.125 AND CHAPTER 1.08 OF THE EL PASO CITY CODE.

NOW THEREFORE BE IT ORDAINED BY THE CITY COUNCIL FOR THE CITY OF EL PASO:

Section 1. That El Paso City Code Title 15 (Public Services), Chapter 15.08 (Street Rentals), Section 15.08.120 (Special Privilege Licenses and Permits), Subsection G (Exceptions), Paragraph 11, shall be amended as follows:

11. Signs may be located in the public right-of-way without the requirement of a sign permit or a special privilege, which meet the following criteria:
 - a. The sign is a portable two-sided, single panel style or two connected single panels ("A-frame" or "tent style");
 - b. The frame of the sign is constructed entirely of wood and/or metal;
 - c. The face of the sign is constructed of wood, metal, plastic or hardboard material;
 - d. The face of the sign is no larger than five square feet;
 - e. The sign area is no greater than thirty-six inches in any dimension, and does not exceed thirty-six inches in height;
 - f. The sign is located within the parkway and is not permitted in the median;
 - g. The sign is freestanding;
 - h. The sign does not include any lighting;
 - i. The sign may only be located in the parkway within the hours of 10:00 a.m. and 7:00 p.m.; and
 - j. The sign owner shall be responsible for all claims, causes of action, liability, damages and/or expenses for any damage to or loss of any property, or any injury to any person, resulting from use of City right-of-way.

Section 2. This ordinance shall take effect on May 1, 2012.

2012 FEB 22 PM 4:41


Section 3. Except as herein amended, Title 15, Chapter 15.08, of the El Paso City Code remains in full force and effect.

ADOPTED this 21st day of February, 2012.

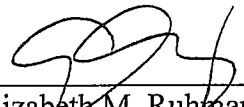
CITY OF EL PASO


John F. Cook, Mayor


ATTEST:


Richarda Duffy Momsen
City Clerk

APPROVED AS TO FORM:


Elizabeth M. Ruhmann
Assistant City Attorney

APPROVED AS TO CONTENT:


for Daryl W. Cole, Director
Department of Transportation

CITY CLERK DEPT.
2012 FEB 22 PM 4:41



Information About Brokerage Services

Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

11-2-2015



TYPES OF REAL ESTATE LICENSE HOLDERS:

- **A BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- **A SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

AS AGENT FOR OWNER (SELLER/LANDLORD): The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

AS AGENT FOR BUYER/TENANT: The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

AS AGENT FOR BOTH - INTERMEDIARY: To act as an intermediary between the parties the broker must first obtain the written agreement of *each party* to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
 - that the owner will accept a price less than the written asking price;
 - that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
 - any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

AS SUBAGENT: A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

LICENSE HOLDER CONTACT INFORMATION: This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

Licensed Broker /Broker Firm Name or Primary Assumed Business Name	License No.	Email	Phone
Designated Broker of Firm	License No.	Email	Phone
Licensed Supervisor of Sales Agent/ Associate	License No.	Email	Phone
Sales Agent/Associate's Name	License No.	Email	Phone

Buyer/Tenant/Seller/Landlord Initials

Date

A GUIDE TO ADVERTISING

Many regulations and standards affect how REALTORS® may advertise properties available for sale or lease, and you may find it useful to review the advertising requirements which are found in: 1) the Real Estate License Act, Article 6573a, Texas Civil Statutes; 2) the rules of the Texas Real Estate Commission; and 3) NAR's Code of Ethics.

REAL ESTATE LICENSE ACT

Section 15(a) (6) (P) of the Real Estate License Act prohibits a real estate broker or salesman from publishing, or causing to be published, an advertisement which:

- in any manner tends to create a misleading impression, or fails to identify the person causing the advertisement to be published as a real estate broker or agent

Upon first glance, Section 15(a) (6) (P) appears to be clear and straightforward. Obviously, it requires you to submit truthful ads which are not misleading, and it requires you to identify your status as a broker or salesman. However, questions frequently arise when it comes to particulars.

ADVERTISER IDENTIFICATION

First, subsection (c) of Section 535.154 allows a real estate broker to advertise under an assumed name or under the name of his firm. But that subsection also makes it very clear that if the assumed name or the firm name does not “readily identify” the advertising broker or agent, the broker's ad must include an additional designation such as “agent” or “broker” so that the advertiser is clearly identified.

This subsection does allow one to use a trade association name such as “REALTOR®” to identify the advertising broker.

For example, “Call John at Blue Chip Real Estate” does not identify John or the firm as a real estate broker or agent. On the other hand, “Call John, real estate broker, at Blue Chip Real Estate Brokers: or “Call John, REALTOR®, at Blue Chip, REALTORS®”, readily identified the individual and the firm as a real estate broker though the use of the term “broker” or the trade association's name “REALTORS®”.

To avoid any question as to whether or not a particular advertisement properly identifies the persons or firms name in the advertisement as real estate brokers or salesmen, it is prudent to follow each person's name and each firm's name with the term “broker”, “salesman”, “agent”, “REALTOR®” or some other trade association name which clearly identifies the advertiser as a real estate agent.

BROKER'S NAME

A second issue which is addressed in subsection (d) of 22TAC535.154 concerns advertisements of listings by salesmen. This subsection makes it very clear that, in no case, shall a real estate broker or salesman place an advertisement which contains only a real estate salesman's name, or which in any way implies that the real estate salesman is the person responsible for the operations of a real estate brokerage firm.

Therefore, regardless of who prepares or submits an advertisement for publication, any advertisement concerning a listing must contain the real estate broker's name or firm name.

Remember that Section 1 of the Real Estate License Act makes it very clear that the sponsoring broker is responsible for the authorized real estate brokerage activities of all his salesmen.

NAR'S CODE OF ETHICS

Article 12 of NAR's Code of Ethics is consistent with the requirements of the Real Estate License Act and TREC's rules stating that REALTORS® should present a true picture of their advertisements. Article 12 also requires REALTORS® to clearly identify their status as brokers or REALTORS® in any advertisement. NAR has published a number of standards related to Article 12 which address specific issues.

OWNER'S PERMISSION

Standard of Practice 12-4 prohibits a REALTOR® from advertising property without proper authority. It also requires REALTORS® not to quote a price other than the price agreed upon with the owner.

Therefore, a REALTOR® should not advertise property without the express permission of the owner, and a REALTOR® should not quote a price to prospects or other real estate brokers other than the listing price unless authorized to do so by the owner.

For example, if a listing broker has a property listed for sale at \$100,000 and responds to a call from another broker by saying "the house is listed for \$100,000 but the owner will take \$85,000", he has acted inappropriately unless he had authorization to make such a statement. He may also have violated the Code of Ethics and the Real Estate License Act.

FREE OF CHARGE

Standard of Practice 12-1 prohibits a REALTOR® from offering a service described as "free of charge" if the service is contingent on obtaining a benefit such as a listing or commission. Services described or advertised as "free of charge" should not be tied to or contingent upon any other service the REALTOR® may provide for compensation.

OWNER DISCLOSURE

Standard of Practice 12-6 prohibits a REALTOR® from offering a service described as “free of charge” if the service is contingent on obtaining a benefit such as a listing or commission. Services described or advertised as “free of charge” should not be tied to or contingent upon any other service the REALTOR® may provide for compensation.

OWNERSHIP DISCLOSURE

Standard of Practice 12-6 requires a REALTOR® to disclose in the advertisement if he has any ownership interest in the property.

The Texas Real Estate Commission previously enforced a rule which required a real estate licensee to disclose if he had any ownership interest in the property in any advertisement, but TREC repealed that rule many years ago. However, REALTORS® are still obligated by NAR’s Code of Ethics to make such disclosure in advertisements. The Commission’s rules do require any licensee, acting on his own behalf, to disclose in any contract of sale or rental agreement, or in writing given prior to entering a contract for sale or rent, that he is a licensed real estate broker or salesman acting on his own behalf (22TAC535.144).

This rule also prohibits a licensee from using his expertise to the disadvantage of a person with whom he deals. Therefore, REALTORS® must disclose any ownership interest in the property in any advertisement and must also disclose license status to prospects in writing.

Brokers and salesmen who purchase properties in their own name should also take note of 22TAC535.16(d). This rule obligates a real estate licensee to advise a property owner as to the licensee’s opinion of the market value of a property when negotiating a listing or offering to purchase the property for the licensee’s own account as a result of contact made while acting as a real estate agent.

FIRM NAME DISCLOSURE

Standard of Practice 12-5 requires a REALTOR® not to permit anyone associated with his firm to advertise a listing property without disclosing the firm name.

LEAD-BASED PAINT

Summary of Requirements for Disclosure of Lead-Based Paint Hazards in Housing:

The Environmental Protection Agency (EPA) and the Department of Housing and Urban Development (HUD) are helping to ensure that the public has the information it needs to prevent lead-based paint poisoning. Home buyers and renters will be given the information by sellers and landlords to protect their families, especially young children, in housing built before 1978 when lead-based paint was still widely used. Practical, low-cost tips on identifying and controlling lead-based paint hazards are contained in a pamphlet that will be distributed at sales and leasing transactions. The effort also ensures that information on lead hazards is transmitted from buyer to seller and from landlord to tenant.

Lead-Based Paint in Housing:

Approximately three-quarters of the nation's housing stock was built before 1978 (approximately 64 million dwellings) contain some lead-based paint. When properly maintained and managed, this paint poses little risk. However, 1.7 million children have blood lead levels above safe limits, mostly due to exposure to lead-based paint hazards.

What Does Lead Poisoning Do To Children?

Lead poisoning causes permanent damage to the brain and many other organs and also causes reduced intelligence and behavioral problems. For example, recent research has linked lead exposure to juvenile delinquency. Lead can also cause abnormal fetal development in pregnant women.

Background:

To protect families from exposure to lead in paint and the contaminated dust and soil it generates, Congress passed the Residential Lead-Based Paint Hazard Reduction Act of 1992. Section 1018 of this law directed EPA and HUD to require the disclosure of known information on lead-based paint and lead-based paint hazards before the sale or lease of most housing built before 1978.

What Is Required?

Before ratification of a contract for sale or lease:

- Sellers and landlords must disclose known lead-based paint and lead-based paint hazards and provide available reports to buyers or tenants.
- Sellers and landlords must give buyers and renters the EPA/CPS/HUS pamphlet titled *Protect Your Family From Lead in Your Home*.
- Home buyers will get a 10-day period to conduct a lead-based paint inspection or risk assessment at their own expense if desired. The number of days can be changed by mutual consent.

- Sales contract and leasing agreements must include certain language to ensure that disclosure and notification actually take place.
- Sellers, lessors and real estate agents share responsibility for ensuring compliance.

What the Rule Does Not Require:

- No testing, removal or abatement of lead-based paint required.
- This law does not invalidate leasing and sales contracts.

What Type of Housing is Covered?

Most private housing, public housing, federally-owned housing and housing receiving federal assistance.

Which Housing is NOT Covered?

Housing built after 1977

- Zero-bedroom units, such as efficiencies, lofts and dormitories
- Leases for less than 100 days, such as vacation houses or short-term rentals
- Housing exclusively for the elderly (unless there are children living there)
- Housing for the Handicapped (unless there are children living there)
- Rental housing that has been inspected by a certified inspector and found to be free of lead-based paint.
- Houses being sold because of foreclosure

Why Isn't Housing Built After 1977 Included?

Congress chose not to cover post-1997 housing because the Consumer Product Safety Commission banned the use of lead-based paint for residential use in 1978.

When Does This Take Effect?

Owners of more than 4-dwellings: September 6, 1996

Owners of 4 or fewer dwellings: December 6, 1996

How Many Will Be Affected and How Much Will It Cost?

This law will help inform about 9 million renters and 3 million home buyers each year. The estimated cost associated with learning about the requirements, obtaining the pamphlet and other materials, and time to perform disclosure is about \$6 per transaction.

What is The Effect On States and Local Governments?

Those states and local jurisdictions that already require disclosure and notification will be largely unaffected, since the Federal law complements existing requirements. For example, States can use their own hazard information pamphlets approved by EPA. Enforcement will be carried out jointly by EPA and HUD and therefore will not burden local resources.

Where Can the Pamphlet and Other Information Be Obtained?

From the National Lead Information Center 800-424-Lead. TDD (800) 526-5456 (hearing impaired), Fax: 202-659-1192. Internet: <http://www.nsc.org/nsc/ehc.html>

Materials Available:

- Sample Disclosure Forms
- Individual Pamphlets (free)
- Camera-ready copies of the pamphlet
- Copies of the Regulation

From the Government Printing Office 202-512-1800

- bulk copies of Pamphlet (\$26.00/50 copies) Stock No. 055-000-00507-9.

The pamphlet is in the public domain and can be reproduced by anyone. Currently available in English and Spanish.

What Should I Do If I'm Selling?

- Give buyers the pamphlet
- Give buyers a 10-day opportunity to test for lead, if desired.
- Disclose all known lead-based paint and lead-based hazards (and provide buyers with any available reports)
- Include standard warning language as an attachment of the contract
- Complete and sign statements verifying completions of requirements
- Retain the signed acknowledgement for 3 years

What Should I Do If I Am A Landlord Renting Out A Dwelling?

- Give renter the pamphlet
- Disclose all known lead-based paint and lead-based paint hazards in the dwelling unit (and provide renters with any available reports)
- Include standard warning language in the lease or as an attachment
- Complete and sign statements verifying completions of requirements
- Retain the signed acknowledgment for 3 years

Do I Have to Give the Pamphlets to All My Existing Tenants?

No. But the pamphlet must be provided when the lease is renewed, as is the case for new tenants.

What About Non-English Speaking Buyers or Renters?

The disclosure has to be in the same language as the contract.

Do I Have To Check My House For Lead Before I Sell It?

No, but you do have to give buyers a 10-day opportunity to have a test done if desired.

Do I Have to Correct Any Lead Hazards That Are Found?

No. Nothing in the law requires an owner to remove lead paint or correct hazards. The law also does not prevent the two parties from negotiating hazard reduction as a contingency. This will be handled in the same way as any other housing defect.

Where Can Lead-Based Paint Inspection Services Be Found?

The pamphlet provides phone numbers of State agencies that can help identify certified inspectors or risk assessors. County, City and other local health and environmental agencies may also have such lists.

State-certified lead-based paint inspectors and risk assessors must be used to qualify for an exclusion from this regulation. Over 21 States now have such certification laws. If your State does not currently have a certification program, you can use a certified inspector or risk assessor from another State. EPA will issue final regulations on certification of inspectors, risk assessors and abatement contractors within the next few months.

Agent Responsibilities:

Agents must ensure that:

- Sellers and landlords are aware of their obligations
- Sellers and landlords disclose the proper information to buyers and tenants
- Sellers give buyers the 10-day opportunity to conduct an inspection (or another mutually-agreed upon period)
- Leases and sales contracts include proper disclosure language and proper signatures.

What Is The Agent's Responsibility If The Seller or Landlord Fails to Comply With The Law?

Agents must comply with the law if the seller or landlord fail to do so. However, the agent is not responsible if an owner conceals information or fails to disclose the information

Do I Have to Get a Lead Test If I'm Buying a House?

No. This law only gives you the right to have one if you want. If you get a test, you must pay for it (or negotiate with the seller on who will pay for it).

Can the 10-Day Inspection Period Be Waived?

Yes. The buyer and seller can choose any time period they want, as long as it is by mutual consent, or the buyer may waive the 10-day opportunity altogether.

If I Am Renting, Do I Also Have The Right to Test for Lead?

No. The 10-day inspection period is limited to sales transactions. But nothing in the law prevents the renter from negotiating an inspection or risk assessment with the landlord or lessor before rental.

What Happens If Sellers, Landlords, Lessors or Agents Fail to Comply With the Law?

Under the law, they can be sued for triple the amount of damages. They may also be subject to civil and criminal penalties. By clarifying the duties of all parties, this law helps to prevent misunderstandings about who is supposed to do what and makes sure that parents have the information they need to protect their children.

PROTECTING YOUR HOME FROM MOLD

JUNE 2002

Mold growth problems can adversely affect many homeowners in Texas. Homeowners who act quickly and appropriately can prevent or correct conditions that may cause mold growth. The Texas Department of Health (TDH) and Texas Department of Insurance (TDI) prepared this publication to help you understand the concerns related to mold growth and to provide some effective steps you can take to help prevent mold growth. The following information will help protect your investment in your home and may prevent the possibility of health risks due to mold exposure.

If you are a renter, you should contact your landlord or property manager immediately when you have a maintenance need related to water damage.

WHAT ARE MOLDS?

Molds are microscopic organisms commonly found both indoors and outdoors. Molds, along with mushrooms and yeast, are known scientifically as fungi. Their purpose in nature is to break down dead material and recycle nutrients in the environment. For molds to grow and reproduce, they need a food source - any organic material, such as leaves, wood, paper, or dirt - and moisture. Since molds grow by "eating" the organic material, they gradually destroy whatever they are feeding on. Mold growth on surfaces can often be seen as a colored spot, frequently green, gray, brown, black or white. It commonly appears as a powdery, fuzzy, or hair-like material. Actively growing molds typically produce odors, sometimes described as earthy or moldy, or like mildew, old dirty socks, or ammonia. Molds release thousands of microscopic spores, which are lightweight, easily airborne and carried by air currents to surrounding areas. The spores must have both food and moisture to actually start growing, similar to plant seeds.

WHAT DO I DO IF A LEAK OCCURS?

Whether or not the water damage may be covered by your insurance policy, it is important to act quickly to prevent further damage to your home.

- Immediately stop the source of leak or flooding.
- Remove excess water with mops or a wet vacuum. If the damage is significant, consider contacting a water extraction company for immediate action.
- Whenever possible, move wet items to a secure, dry and well-ventilated area or outside to expedite drying.
- Protect repairable and undamaged items from further damage.
- Move rugs and pull up areas of wet carpet as soon as possible.
- Increase circulation in and around wet areas by opening closet and cabinet doors, moving furniture away from walls and running fans.
- If necessary, remove wallboard and flooring materials to dry out those areas.
- Don't throw away removed or damaged materials until instructed by your insurance company.
- Dry any damp or wet building materials and furnishings within 24-48 hours.
- Keep all receipts, photos and other relevant documents.
- Contact your insurance company, if applicable.

NOTE: The sooner the affected areas dry out and the source of the leak is repaired, the better your chances of minimizing damage to your property. If the water cannot be removed and the area dried promptly and efficiently, consider contacting a water extraction company for immediate action.

RESOURCES

For additional information, consult the mold and/or indoor air quality resources at the following:

Texas Department of Health
www.tdh.state.tx.us/beh/iaq/
1-800-572-5548

U.S. Environmental Protection Agency
www.epa.gov/iaq/
1-800-438-4318

Texas Department of Insurance
www.tdi.state.tx.us/commish/mold.html
1-800-252-3439

WHY ARE MOLDS A CONCERN?

Damage to the Home

It is common to find mold spores in the air inside homes, and on most surfaces including clothes, walls, and furniture. Most of the time mold spores found indoors come from outdoor sources. Routine cleaning of your home and furnishings helps keep these levels low. Cleaning small areas of visible mold, such as mold that may occur around your shower, is necessary to prevent unsanitary conditions.

The level of concern greatly increases when there are large amounts of *active* mold growth in your home. Large-scale mold problems are most likely to occur when there has been an on-going water leak, a flood, or very high levels of humidity in the home. Indoor mold growth may cause very high levels of airborne mold spores, which, in turn, may cause the spread of mold growth from the original source to other areas of the home where high moisture levels exist. Extensive mold growth can damage your home and belongings, such as carpets, sofas and cabinets. In time, unchecked mold growth can cause damage to the structural elements in your home. While there is no practical way to eliminate *all* mold and mold spores in the indoor environment, keeping your home clean and dry can prevent extensive mold growth and its related damage.

Health Effects

The vast majority of people are exposed to small amounts of mold or their spores on a daily basis without evident harm. However, mold growing inside a home is an unsanitary condition that may present potential health risks to occupants. Therefore, it is always best to identify and correct high moisture conditions quickly *before* mold grows and possible health problems develop.

Potential health effects produced by molds may include allergic, irritating, or toxigenic effects, and rarely, infection. Allergic reactions are generally the most common health effect. Typical symptoms (alone or in combination) reported by people living in moldy homes include:

- respiratory problems, such as wheezing, difficulty breathing, and shortness of breath
- sneezing and/or nasal congestion
- eye irritation (itching, burning, watery, or reddened eyes)
- coughing or throat irritation
- skin rashes or irritation
- headaches
- fatigue

The potential health effects depend on the amounts and types of mold present, the length and frequency of exposure, and the sensitivity and health condition of exposed individuals. While many people seldom experience ill effects from mold exposures, some may develop very serious illnesses. Some persons exposed to mold or mold spores may become sensitized and develop allergies to the mold or other health problems. Even "dead" mold (including spores and pieces of mold) may still cause allergy, irritation, or toxigenic reactions. Thus, killing mold without removing the residue may still be a health concern. Complete removal and thorough cleanup of mold is the safest solution.

Individuals at greater risk who may experience more severe symptoms or become ill more rapidly than others include:

- individuals with existing respiratory conditions, such as allergies, asthma, or chemical sensitivities
- individuals with weakened immune systems due to conditions such as HIV infection or cancer treatment
- infants and young children
- the elderly

Anyone with a health problem they believe may be due to mold exposure should consult a medical professional.

Since you cannot remove all food sources for molds, it is important as a homeowner to take sensible precautions to prevent moisture from creating a breeding ground for mold.

MOISTURE CONTROL

- Maintain levels of humidity below 60% (preferably between 30% and 50%) by
 - venting bathrooms, dryers and other moisture-generating sources to the outside
 - avoiding blockage of air conditioning vents
 - using air conditioners and de-humidifiers
 - increasing ventilation by installing additional crawlspace and attic vents, opening windows or installing an air-to-air heat exchanger
- using exhaust fans when cooking, dishwashing and cleaning
- avoiding the use of unvented heaters or high heat in confined areas
- setting the air conditioning thermostat to "auto" to prevent circulation of humid air.
- Add insulation to reduce the potential for condensation on cold surfaces (windows, piping, exterior walls, roof or floors).
- Consider using moisture sensors that sound an audible alarm when a leak occurs.

OTHER PRECAUTIONS

- **Water Valve** - Make sure everyone in the household knows where the main valve is located and how to turn the water off.
- **Rain Gutters and Downspouts** - Direct rainwater away from your home. Keep gutters clear and make sure downspouts are long enough to effectively carry water away from your foundation. Gutters that are filled with leaves and other debris allow water to back up on the roof, which can result in water damage to eaves and roofing material.
- **Insulate Pipes and Outside Faucets** - Minimize the potential for water damage from frozen, broken pipes by insulating supply lines (in attic, crawlspaces and exterior walls), protecting exposed outdoor faucets, sealing gaps in exterior walls and maintaining adequate heat in your home.
- **Sump Pump** - The sump pump is the first line of defense in preventing water seepage into basements. Periodically check the sump and remove any debris that could clog the pump. Consider installing a battery-powered backup to protect your basement during power outages.
- **Don't block weep holes** - Weep holes are openings at the foundation level of a brick wall that allow moisture to escape from behind the wall. Do not close or block these openings.
- **Monitor Utility Bills** - An abnormally high water bill could signal a water leak.
- **Before You Travel** - Turn the water off at the main valve or at major appliances. While you are away, consider leaving a house key and contact information with a neighbor or trusted friend and ask the person to check the inside and outside of your home periodically while you are away.

PREVENTION

- Purchase paint with EPA approved mold inhibitors
- Clean bathrooms often with mold killing products and keep surfaces dry
- Do not carpet bathrooms, basements, kitchens or other areas prone to collect moisture
- Repair damages that could lead to water intrusion promptly and properly
- Ensure that the home has adequate ventilation, including exhaust fans in the kitchen and bathrooms

INSPECTION

Inspect your home regularly for the indications and sources of indoor moisture. Establish a maintenance schedule to check the following sources of water leaks on a regular basis. Contact a maintenance or service company with any questions or concerns.

- **Hot Water Heaters** - Over time, these appliances may rust or develop cracks, and the resulting leaks can be very costly. Check your water heater for rust and deterioration every year. Check the drain pan for water and ensure that the drain line for the overflow pan is not clogged. Drain and clean the water heater as recommended by the manufacturer.
- **A/C Drain Lines** - Damage can occur when the line that drains condensation from the evaporator coils becomes clogged and water overflows from the drip pan. To prevent this, periodically check the drip pan for water and consider an annual inspection or service call to reduce the buildup of algae and mold in the drain line.
- **Appliance Hoses** - Broken hoses are among the most common causes of water damage. Regularly inspect hoses and hose fittings on washing machines, icemakers and dishwashers for kinks, cracks, bulges or evidence of deterioration. Replace standard rubber washing machine hoses every two to five years, or more frequently if they are showing signs of wear. Consider using steel-reinforced hoses for longer life.
- **Showers, Tubs, Sinks and Toilets** - Water that leaks from around bathtubs, showers, sinks and toilets can cause extensive damage because the leak is often hidden from view. To prevent leaks, make sure you have a continuous watertight seal of caulk around the edges of sinks, toilets, tubs and shower stalls. Cracks or mold on the caulk or on the grout at tiles on walls or shower floors may indicate that you do not have a watertight seal. Remove all caulk or grout, clean and dry the surface thoroughly, and apply fresh caulk. Do not apply new caulk or grout on top of the old materials.
- **Visible Piping** - Routinely check piping under cabinets and sinks for leaks, rust and evidence of deterioration.
- **Waste/Garbage Disposal System** - Routinely check for cracking or other sources of leaks in the waste disposal system.
- **Caulking around Windows, Doors, Penetrations and Cracks** - Windows and doors should have a continuous bead of caulk sealing them to the exterior surface of the home. Penetrations of the exterior walls by pipes, electrical conduit, phone or cable lines, and exhaust ducts should also be caulked. Cracks or mold on the caulk may indicate that you do not have a watertight seal. Remove all caulk, clean and dry the surface thoroughly, and apply fresh caulk. Do not apply new caulk on top of the old caulk.
- **Attic and Ceilings** - Routinely check for wet insulation and water stains.
- **Wallpaper** - Routinely check for bubbling and/or peeling, as well as pink or black stains.
- **Roofs** - Keep roofs free of debris that can damage roofing material and allow water to seep in. Trim tree branches to prevent them from rubbing and damaging the roof. Promptly repair missing or damaged shingles. Properly seal any cracks around chimneys, skylights and vents. Check metal flashing for holes, cracks or other damage. Replace flashing or use silicon caulk to seal any openings.
- **Landscape** - Yards should slope away from the house to prevent puddling near the foundation or under pier and beam houses.
- **Sprinklers and Irrigation Systems** - Do not allow sprinklers or sprinkler heads to soak the exterior of the home.
- **Check for evidence of water stains or odors, particularly after rains, on areas that could get wet.**

POTENTIAL SIGNS OF MOLD GROWTH

- Unexplained discoloration on any surface
- Musty odor
- Dark spots on or around vents
- Water stains anywhere
- Peeling or curling of vinyl floors or wallpaper



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REALTOR® SAFETY TIPS

Safeguarding Your Office

- Install an alarm system
- Install solid doors on all entrances with dead bolts and peepholes for doors to parking lots
- Install additional locks or metal pins on sliding glass doors and windows
- Secure all unused doors and windows
- Post emergency numbers in large print by telephone.
- Develop and practice an office plan of escape
- Keep windows and counters clear
- Always have at least two people in the office
- Leave lights on after dark
- If you must be alone in the office, notify neighboring personnel, especially at night, and keep a radio or TV playing in the back room
- Be aware of persons loitering around your business.
- If you enter your office and sense trouble or notice that things have been disturbed, do not enter. Leave at once and contact police
- Know your area patrolman

Safeguarding Your Car

- Keep your car in good condition. Have a full tank of gas
- Install a car phone or CB
- Use your own car when showing property
- Take the safest route to a destination
- Park in well lit areas
- Have your keys in hand when going to your car
- Be aware of people and things around you as you approach, enter, and exit your car
- Check the back seat and floor before unlocking your car
- Lock all doors upon entering the car and keep them locked while driving
- If your car breaks down, raise the hood, turn on your flashers and wait inside the locked door
- When someone stops to help, pass a written phone number through the window and ask them to make a call for you. Do not accept a ride
- Do not pick up hitchhikers
- If followed, drive to police or fire station
- Tap out an S.O.S. signal (...---...) rather than randomly sounding your horn.
- If you are in an unfamiliar or threatening area, have a broker, friend or relative accompany you.

Meeting The Prospect

- Never meet a prospect based only on a phone call
- Have the prospect meet you at the office
- Get the prospect's name, address, phone number and driver's license number
- Note the prospect's car make, tag number, and state
- Introduce the prospect to someone else in your office
- List properties to be shown
- Don't wear flashy jewelry or carry large amounts of money

Showing The Property

- Never show a house alone at night
- If in doubt, have an agent, friend or relative accompany you to the property
- Upon entering the house for the first time, check all rooms to determine several escape routes
- Unlock all dead bolts to facilitate a faster escape
- Make sure that you could escape from the back yard
- Note high fences
- When showing the house, always walk behind the prospect. Direct them, not lead them...Say, for example “the kitchen is on your left” and gesture for them to go ahead of you
- Watch what the prospect is doing at all times. Don’t become preoccupied with the viewing of the home
- Place one of your business cards with the date and time on the back, in a kitchen cupboard
- When showing several properties, call your office (if a phone is available) from some of the homes. If you are suspicious or afraid in any way, it gives you an excuse to get back to your office immediately

Open House Precautions

- Follow cautionary procedures on the preceding page
- Notify someone in your office, your answering service, a friend or relative that you will be calling in every hour from the house....and if you don’t call, they are to notify the police immediately
- Inform a neighbor that you will be showing the house and ask if he would keep an ear open to anything out of the ordinary
- Have someone from your office, a relative, or a friend stay with you.

In General

- Wear clothes and shoes you can run in
- Recognize the face of danger and listen to your gut feelings. If in doubt, don’t
- Two people are safer than one
- Don’t be careless. Make your personal safety a priority
- When you witness a dangerous situation developing, don’t over commit yourself. Go for help
- Be Alert. Pay attention to those walking around you
- Stay out of arm’s reach of bushes, parked cars, alleys, doorways, and people asking directions
- Carry your purse close to your body
- If you are required to pick up your prospect, ask if his wife and/or family will be going along

- Check with the motel to see if that person is actually registered there. Most motels require identification upon registration.
- Dress professionally but simply
- The office should keep a file on each salesperson's automobile make, color, year, and license plate number
- Don't advertise property as vacant
- Use discretion with names, home phone numbers and pictures in advertising and signs
- **Danger Signals:** Single male asking to be picked up and can't come to your office for whatever reason; prospect who tells you he has a large sum of money to invest; prospect who wants an appointment immediately; prospect who refuses to give you personal information when he calls, but wants to see a particular property now.

If You Encounter a Robber

- Stay calm. Don't try to be a hero. The perpetrator is in command.
- Observe carefully. Study the assailant's face, clothing, complexion, unique features, accent, height, weight
- Mentally relate the attacker's height and size to a friend or relative to help judge weight and size
- Note direction robber took and license and make of car
- Preserve any evidence and keep witnesses on hand for police

If You Are Attacked

- Plan how you intend to react to potentially dangerous situations and realize that there is no foolproof method to foil an attack
- Don't panic - the first moments are very important. You must react immediately; remember, the best weapon you have is your brain
- Scream - loud and long. Scream "Fire!" not "Help!"
- Hide
- Talk. If you cannot getaway immediately, talk to the assailant. Try to make the person think about his actions.
- Fight only as a last resort. Use your natural defenses and act fast. Bite, kick, scratch. Go for the eyes first.
- Have a chemical spray attached to your key ring. It should fire in a straight stream rather than a mist and have ultra violet dye for police identification. Place an extra in your glove compartment and trunk.
- Bide your time, use your wiles. Never stop trying new methods to complete your escape
- Remember: when an attacker threatens your life and you come out of the attack alive, you took the proper course of action

VIDEO AVAILABLE AT THE BOARD: "Safety Before Selling - A Survival Guide"

REGULATION Z

If an advertisement for a home promoting “closed-end credit”** contains any of the following triggering terms, three specific disclosures must be included in the advertisement. The triggering terms area:

1. **The amount of the down payment (expressed either as a percentage or as a dollar amount).**
Examples: “10% down”
“\$25 down”
“\$90% financing”
2. **The amount of any payment (expressed either as a percentage or as a dollar amount).**
Examples: “Monthly payments less than \$67”
“Pay 5% each month”
“\$9 per month”
3. **The number of payments.**
Examples: “36 small payments are all you make”
“48 monthly payments and you’re all paid up”
4. **The period of repayment (the total time required to pay).**
Examples: “Five years to pay”
“36 months to pay”
“4 year loans available”
5. **The amount of any finance charge.**
Examples: “Financing Costs less than \$100”
“Less than \$100 interest”
“\$100 financing”

The following are examples of terms which do not trigger the required disclosures:

“No down payment”
“18% Annual percentage Rate loans available here”
“Easy monthly payments”
“Graduated payment mortgages available”
“VA and FHA financing available”
“100% VA financing available”
“Loans available at 5% below our standard annual percentage rate”
“Low down payment accepted”
“Pay weekly”

REQUIRED DISCLOSURES

If any **triggering term** is used in a closed-end credit advertisement, then the following three **disclosures must also be included in that advertisement:**

1. The amount or percentage of the down payment
2. The terms of repayment; and
3. The “annual percentage rate,” using that term spelled out in full or the abbreviation “APR.” If the annual percentage rate may be increased after consummation of the credit transaction, that **must be disclosed**. The advertisement may not state any other rate except that a single annual rate or periodic rate may appear along with, but not more conspicuously than, the annual percentage rate.

The following example, for a house with a \$55,000 sales price, illustrates the **required disclosures** for a real estate advertisement which **would comply** with the Truth in Lending Act if **printed clearly and conspicuously:**

“Down payment - \$5,000”,
“360 monthly payments of \$592.44”
“14% annual percentage rate

OTHER CONSIDERATIONS

Even through advertising the period of repayment or the amount of the down payment will trigger disclosure, statements such as “takes years to pay” or “no closing costs” **do not trigger** further **disclosure because they do not specifically state or imply the period of repayment or down payment cost**. However, the statement “Move-in costs \$600” which implies that the required down payment is no more than \$600, **does trigger full disclosure**. Similarly, “up to 48 months to pay” limits the period of repayment and thus **triggers disclosure**. In general, **the more specific a particular statement, the more likely it is to trigger disclosure**.

SOURCE: “Complying With The Law: How to Advertise Consumer Credit,” (A Federal Trade Commission Manual for Businesses). Available through the FTC Regional Office, 1405 Curtis Street, Denver, Colorado 80202.

***Closed-end credit” consists of both sales credit and loans. In a typical closed-end credit transaction, credit is advanced for a specific time period, and the amount financed, financed charge, and schedule of payments are agreed upon by the lender and the customer.

“YOU CAN’T SAY THAT” Advertising Taboo List

by Judon Fambrough

Language is serious business in real estate. A federal mandate prohibits language that may suggest discrimination or prejudice in real estate advertising.

The Fair Housing Act prohibits discrimination in the sale or rental of housing based on a person’s race, color, religion, sex, handicap, familial status or national origin. It is a violation to make, print or publish or cause to be made, printed or published any notice, statement or advertisement regarding the sale or rental of a dwelling that indicates any preference, limitation or discrimination based on the seven categories.

This point was emphasized recently when an Oregon Multiple Listing Service (MLS) included in the “remarks section” of its publication that property was for “adults only, over 40.” The statement reiterated the condominium’s bylaws. The MLS considered the language proper because the act applies to advertising only. As the MLS found out, the act applies to any “notice, statement or advertisement.”

The U. S. Department of Housing and Urban Development (HUD) publishes a list of words, phrases and symbols it says conveys, either overtly or tacitly, discriminatory preferences or limitations. Their use may violate the act.

Words indicating a possible preference or limitation based on race, color or national origin include: *white private home, Jewish home, Hispanic residence, Negro, black, white, Caucasian, Oriental, American Indian, Mexican, American, Puerto Rican, Philipino, Polish Hungarian, Irish, Italian, Chicano, Hispanic, Chinese, Indian or Latino*. However, phrases such as *master bedroom, rare find, or desirable neighborhood* are acceptable.

The words *woman, man, single or multifamily dwelling* suggest a possible preference or limitation based on sex. However, restrictive advertisements based on sex are permissible for dormitory facilities at educational institutions. Also, the terms *mother-in-law suite* and *bachelor apartment* are permitted because they refer to physical descriptions.

Protestant, Christian, Catholic or Jew imply possible preference or limitation based on religion. The legal name of an entity that contains a religious reference (Roselawn Catholic Home) or a religious symbol such as a cross may be a violation unless a disclaimer is added such as, “This home does not discriminate on the basis of race, color, religion, national origin, sex, handicap or familial status.” The terms *apartment complex with chapel* or *kosher meals available* do not in themselves violate the act.

Crippled, blind, deaf, mentally ill, retarded, impaired, handicapped or *physically fit* are words that may evoke a possible preference or limitation based on handicap. While information about physical access to housing (wheelchair ramp) is lawful, phrases such as “no wheelchairs” are not.

Advertisements describing the property (great view, fourth floor walk-up, walk-in closets), services or facilities (jogging trails) or neighborhoods (walk to bus stop) do not violate the act. Neither do advertisements describing the conduct required of residents (nonsmokers, sober).

Advertising that denotes familial status may not discriminate against families that include one or more children younger than 18 years old. Protection extends to pregnant women also.

Words HUD says may indicate a preference or limitation based on familial status include:

adults, children, singles, mature persons or adult building. Advertisements for occupancy by older persons within HUD guidelines are proper. Also, the terms *two bedroom, cozy, family room or quiet streets* are permissible because they describe the property.

The federal guidelines go beyond the use of specific words or phrases. Other words and phrases are prohibited if used in a discriminatory context, such as *restricted, exclusive, integrated, traditional, board approved or membership approval.* Also prohibited are symbols, logotypes or colloquial terms that imply or suggest preferences or limitations.

Directions to the property may imply a discriminatory preference or limitation. For example, using landmarks with racial or national origin significance may be a violation (two blocks from the Booker T. Washington School). References to existing black or white development may imply discrimination. References to a synagogue, congregation or parish may indicate a religious preference. Names of facilities that cater to a particular racial, national origin or religious group such as a country club or private school designation, or names of facilities used exclusively by one sex may indicate a preference.

Discrimination may be implied based on the chosen media. For example, the use of media catering to the majority population in an area may discriminate against the minority population. Even the use of English or Spanish in an advertisement may suggest discrimination in certain bilingual areas.

Finally, pictures and human models used in an advertisement may be viewed as discriminatory. For example, the exclusive use of young, old, white, black, athletic (non-handicapped), single, Catholic or Jewish persons may violate the law.

The legal penalty for a violation is harsh. An aggrieved person has two years to begin a lawsuit. An aggrieved person has two years to begin a lawsuit. The potential recovery includes actual and punitive damages plus reasonable attorneys' fees and costs.

The aggrieved party may seek an administrative hearing in which HUD attorneys represent the claimant. An administrative law judge may order the violator to:

- X compensate the plaintiff for actual damages, including humiliation, pain and suffering;
- X provide the plaintiff housing (an injunction);
- X pay civil fines ranging from \$10,000 to \$50,000 based on the number of violations
and
- X pay reasonable attorneys' fees and costs.

Judon Fambrough is an attorney, member of the State Bar of Texas and senior lecturer with the Real Estate Center at Texas A&M University.

HELPFUL NUMBERS

HELPFUL TELEPHONE NUMBERS

Greater El Paso Association of REALTORS®	(915) 779-3521
National Association of REALTORS®- Chicago	(312) 329-8200
Information Center	(800) 874-6500
N.A.R-Washington, D.C. Office	(202) 383-1000
Texas Association of REALTORS®	(800) 873-9155
Local phone number	(512) 370-2390
TAR Legal Hotline	(800) 873-9155
Texas Real Estate Commission	(512) 459-6544
TAR Benefits	
Health Insurance	(866) 270-6209
Dental and Life Insurance	(800) 847-7503
ZipForms	(800) 383-9805
EL Paso Association of Builders	778-5387
Sentrilock	(877) 736-8745

Web Sites

Greater EL Paso Association of Realtors®	www.elpasorealtor.com
National Association of Realtors®	www.realtor.org
Texas Association of Realtors®	www.texasrealtors.com
Texas Real Estate Commission	www.trec.state.tx.us
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