

**REAL ESTATE INFORMATION  
SYSTEM**

**of**

**SOUTHWESTERN MICHIGAN, INC.**

**POLICY MANUAL**

**Adopted: September 27, 2016**

**Amended: December 07, 2021**

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Exhibit A – Strategic Intent Driven Business Plan

Exhibit B – Investment Policy

Exhibit C – Residential Standard Measuring Guidelines

## **PURPOSE**

The REIS is a means for the orderly collection, correlation and dissemination of all real property information for REALTORS and any other individuals authorized by the Board of Directors. The active listing information shall be handled by a Committee of the REIS called the Multiple Listing System. The Multiple Listing System is a means by which authorized Participants make blanket unilateral offers of cooperation and compensation to other Participants (acting either as subagents, buyer agents, or transaction coordinators); by which information is accumulated and disseminated to enable authorized Participants to prepare appraisals and other valuations of real property; 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 among the Participants so that they may better serve their clients and the public.

The Southwestern Michigan Association of REALTORS and the Real Estate Information System, Inc., moved from a Strategic Plan in 2012 to a Strategic Intent Driven Business Plan in 2013. The current Strategic Intent Driven Business Plan was adopted December 07, 2021 for 2022 – 2024 and is **Exhibit “A”** in this Manual.

## AWARDS

1. Production for the Silver Award to be \$1,500,000.00 or 15 transaction sides closed, for the Gold Award \$2,500,000.00 or 25 transaction sides closed, for the Platinum Award \$3,500,000.00 or 35 transaction sides closed and for the Diamond Award \$7,000,000 and above or 70 or more transaction sides closed. The Silver Life Award qualification will be any four years earning the Silver, Gold, Platinum or Diamond award. The Gold Life Award qualification will be any six years earning the Gold, Platinum or Diamond award.
2. Out of area listings and sales can be used for production award credits if they are submitted to the MLS as a closed sale.
3. The MLS shall allow a buyer/broker to obtain MLS production credit for one (1) side of the transaction when the property was not listed by another broker with written permission from the buyer. (01/28/2020)
4. A short term rental is defined as six (6) months or less. (September 27, 2011)
5. The MLS Production Award credit for rentals shall be limited to only leases that are at least twelve (12) months in duration. (September 27, 2011)
6. To receive credit for an MLS Production Award the listing must be in the MLS online computer System. This policy to become effective January 1, 2012. (September 27, 2011) (01/28/2020)
7. Approved raising the Awards Luncheon price from \$15.00 to \$20.00 per person. (01/28/2020)
8. Reporting Team Sales Production –

The MLS defines a “team” as follows:

**A team is defined as two or more agents who work together as a single unit within an MLS Participant.**

All MLS Participants (Principal Brokers) will be required to identify the teams within their offices who wish to report their sales production collectively and provide the name of the team leader and the other Members of the team to the MLS by January 1, 2017.

Teams will then be assigned a new team ID number specific to that team to be used to report listings and closed sales generated by that team. This number can also be used for the listing of property by a team.

In addition to having a new number assigned to these teams, it would be required that the name for the team associated with the new ID number shall contain the word “team” or “group”. The Uncle Sam *Team* or The Uncle Sam *Group* could be two examples. Other monikers may be added to this list. The use of the terms “Realty” or “Real Estate” shall not be allowed because of the potential confusion of the consumer that they are dealing with a real estate office rather than a team within a real estate office.

An individual agent on a team can report their individual production under their individual ID number or under their team ID number, but they can only report their production once for a transaction side and they cannot report their production under another agent's individual ID number.

This Policy to become effective as of January 1, 2017.

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## COMPLAINT PROCESS

### **PROCEDURE FOR REVIEW OF COMPLAINTS BY THE BOARD OF DIRECTORS OF REIS OF SOUTHWESTERN MICHIGAN, INC.**

#### **I. IN GENERAL.**

These procedures shall govern the disposition of complaints received by the Board of Directors of the REIS of Southwestern Michigan, Inc. (the "Service") in accordance with Article 9 of the Rules and Regulations of the Service. The Board of Directors shall only consider written complaints from participants of the Service. Written complaints shall be considered as provided in these procedures and Article 9 of the Rules and Regulations of the Service.

#### **II. INITIAL DETERMINATION.**

Upon receipt of a written complaint from a participant, the Board of Directors shall determine and take action as follows:

**A.** The Board of Directors shall determine if the allegations in the complaint are, in fact, a request for arbitration, in which event the Board of Directors shall reject the complaint and inform the complaining participant of the arbitration procedures of the Southwestern Michigan Association of REALTORS, Inc. (the "Association").

**B.** The Board of Directors shall determine if the allegations in the complaint in fact allege a charge of a violation of the Code of Ethics of the National Association of REALTORS, Inc., in which event the Board of Directors shall refer the complaint to the Association in accordance with the procedures of the Association for such complaints and shall inform the complaining participant of this action.

**C.** The Board of Directors shall determine if the allegations in the complaint in fact allege a violation of the Rules and Regulations of the Service in which event the Board of Directors shall follow the procedures for alleged violations of the Rules and Regulations set forth below in Section 3.

**D.** In the event the Board of Directors determines that the complaint does not meet the criteria of A, B or C above, the Board of Directors shall do one or more of the following:

1. Request more information or clarification from the complaining participant.
2. Reject the complaint as not alleging a violation of the Rules and Regulations of the Service.

In taking either of the above actions, the Board of Directors shall inform the complaining participant of the action taken and may, at its option, explain to the complaining participant the reason for the action taken.

### **III. PROCEDURE FOR COMPLAINTS ALLEGING VIOLATIONS OF RULES AND REGULATIONS OF THE SERVICE.**

Upon making a determination that the allegations in the complaint allege a violation of the Rules and Regulations of the Service, the Board of Directors shall follow the procedures set forth in the Code of Ethics and Arbitration Manual most recently adopted by the Association for ethics hearings except that:

- A.** The "Directors" means the Board of Directors of the Service.
- B.** The "Tribunal" means the Directors and the selection procedure for the hearing panel shall not apply.
- C.** Any appeal of the decision shall be to the Professional Standards Committee of the Association.



## **DISTRIBUTION**

1. The REIS shall charge a \$10.00 fee for the distribution of a flyer electronically to the entire REIS or a market segment within REIS.
2. The REIS shall limit the use of the REIS distribution system to the Affiliate Members of the Southwestern Michigan Association of REALTORS and the subscribers of the REIS and the information being distributed shall be related to the real estate business.
3. The Association and Multiple Listing System by policy will not allow the use of the REIS distribution system for the purpose of Members or Non-members promoting real estate products and/or services that are the same or similar to the products and/or services that the Association and the REIS currently provides its Members.

## **FINANCE**

### **Annual Audit/Review**

1. It is the policy of the Real Estate Information System (REIS) that a financial audit be done every four (4) years and yearly financial review by our CPA. (September 19, 2017)

### **Banking**

1. Authorized the Chief Staff Executive to change the REIS's bank from Bank of America to Edgewater Bank. (September 27, 2011)
2. Bank Signatories - If the Chief Staff Executive is not capable of signing checks for the Association and REIS that any two (2) of the three (3) Officers are authorized to sign checks that are over \$2,000.00 and any one (1) of the three (3) Officers are authorized to sign checks that are \$2,000.00 or less. (July 23, 2013)
3. Approved that two signatories be required on the checking and money market accounts effective September 1, 2016 and the 2 authorized signatories would be any two of the following: President, President-Elect, Treasurer, Chief Staff Executive and the District 3 Director.

### **Capital Improvements/Repairs and Maintenance**

1. All Capital Improvement purchases must be approved by the Board of Directors. (September 27, 2016)
2. All purchases of Assets (personal property) over \$1,000 must be approved by the Board of Directors. (September 27, 2016)
3. All normal Maintenance and Repair Items are at the discretion of the Chief Staff Executive. (September 27, 2016)
4. Emergency repairs or maintenance over \$2,500 requires approval by the Officers. (September 27, 2016)

### **Collection**

1. If an individual subscriber does not pay their bill by the due date, which is thirty (30) days after the statement date, then a letter will be sent to the subscriber with a copy to their Broker informing them that their service will be suspended in fifteen (15) days if payment in full is not received.

When service is suspended, the subscriber and their Broker will be informed in writing and the Broker will have fifteen (15) days to insure payment of the fees to the REIS and/or MLS or risk their entire office being suspended from the REIS or MLS. If payment is not received and the subscriber remains licensed with the Office then the entire Office will be suspended.

If the subscriber transfers to a new office, then the transfer of service will not be implemented until the subscriber pays his/her bill in full. If the subscriber places his/her license inactive, then any balance due will try to be collected, and if uncollectible, it will go into his/her membership record so if they ever join again in the future they will have to pay his/her outstanding bill.

2. If an MLS Participant is delinquent in paying their recurring subscription fee for four (4) months and provided that at least fifteen (15) days written notice has been given, the MLS Participant shall be dropped as a Participant in the MLS.

**Investment**

1. Approved the REIS’s Investment Policy as attached in **Exhibit “B”**.
2. Approved adding the following to REIS’s Investment Policy: To liquidate or sell a portion of an investment, the Chief Staff Executive, two of the three elected Officers and the Investment Consultant shall approve it. (February 4, 2014)

**Investment Consultant**

1. Approved Tom King with LPL Financial as the Association’s Investment Consultant replacing Larry Olson with Great Lakes Wealth Management. (March 31, 2016)(Amended March 20, 2018)

**Pricing and Billing**

1. The monthly subscription fee shall decrease from \$55.50 to \$52.00 on June 1, 2017
2. The monthly fee for tax information only will be \$30.00 per month and the non-member REALTOR comparable service to \$74.00 per month. (May 27, 1997) (Amended April 1, 2002)
3. The following fee schedule to become effective April 2, 2002:

|   | <b>Primary REALTOR</b> | <b>Secondary REALTOR</b> | <b>REALTOR from Another Assn.</b> | <b>Primary Affiliate</b> |
|---|------------------------|--------------------------|-----------------------------------|--------------------------|
| <b>Comparable Service</b>                       | <b>\$36.00/mo.</b>     | <b>\$36.00/mo.</b>       | <b>\$74.00/mo.</b>                | <b>N/A</b>               |
| <b>Comparable Service &amp; Tax Information</b> | <b>\$49.50/mo.</b>     | <b>\$49.50/mo.</b>       | <b>\$87.50/mo.</b>                | <b>N/A</b>               |
| <b>Tax Information</b>                          | <b>\$33.50/mo.</b>     | <b>\$33.50/mo.</b>       | <b>\$33.50/mo.</b>                | <b>\$33.50/mo.</b>       |
| <b>Affiliate Limited Access to MLS</b>          | <b>N/A</b>             | <b>N/A</b>               | <b>N/A</b>                        | <b>\$125.00/mo.</b>      |

4. The REIS shall bill the Monthly Subscription Fee and all other products & services.
5. Tax Information and Subscription Fee – Approved REIS purchasing the Berrien County Tax Information at \$0.25 per parcel on January 2, 2013 if legislation has not been passed and that we bill the users an additional \$3.50 per user per month on February 1<sup>st</sup>, 2013 if the Berrien County Tax data is on the FlexMLS system for their use. The fee for tax information for the REALTOR Appraisers will increase from \$10.00 to \$13.50 per month. (November 27, 2012)

## **Reserves**

1. The REIS shall fund the cash operating reserves at a minimum of 15% of the annual operating expenses and the equity in the office building shall be considered the balance of our cash operating reserves.
2. The REIS shall adopt a philosophy that the REIS be in a financial position to be able to purchase all equipment in the future for cash. The intent is to accumulate enough cash that we could purchase the equipment if we desire to do so. The REIS would consult with our CPA with these major purchase decisions that are made to look at our options to acquire the equipment. (i.e. lease vs buy)
3. The REIS shall fully fund the depreciation with cash on an annual basis.
4. Established a Capital Improvement Fund for the REIS, to be funded with any excess income after expense, after funding the equipment reserve accounts.
5. The Computer Reserve Fund was renamed as the Multiple Listing System and Technology Reserve Fund and the Fund be funded with \$80,000.00. (January 22, 2002)
6. Approved changing under reserves “Other Equipment” to “Equipment” and reduce the REIS’s Equipment account to a total of \$31,668; \$2,450 is added to the REIS’s Capital Improvement account and the remainder of \$45,374 going to the Cash Operating Reserve account. (March 27, 2012)

## **Miscellaneous**

1. The REIS authorized our CPA, James V. Hartwell, to conduct a yearly audit every 4 years and a financial review be required every year. (September 21, 2021)
2. Approved REIS annually making a corporate contribution to RPAC in the amount of \$2,500. (April 2, 2020)
3. What financial information must be provided by the Association under the law if requested by a member? If a member requests financial information, the Balance Sheet along with the Income Statement from the last fiscal year is the only information that is required to be given to the member. (July 23, 2013)
4. Approved that any documentation provided during a Board of Directors or Finance Committee Meeting will be retained by the Association Office for proper disposal, except the Finance Committee Members are allowed to retain the monthly Statements for the REIS’s Investments (July 26, 2016)

**MLS FINES SCHEDULE**  
**EFFECTIVE OCTOBER 1, 1998**  
**AMENDED May 29, 2018**

Below is the list of fines that have been approved by the Board of Directors for common violations of the MLS Rules and Regulations. Any fine that is issued will be invoiced to the listing agent and will be seen on the bi-monthly MLS Dues Statement. Each fine will be listed with the MLS number and address and why the fine was imposed.

1. **Late Listings** For failure to deliver to the MLS or input into the MLS Computer, listings within 48 hours (excluding weekends or holidays) after the necessary signatures of the Seller(s) has been obtained, a fine of \$50.00, plus \$10.00 per day for each day the listing was late, up to a maximum fine of \$250.00. **The “Office Exclusive” Listings are also subject to the late listing fine.** An “Office Exclusive” listing is an Exclusive Right to Sell or Exclusive Listing, which the seller has requested not to be placed on the MLS System. (September 1, 2004)
  - 1a. **Listing Audits** The MLS Staff on a weekly basis, randomly select listings to verify that they were entered into the MLS computer system with the forty-eight (48) hours required by the MLS Rules and Regulations. If a requested listing agreement isn’t sent to the MLS office within 3 business days after being requested in writing or via email then a \$100.00 fine will be imposed and the listing will be removed from the MLS. (September 26, 2000) (Amended May 29, 2018)
2. **Disclosure Statements** Placing Seller Disclosure Statements and Lead Based Paint Disclosure Statements on the MLS system in “Attached Documents”. A \$25.00 per form fine if the listing is not exempt under State or Federal law and was not in the “Attached Documents” within 5 days.

New Construction is exempt from both Seller Disclosure Statement and Lead Based Paint Disclosure and nothing needs to be done in Agent Remarks.

All other listings, if they are exempt from the Seller Disclosure Statement and/or Lead Based Paint Disclosure, the exemption must be indicated on the listing in one of the following two methods:

  - a). By placing in “Attached Documents” the appropriate form with the word “exempt” printed across it, or
  - b). Place in Agent Remarks “Exempt from SDS” and/or “Exempt from LBP Disclosure.

**Enforcement procedure:**

MLS Staff to check all listings for exemption and/or SDS and LBP Disclosures 5 days after the listing date. If the listing does not contain the SDS and LBP Disclosures in “Attached Documents” and is not exempt under State or Federal law and so indicated under this policy, MLS Staff will send a warning notice giving the listing agent 2 days to correct the situation or receive a fine of \$25.00 per missing form. An additional fine of \$25.00 per missing form will be charged if forms are not uploaded within 7, days of the first fine, 7 days of the second fine, or 7 days of the third fine. Max fine of \$100 per form. (November 28, 2017) (Amended May 29, 2018)

3. **Photos** The Primary Photo of an improved property (which must be the exterior shot of the primary improvement) shall be in the MLS database within 7 days of the listing date or the MLS will take the photo and charge the Listing Agent the MLS's cost plus \$25.00. There shall be a fine of \$25.00 plus \$10.00 a day for each day an improved listing does not have a primary photo with an exterior shot of the primary improvement.
- 3a. **Closed Listing Photo Policy** All closed listings must have a minimum of 6 photos, 2 of said photos must be of the exterior. One of the front of the home and one of the rear of the home. 4 interior photos are required. One of the Kitchen, one of the Living room, one of the Main Bathroom, the fourth photo may be of any other room. It may not however be one of the rooms previously listed. Required photos must be entered into the MLS prior to the status of the property being changed to sold. Failure to adhere to this policy will result in a fine of \$25.00 plus \$10.00 a day for each day the photos aren't uploaded into the MLS system. (March 20, 2018)
- 3b. **Vacant Land Photos** The Primary Photo of an unimproved property (which must be the road frontage shot of the unimproved property) shall be in the MLS database within 7 days of the listing date or the MLS will take the photo and charge the Listing Agent the MLS's cost plus \$25.00. There shall be a fine of \$25.00 plus \$10.00 a day for each day an unimproved listing does not have a primary photo. (March 20, 2018)
4. **Contact Information on Listing** Listing agents cannot put their name, telephone number, email address, website address or their office's email address or website address in the "Marketing Remarks" of the listing information or any data field that appears on the MLS system client Report or the photos. Violators shall be subject to a \$25.00 per day fine from the time the listing was filed on the MLS computer system. (July 1, 1998) (March 18, 2003) (May 23, 2006) (July 25, 2006)
5. **Waterfront** If the Waterfront "Yes/No" field is marked "Yes" on a listing and entered into the MLS when the property is not waterfront, (i.e. on the water) a fine of \$25.00. (Sept. 26, 2000)

The MLS definition of Waterfront:

- 1). Waterfront "Yes" is used for any property that abuts a body of water.
  - 2). For an Association that has water frontage, the homes and condominiums & cooperative units that abut the Association's beach can be Waterfront "Yes" and all others in the Association shall be Waterfront "No" and Water Access "Yes".
  - 3). The following two (2) situations shall use only Water Access "Yes" and **not** Waterfront "Yes":
    - a). the property has a street/road and a public access between the property and the water.
    - b). the property has a public access between the property and the water.
6. **Listing Status Change** For failure of the listing office to report to the MLS within 24 hours (excluding weekends or holidays) any of the following status changes a fine of \$50.00 plus \$10.00 per day for each day the status was late being changed up to a maximum of \$250.00. (May 28, 2002)

After obtaining the signatures of both Buyer(s) and the Seller(s) on the Buy and Sell Agreement, the status of the listing shall be changed from Active (A) to Active Contingent (AC), Active Backup Offer (AB), or Pending (P) unless the third box in paragraph 6 of the Buy & Sell Agreement is checked, then it remains Active.

- a). **AC** - Active Contingency status should be selected if your Buy and Sell Agreement contains a contingency clause allowing the Seller to remove the offer within a limited amount of time after accepting a second offer. (i.e. 24 hour, 48 hour, or 72 hour contingency clause) This status is included in all searches for active listings, unless the user excludes it from their search.
- b). **AB** - Active Backup status should be selected if the Seller desires backup offers and the contingencies in the offer that are of concern should be identified in the Sales Contingency line. (such as: Inspections, Financing, etc.) This status is included in all searches for active listings, unless a user excludes it from their search.
- c). **P** - Pending status should be selected if the Seller does not want the property to remain on the market for Backup Offers. This listing will remain pending until the status is changed to either an “S” for sold or “A” for active – back on the market.

**The following is an excerpt of Paragraph #6 of the Buy and Sell Agreement with the policy of the MLS and the changing of a listing’s status.**

Is not contingent upon the sale or closing of any other property by Buyer.

Is contingent upon the closing of a pending sale of Buyer’s property located at \_\_\_\_\_ on or before \_\_\_\_\_.

A copy of the Buyer’s agreement to sell that property is being delivered to the Seller along with this offer.

Is contingent upon the execution of a binding agreement and the closing of a sale of Buyer’s property located at \_\_\_\_\_ on or before \_\_\_\_\_. Seller will have the right to continue to market Seller’s property until Buyer enters into a binding agreement to sell Buyer’s property and delivers a copy thereof to Seller. Said agreement cannot be subject to the sale of another property, but can be subject to a pending sale. During such marketing period, Seller may enter into a binding agreement with another Buyer on such price and terms as the Seller deems appropriate, and in such event, this agreement will automatically terminate and Buyer’s earnest money deposit will be promptly refunded.

Is contingent on the terms of the attached Contingency Clause Addendum.

a). if the first box is checked, the agent will have a choice of either “Active/Back-up” (AB) status or “Pending” (P);

b). if the second box is checked, the agent would have the choice of “Active/Back-up” (AB) or “Pending” (P);

c). if the third box is checked, the agent can leave this listing in an “Active” (A) status.

d). if the last box is checked, then the agent would need to put the listing into an “Active/Contingent” (AC) status. (September 25, 2001)

7. **Tax Information** The following fields are required in the MLS system: Taxable Value, State Equalized Value, For Tax Year. A \$25.00 fine for not completing these required fields to become effective January 1, 2012. (November 29, 2011)
8. **Distribution of MLS Reports** Members **cannot** distribute to their customers or clients the MichRIC Agent Report or the Agent Detail Report for any MichRIC listing, except for their own office's listings. Violations of this policy may result in the assessment of a fine of \$100.00 for the first violation, \$250.00 for the second violation and \$500.00 for all subsequent violations. (May 25, 2010)
9. **Sold Listings** The Listing Broker shall report to the MLS the sales price, terms and any seller's concession (s) for any property listed in the MLS within 72 hours of the closing date (excluding weekends and holidays). A violation of this rule will result in a fine of \$50.00 plus \$10.00 per day for each day that the required closed sales information is not entered into the MLS, up to a maximum of \$250.00. (May 27, 2008)
10. **Cancelling a Listing** The listing office will not be allowed to cancel a listing to circumvent reporting the sale price. A violation of this policy will result in a \$250.00 fine (July 26, 2011)
11. **MLS Passwords** Providing a MLS password to an unauthorized recipient is a serious violation of the MLS Rules and Regulations punishable by a fine of \$5,000.00 for each such violation.
12. **Statistical Information** Violation of Article 13 – Section 13 allows a Member 72 hours to correct the situation. After the 72 hour period, if not corrected, a twenty-five dollar (\$25.00) per day fine would be levied up to a maximum of five hundred dollars (\$500.00) becoming effective on September 1, 2009. (July 28, 2009)

**Article 13 - Section 13:** Use of information from the MLS compilation of current listing information, from the Association's "Statistical Report," or from any "sold" or "comparable" report of the Association or MLS for public mass-media advertising by an MLS Participant or in other public representations may not be prohibited.

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 Southwestern Michigan Association of REALTORS (alternatively, from the MLS of Southwestern Michigan) for the period (date) through (date)."



## LISTINGS

1. For the process of certifying an office exclusive listing, the MLS shall accept either a separate attached letter signed by the seller or a statement in the listing contract itself that the seller does not desire to have the listing disseminated through the MLS.
2. The MLS shall send a letter to all the Principal Brokers who have a % of office exclusive confidential listings to the total number of their office listings that is above the average of the MLS specifying that the REIS Directors are reviewing this on a quarterly basis and that their office is above the average for the MLS.
3. The REIS will provide statistical information on solds to Affiliate Members at no charge.
4. Staff shall monitor all listings of Mobile Homes in a park to insure that the listing office is licensed with the State of Michigan. If the listing office is not licensed, then staff will remove the listing from the system and notify the listing broker of the action taken and why.
5. The MLS requires information in the showing instructions or remarks if cooperating brokers or agents need to deal directly with the seller for all negotiations as the result of the agreement the listing broker has with the seller.
6. The Listing Change Form is not required to be filed with the MLS Office except under one of the following situations: 1) an expired listing needs to be reactivated by the MLS Office, or 2) the MLS Office submits to the listing office a request for the Listing Change Form on a specific listing. (September 26, 2000)
7. The MLS will not require the filing of the Listing Contract except under the following situations; 1) the listing is an office exclusive and must be filed within forty-eight (48) hours after all signatures on the contract are obtained, or 2) the MLS Office submits in writing to the listing office a request for a copy of the listing contract for a specific listing. It should be noted that the Committee is intending to have the MLS Staff on a weekly basis, randomly select listings to verify that they were entered into the MLS computer system with the forty-eight (48) hours required by the MLS Rules and Regulations. If a requested listing agreement isn't sent to the MLS office within 3 business days after being requested in writing or via email then a \$100.00 fine will be imposed and the listing will be removed from the MLS. (September 26, 2000) (Amended May 29, 2018)
8. Approved all listings and all statuses in Area S, Sub Area S23- Galien School District be placed in the appropriate school district either S22- Buchanan or S02 River Valley in accordance with the school district map provided by the Berrien County Intermediate School District Office showing Gardner Rd as the north-south dividing line between the school districts. (September 22, 2015)
9. The MLS shall accept listings for Cooperative Housing Associations which are being resold. A Real Estate Licensee can sell a cooperative that is a resale with their real estate license. The first time sale of a cooperative would require a security license

and/or special registration letter from the Department of Commerce.

10. Listings submitted to the MLS must be placed in only one area according to either the municipality or the school district where the property is located depending on how the area is defined.
11. When a property is located in two different school districts, the property can be filed in the MLS in areas that apply to the school districts and so noted in the remarks section.
12. Approved Legal Counsel's recommendation to only accept an extension of a listing that is signed within 15 days of the expiration date of the listing. (September 23, 2014)
13. MLS Policies for Auction Properties. (June 3, 2014)

The Listing Price for properties for auction shall be zero (0).

Any registration requirements for either the agent or the Buyer or both and any Buyer's premium shall be disclosed in the Agent remarks field on the listing.

If a property is being marketed for sale with an established list price before it goes to auction, the listing would be filed with the system using the normal process. Once the property goes to "auction only", the listing price needs to be changed to zero (0) and the required Auction items on the system completed. If there is no compensation offered to either a subagent, buyer's agent or transaction coordinator then the listing needs to be withdrawn or cancelled from the system

The MLS will not allow duplicate listings in the system for the following situation: one listing being for auction only and the other listing being for sale with an established list price. The listing in the MLS is either for auction or it is for sale, but it cannot be both at the same time.

The Sales Price reported to the MLS for auction property listings shall be the gross selling price, which is the winning bid plus any Buyer's premium.

14. If a listing is entered in the MLS and is sold, the sales price and terms of the sale shall be reported to the MLS. The listing office will not be allowed to cancel a listing to circumvent reporting the sale price of the listing. (July 26, 2011)
15. For proposed condominium projects that the MLS restrict the number of listings in the MLS to 10% of the total units in the project or 5 units whichever is greater. (March 29, 2011)
16. Approved that the MLS requires a Broker's Closing Statement for at least one side of the transaction for any comparable only sale filed with the MLS. (January 26, 2016)
17. Approved that if a listing is put into the MLS as a sale for production credit only, that the listing shall contain at least all the required fields and photos of a normal listing. (June 2, 2015)

## **MEMBERSHIP**

1. If a Branch Office of an MLS Participant is unlicensed for less than six months and then reactivates their license, the MLS will charge 50% of the current Branch Office application fee. If the Branch Office is unlicensed beyond the six month time period, then the MLS Participant will pay the entire Branch Office application fee.
2. When it is brought to the MLS's attention that a Broker has a licensee working for them and they have not been reported to the MLS, the MLS shall determine when that salesperson was licensed with their broker and then send a letter and a bill to the Participant in the MLS for that licensee.

## **MICHIGAN REGIONAL INFORMATION CENTER, LLC (MichRIC)**

A Resolution whereby the Real Estate Information System of Southwestern Michigan and its MLS would offer cooperation and compensation to all MLS Participants in the Member Association's MLS's in SWMRIC(MichRIC). (January 28, 1997)

### **Resolution**

Whereas, the Real Estate Information System of Southwestern Michigan, Inc. and its MLS is a Member of the Southwestern Michigan Regional Information Center, L.L.C., whose purpose is to provide a computerized database of real estate information and associated computer software programs to the members of the Member Associations;

Whereas, there is currently no offer of cooperation and compensation from the Real Estate Information System of Southwestern Michigan, Inc. MLS's Participants to the MLS Participants from the Southwestern Michigan Regional Information Center's Member Association's MLSs;

Be it resolved on this 28<sup>th</sup> day of January, 1997 that any listing filed with the Real Estate Information System of Southwestern Michigan, Inc.'s MLS on the Southwestern Michigan Regional Information Center database shall be construed, by placement on same, to offer cooperation and compensation to all other MLS Participants from the MLS's whose Associations are Members of the Southwestern Michigan Regional Information Center.

The above resolution was approved by action of the Board of Directors of the Real Estate Information System of the Southwestern Michigan, Inc. on January 28, 1997.

MichRIC – REIS approved the following policy for the appointment of the MichRIC Managers: The two (2) MichRIC Managers and one (1) alternate Manager shall consist of two (2) REALTOR Members and the Chief Staff Executive. The two (2) REALTOR Members shall be appointed for staggered two (2) year terms with no limitation on the number of terms served. The Officers of the REIS of Southwestern Michigan, Inc. shall appoint a REALTOR Member as a MichRIC Manager with the approval of the Board of Directors at their November Board of Directors meeting. The Officers shall also recommend for the Board of Directors approval who is the MichRIC Manager and who is the alternate MichRIC Manager. (September 24, 2013)

Allow access to the RPR database by the other SWMRIC(MichRIC) Member Associations who allow us to access their database on RPR. (March 29, 2011)

MichRIC - Approved David Springsteen as the Alternate MichRIC Manager for 2016 and MichRIC Manager for 2017. (December 1, 2015)

Appointed Chris Marzke as the SWMRIC(MichRIC) Manager as the Alternate for 2015 and primary in 2016. (November 28, 2016)

Appointed Carol Wight as the MichRIC Manager for 2017 and 2018 and Phil Amodeo as the Alternate for 2017 (November 29, 2016).

Appointed George Lucas as the Alternate MichRIC Manager for 2017 or until a new Association Executive has started to work. (March 28, 2017).

Appointed Alan Jeffries, AE as a MichRIC Manager to fill David Springsteen's expired seat and appointed George Lucas as an Alternate MichRIC Manager. Both for 2 year terms – 2018 & 2019 (November 28, 2017).

## MLS Computer System

1. There will be no advertising of personal property in the message system on the MLS Computer System.
2. The MLS defines the listing statuses as follows:
  - A -** Active Listing - no buy and sell agreement signed by all parties. In regards to paragraph #6 of the Buy and Sell Agreement, if the third box is checked the status can remain Active. (Sept. 25, 2001)
  - AB -** Listing has a buy and sell agreement signed by all parties and the seller still desires the property to be on the market for backup offers. In regards to paragraph #6 of the Buy and Sell Agreement, if the first or second box is checked, the agent can select this status. (Sept. 25, 2001)
  - AC -** Listing has a uniform buy and sell agreement signed by all parties with a contingency clause that allows the seller to remove the agreement within a specified period of time (usually 24, 48 or 72 hours) and the listing is on the market for backup offers. In regards to paragraph #6 of the Buy and Sell Agreement, if the fourth box is checked, the agent would need to select this status. (Sept. 25, 2001)
  - P -** Listing has a buy and sell agreement signed by all parties and the property is not currently on the market for back up offers. In regards to paragraph #6 of the Buy and Sell Agreement, if the first or second box is checked, the agent can select this status. (Sept. 25, 2001)
  - W -** Listing is off the market by authorization of the seller. The listing broker's contract is still in force through the expiration date of the listing and cannot be solicited.
  - C -** The listing contract has been canceled by mutual consent and can be solicited.
  - S -** Listing is closed and now a comparable.
  - X -** Listing is expired.

The MLS Rules and Regulations state that once a Buy & Sell Agreement is signed by all parties, the listing broker is responsible for reporting this fact to the MLS within 24 hours.

3. The MLS definition of Waterfront:
  - 1). Waterfront “Yes” is used for any property that abuts a body of water.
  - 2). For an Association that has water frontage, the homes and condominiums & cooperative units that abut the Association’s beach can be Waterfront “Yes” and all others in the Association shall be Waterfront “No” and Water Access “Yes”.
  - 3). The following two (2) situations shall use only Water Access “Yes” and **not** Waterfront “Yes”:
    - a). the property has a street/road and a public access between the property and the water.
    - b). the property has a public access between the property and the water.
4. The MLS definition of Water Access shall be the property has deeded beach/waterfront rights.
5. Approved changing the monthly statistical reports to use the status change date for 2015 and forward instead of the Closed Sale Date. (November 28, 2014)
6. Approved to require on Multi Family Unit Management the following fields: Bedrooms, Baths, Rent, Unit Square Footage and what tenant pays for. (June 3, 2014)
7. Approved that only unbranded virtual media can be in slots 1 and 2 on Rapattoni and unbranded means the virtual media cannot contain any contact information or identifying information for the listing office or listing agent. (November 19, 2013)
8. Made the following fields on the MLS System required: Taxable Value, SEV and For Tax Year on all new listings on or after October 15<sup>th</sup>, 2011. (September 27, 2011)
9. Status Change - a listing that has been leased with an option to buy should be changed the “Withdrawn” (W) status. (May 25, 2010)
10. MichRIC Agent Reports - Members cannot distribute to customers or clients the MichRIC Agent Report or the Agent Detail Report for any MichRIC listing except for their own office’s listings. (May 25, 2010)
11. The Active Listing status on the MLS denotes that the listing is available to be shown. (January 26, 2010)
12. Marketing Remarks - Allow in the “Marketing Remarks” the term “Open House” and the date and time of the Open House. (June 2, 2009)
13. The MLS prohibits the term “Do Not Solicit” in any field on a listing unless the MLS prior to its expiration receives a Listing Change Form signed by the seller stating the seller does not want to be solicited. The Committee is noting for the Board of Directors that even with a “Do Not Solicit” authorized by the seller on the listing that the listing office cannot guarantee that the seller will not be contacted and the MLS cannot enforce a seller’s request not to be solicited. (June 2, 2009)
14. That “daylight” window be defined as any window larger than the normal non- egress basement window. (January 27, 2009)

**MLS Rules for Duplicate Listings**  
**Effective May 27, 2008**  
**Amended June 3, 2014**

A property listing can be filed in the MLS only once, unless the property listing satisfies one of the following exceptions:

1. The property listing is a residential property and is capable of being split. This property listing can be entered into the Residential Property Type twice, once with the house and the entire parcel and also with the house and the proposed split with the remaining vacant land being entered in the Vacant Land Property Type.
2. The property listing is available both as Proposed Construction and as vacant land only. (June 3, 2014).
3. The property listing could be used as either Residential or Multiple Family based on the property's zoning. This situation allows entering the property listing twice, once in the Residential Property Type and again in the Multiple Family Property Type.
4. The property listing could be used as either Residential or Commercial based on the property's zoning. The situation allows entering the Property listing twice, once in the Residential Property Type and again in the Commercial Sale Property Type.
5. The property listing is commercial and is available for both sale and/or lease. This situation allows entering the property twice, once in the Commercial Sale Property Type and again in the Commercial Lease Property Type.
6. The property listing is Vacant Land and is capable of being split into more than one parcel. This situation allows for entering the entire parcel and/or entering the possible splits that can not exceed the total parcel size in the Vacant Land Property Type.
7. The property listing is Commercial and the owner is listing adjoining parcels each containing an improvement. This situation allows entering both adjoining parcels as separate listings as well as a listing combining the two parcels.
8. The property listing is Multiple Family and the owner is listing adjoining parcels each containing an improvement. This situation allows entering both adjoining parcels as separate listings as well as a listing combining the two parcels.

**When a property listing is entered into the MLS under one of the above exceptions, the following procedures shall be followed:**

1. In the street number – modifier field use a letter designation in the modifier to identify the different listings starting with “A” for the first listing “B” for the second listing, etc.
2. Cross reference the listings by using the MLS number and placing verbiage in the Marketing Remarks field similar to the following: “This listing is also in the MLS under MLS #.”



3. The status on all listings in the MLS entered under these exceptions shall be changed within 24 hours (not including Saturdays, Sundays & holidays) of the Buy and Sell Agreement being signed by all parties to form a contract.
4. When the property listing is closed the listing office shall report the sale in the MLS by closing the listing that best reflects the use that was purchased and cancelling all of the other listings in the MLS that were entered under this exception. The listing that is closed shall have the modifier removed from the street number – modifier field.

## PHOTOGRAPHY

1. Approved for vacant land property type to require that the Primary photo be from the road of the property frontage. (June 2, 2015) (Amended March 20, 2018)
2. Approved requiring a photo in the MLS within 7 days of the listing date or the MLS will take the photo and charge the listing agent the MLS's cost plus \$25.00. (March 27, 2012)
3. Approved establishing a fine of \$25.00 plus \$10.00 a day for each day an improved listing does not have a primary photo with an exterior shot of the primary improvement. (March 27, 2012)
- 3a. Approved establishing a fine of \$25.00 plus \$10.00 a day for each day an unimproved listing does not have a primary photo with a photo from the road of the property. (March 20, 2018)
4. Approved that the primary photo in the MLS be the exterior of the improvement on the property effective immediately for all new listings and all active listings needing to comply by January 1, 2012. (November 29, 2011)
5. For New or Proposed Construction listings any photo attached to the listing shall be a photo of the actual property, a rendering or an artist sketch. (May 24, 2011)
6. Approved that if a listing is put into the MLS as a sale for production credit only, that the listing shall contain at least all the required fields and photos of a normal listing. (June 2, 2015)
- 6a. Approved Any closed listing must have a minimum of 6 photos, 2 of said photos must be of the exterior. One of the front of the home and one of the rear of the home. 4 interior photos are required. One of the Kitchen, one of the Living room, one of the Main Bathroom, the fourth photo may be of any other room. It may not however be one of the rooms previously listed. Required photos must be entered into the MLS prior to the status of the property being changed to sold. Failure to adhere to this policy will result in a fine of \$25.00 plus \$10.00 a day for each day the photos aren't uploaded into the MLS system. (March 20, 2018)

## RECORDS RETENTION POLICY

### REAL ESTATE INFORMATION SYSTEM OF SOUTHWESTERN MICHIGAN, INC. Approved December 1, 2015

| TYPE OF RECORD  | RETENTION PERIOD (YEARS)  |
|---|---------------------------|
| <b><u>Accounting &amp; Fiscal</u></b>                   |                           |
| Accounts Payable Invoices                               | 7                         |
| Accounts Payable Ledger                                 | 7                         |
| Accounts Receivable Invoices & Ledgers                  | 7                         |
| Authorizations for Accounting                           | Dispose when superseded   |
| Balance Sheets  | Permanent                 |
| Bank Deposits   | 4                         |
| Bank Reconciliations                                    | 3                         |
| Bank Statements   | 3                         |
| Budgets   | 4                         |
| Capital Asset Record                                    | When disposed of          |
| Cash Receipt Records                                    | 4                         |
| Check Register  | 4                         |
| Checks, Payroll   | 4                         |
| Entertainment Gifts & Gratuities                        | 7                         |
| Expense Reports   | 7                         |
| Financial Statements, Certified                         | Permanent                 |
| Financial Statements, Periodic                          | 4                         |
| General Ledger Records                                  | Permanent                 |
| Note Register   | Permanent                 |
| Payroll Register  | 7                         |
| Petty Cash Records                                      | 3                         |
| P & L Statements  | Permanent                 |
| <b><u>Administrative Records</u></b>                    |                           |
| Audit Reports   | Permanent                 |
| Classified Documents: Inventories,<br>Reports, Receipts | 7                         |
| Correspondence, Executive                               | Permanent                 |
| Correspondence, General                                 | 3                         |
| Directives from Officers                                | Permanent                 |
| Forms Used, File Copies                                 | Permanent                 |
| Systems and Procedures Records                          | Permanent                 |
| Extension Forms   | 2 Years                   |
| Confidential Listings                                   | 6 Months After Expiration |

## **Corporate**

|                                  |                          |
|----------------------------------|--------------------------|
| Annual Reports                   | Permanent                |
| Capital Stock Ledger             | Permanent                |
| Charters, Constitutions, Bylaws  | Permanent                |
| Contracts – when expired         | 7 years after expiration |
| Corporate Election Records       | Permanent                |
| Incorporation Records            | Permanent                |
| Licenses - Federal, State, Local | Dispose when Superseded  |
| Stock Transfer & Stockholder     | Permanent                |

## **Legal**

|   |                         |
|---|-------------------------|
| Claims and Litigation Concerning<br>Torts and Breach of Contracts | Permanent               |
| Law Records - Federal, State, Local                               | Dispose When Superseded |
| Trademark & Copyrights  | Permanent               |
| Membership Records  | Permanent               |

## **Office Supplies & Services**

|                          |                     |
|--------------------------|---------------------|
| Inventories              | 7                   |
| Office Equipment Records | 4 After Fiscal Year |

## **Personnel**

|  |                      |
|--|----------------------|
| Accident Reports, Injury Claims, Settlements | Permanent            |
| Applications, Changes & Terminations         | 5                    |
| Attendance Records                           | 7                    |
| Employee Activity Files                      | 2/or When Superseded |
| Employee Contracts                           | 6 After Termination  |
| Fidelity Bonds                               | 3 After Termination  |
| Garnishments                                 | 7                    |
| Insurance Records, Employees                 | 7 After Termination  |
| Job Descriptions                             | Permanent            |
| Time Cards                                   | 7                    |
| Training Manuals                             | Permanent            |

## **Plant & Property Records**

|                                       |           |
|---------------------------------------|-----------|
| Depreciation Schedules                | Permanent |
| Inventory Records                     | Permanent |
| Maintenance & Repair, Building        | 4         |
| Maintenance & Repair, Machinery       | 4         |
| Property Deeds                        | Permanent |
| Purchase or Lease Records of Building | Permanent |

## **Taxation**

|                                  |           |
|----------------------------------|-----------|
| Annuity or Deferred Payment Plan | Permanent |
| Depreciation Schedules           | Permanent |
| Employee Withholding             | 7         |
| Excise Exemption Certificates    | 7         |
| Inventory Reports                | Permanent |
| Tax Bills and Statements         | Permanent |
| Tax Returns                      | Permanent |

## **SQUARE FOOTAGE MEASUREMENT STANDARDS**

The REIS approved the Square Footage Measurement Standards. See **Exhibit “C”**.

## TRAVEL

1. **Chief Staff Executive Travel** - The Chief Staff Executive and spouse/companion will be reimbursed for all direct costs of registration, travel, food, and lodging while attending all MAR Meetings and the NAR Mid-Winter, Mid-Year, Annual Convention, and the Executive Officers Seminar Meetings. Round trip mileage to the meeting site, if an automobile is used, will be reimbursed at the current rate allowed by the Internal Revenue Service for mileage expense deduction. This reimbursement will be divided equally between the Association and the MLS.
  
2. **President/President-Elect/Treasurer Travel:** The President and President-Elect and spouse/companion will be reimbursed for all direct costs of registration, travel, food, and lodging while attending the MAR Meetings and the NAR Mid-Year meeting. The President-Elect and Treasurer and their spouse/companion will be reimbursed for all direct costs of registration, travel, food, and lodging while attending the NAR Annual Convention. The Treasurer and spouse/companion will be reimbursed for all direct costs of registration, travel, food, and lodging while attending the MAR Leadership Conference. Round trip mileage to the meeting site, if an automobile is used, or to the airport will be reimbursed at the current rate allowed by the Internal Revenue Service for mileage expense deduction. This reimbursement will be divided equally between the Association and the MLS. (June 2, 2009)

Travel Policy (January 22, 2013)

### MAR and NAR Committee Members

The Southwestern Michigan Association of REALTORS and the Real Estate Information System of Southwestern Michigan will share equally in the expenses generated by this policy.

**MAR Committee Members** – Any local Association Member who is serving on an MAR Committee, Task Force or the Commercial/Industrial Group shall be reimbursed their round trip mileage for their scheduled meetings at the current rate allowed by the Internal Revenue Service for mileage expense deduction. If they are required to attend a meeting that requires a registration fee, such as the MAR State Convention or Leadership Conference, they shall be reimbursed the meeting registration fee.

Any Member who receives reimbursement under this policy shall provide a written report of their meeting with their expense report. The written report can be a summary of the meeting or a copy of the meeting minutes. The report will be distributed to the Board of Directors.

**NAR Committee Members** – Any local Association Member who serves on an NAR Committee shall be reimbursed their actual expenses for travel, food and lodging while attending their NAR Committee meeting up to \$1,500. per meeting. They will also be reimbursed for the registration fee for the NAR Annual Convention. There is a fiscal year maximum of \$3,000. plus the registration fee for the NAR Annual Convention for each NAR Committee Member attending the NAR Midyear and NAR Annual Convention meetings.

The Michigan Association of REALTORS also reimburses NAR Committee Members endorsed by MAR up to \$575.00 per meeting for covered expenses. Any local Member

requesting reimbursement of expenses as an NAR Committee Member shall first submit their expenses to MAR for MAR's reimbursement with the balance of their reimbursable expenses submitted to the local Association for reimbursement under this policy. This policy shall cover up to three (3) NAR Committee Members. If the number of NAR Committee Members goes above three (3), the Board of Directors will be required to review this policy.



**REIS Whistleblower Policy**  
**Approved January 26, 2010**

A whistleblower is an employee of the Real Estate Information System of Southwestern Michigan, Inc. (REIS) who reports information that he/she has reasonable cause to believe discloses a violation of state or federal law to one or more of the parties specified in this Policy.

If an employee has information which he/she reasonably believes discloses a violation of state or federal law, the employee should contact the Chief Staff Executive of the REIS. If the Chief Staff Executive is the subject of the violation, then the employee should contact the REIS President. Employees are also permitted to contact the appropriate law enforcement or government agency. The employee must exercise sound judgment to avoid baseless allegations. An employee who intentionally files a false report of wrongdoing will be subject to discipline up to and including termination.

Insofar as possible, the confidentiality of the whistleblower will be maintained. However, identity may have to be disclosed to conduct a thorough investigation, to comply with the law or to provide accused individuals their legal rights of defense. REIS will not retaliate against a whistleblower or any employee who refuses to participate in an activity that would result in a violation of state or federal law. This includes, but is not limited to, protection from retaliation in the form of an adverse employment action such as termination, compensation decreases, or poor work assignments and threats of physical harm. Any employee who believes he/she is being retaliated against must contact the Chief Staff Executive of the REIS. The right of a whistleblower for protection against retaliation does not include immunity for any personal wrongdoing that is alleged and investigated, or disclosures that would constitute a violation of the attorney-client privilege.

The Chief Staff Executive, President and President-Elect shall have the discretion to consult with Legal Counsel on any matter involving this Policy.

At no time should an employee contact an REIS member with information that he/she has reasonable cause to believe discloses a violation of state or federal law to one or more parties specified in this Policy.

**REIS Conflict of Interest Policy**  
**Approved January 26, 2010**

A member of any of the Real Estate Information System of Southwestern Michigan, Inc. (REIS) decision making bodies will be considered to have a conflict of interest whenever that member:

1. Is a principal, partner or corporate officer of a business providing products or services to REIS or in a business being considered as a provider of products or services ("Business"); or
2. Holds a seat on the board of directors of the Business unless the person's only relationship to the Business is service on such board of directors as REIS's representative; or
3. Holds an ownership interest of more than 1 percent of the Business.

Members with a conflict of interest must immediately disclose their interest at the outset of any discussions by a decision making body pertaining to the Business or any of its products or services. Such members may not participate in the discussion relating to that Business other than to respond to questions asked of them by other members of the body. Furthermore, no member with a conflict of interest may vote on any matter in which the member has a conflict of interest, including votes to block or alter the actions of the body in order to benefit the Business in which they have an interest.

**Southwest Michigan Association of REALTORS®**  
**Strategic Intent Driven Business Plan**  
**2022 - 2024**  
**Adopted December 7, 2021**

**Likely real estate industry and market environment in 2022-2024:**

The findings and strategic intents expressed within this plan are based in part upon the Association's belief that by 2024 the following industry/market transitions will have substantially occurred. Association/MLS fee unbundling, and service reconfiguration will still be occurring.

- Portals will continue to grow in popularity with consumers for information, education, and entertainment. They will significantly redefine the consumer's real estate experience and a majority of consumers start their real estate search on Portals.
- The Portals and new start-ups will offer most of the same services that a traditional brokerage and agent provide through alliances and partnerships with service providers. They represent the primary marketing database with listings and a lot of additional content desired by consumers and REALTORS®.
- Portals will offer services including property valuations (automated and human-driven), home showings, inspections, appraisals, standard forms, e-signatures, facilitating offers and negotiating, title work, legal and closing services. Portals will increase their percentage of the business currently provided by REALTORS® and other licensed professions.
- The number of REALTOR® Associations will decrease from 2022-2024 and the rate of pace will speed up. A 7% reduction in 2022 and higher percentages will ensue in the following years.
- MLS Consolidation will also pick-up. However, MichRIC and other regionals will be less impacted by the demands of the brokers to offer real estate information across a broader market area. MichRIC will need to adapt and grow, but it is further ahead than most MLS's. There are 556 MLSs in the U.S. as of October 2020. Approximately 108 are regional MLS's.
- REALTOR® members will expect more value for their due's dollars from the local, state and NAR.
- It is relatively easy to obtain a real estate license in Michigan and enter the business.
- Consumer demands and expectations will continue to increase at a measurable rate. The number of part-time agents will increase over the next 3

years.

- “Off MLS” Marketing practices will have fundamentally impacted the MLS value proposition in hot markets and large cities. This will necessitate policy changes. Progressive MLSs will adapt and accept “Coming Soon” listings and other means of working with the marketplace, rather than fighting it.
- The Consumer Financial Protection Bureau or some other combination of government entities will increase the new levels of regulation impacting real estate transactions.
- NAR will continue to raise the bar on professionalism, compliance, and excellence. The results will be modest and insignificant to changing public perception.

**The leadership and staff of SWMAR will:**

- Require and demand accelerated learning at all levels of the organization.
- Require that it establish and attain high-reaching and challenging goals.
- Sustain a burning desire to succeed among the association’s leadership and staff both now and over the next several years. Training will become mandatory in order to adapt to the changes in the industry.
- Maintain an environment of constant leadership growth and improvements, expected from every director, committee chair and staff members. A leadership training course will be needed to keep new leaders coming up through the ranks.

**SWMAR Competitors:** The leadership does not see other local REALTOR® associations as threats or competitors. The Shareholders in MichRIC are partner’s more than direct competitors. Other non-Shareholders in SWMAR’s market area (or the state for that matter) are not expected to significantly improve the services SWMAR members currently receive.

**Statement of Competitive Advantage:** SWMAR will distinguish itself by maintaining competitive advantages through:

1. Eagerness and willingness to grow and service other REALTORS® if neighboring associations fail to do so.
2. Educating and building support of the Members by adding a member portal that will allow for automatic payments of dues and fees.
3. Actively involved in MR and NAR committees with a least 6 members serving per year.
4. Become proactive on local and state political issues by being involved in local governmental issues.

**SWMAR Action Items:** SWMAR’s leadership has decided to focus on Six areas

including MLS, Member Services, the Brokerage Community, Consumers, Fair Housing, Diversity, Equity and Inclusion and actions that result in SWMAR continuing to be a Superior Association.

### **MLS**

Action item #1. Constantly monitor market conditions for potential changes and propose improvements, enhancements, and other changes to REIS and MichRIC. Take and maintain a significant and active role in MichRIC. MLS is a core service the members expect from SWMAR.

Action item #2. Encourage additional growth in MichRIC by supporting MichRIC's strategic plan.

Action item #3. Closely monitor RPR and other national initiatives. Keep an open mind and look for opportunities to support the ones that make it easier for brokers and agents to conduct business and make money.

Action item #4. Embrace having a program like REALIST for property tax information and look for other opportunities that may arise.

Action item #5. Review REIS's collection policies for nonpayment of subscriber fees and adjust as needed.

Action item #6. Work to have common MLS rules with surrounding Associations so that all members within the region have common MLS rules.

Action item #7. Get members to utilize the MLS for their client's best interest.

### **MEMBER SERVICES**

In 2022-2024 SWMAR member service program will be viewed as a primary source for business tools, industry information and advocacy.

Action item #1. Provide members with information on industry issues and trends.

Action item #2. Survey for Member's needs at least once per year.

Action item #3. Provide highly valued products and services (survey to confirm)

Action item #4. Leverage technology in delivering presentations.

Action item #5. Create an annual report of all the items provided for the members, products and services, value (what would it cost them if you didn't bundle it in your package)? "Brag Sheet" To be handed out at the Annual meeting.

Action item #6. Make Realtor Safety a priority with the membership.

**BROKERAGE COMMUNITY** In 2022-2024 SWMAR's relationship with its brokerage community will be built on mutual support and a collaborative effort.

Action item #1. Broker surveys at least annually to determine what the brokers want and how they feel about SWMAR.

Action item #2 Broker forums in each District. The Executive Vice President will spend time in the field meeting with brokers at their offices, broker meetings and other opportunities to be seen and to listen for suggestions.

Action item #3 Communicate the intentions of the Association/MLS and this plan. Invite suggestions and additions.

Action item #4 Continue to offer the brokers RealTrends and look for other information that is of high interest to the brokerage community. (Inman)

Action item #5 Ask about ways SWMAR can further improve its offerings.

Action item #6 Share the Associations Expectation of Brokers.

**CONSUMERS** In 2022-2024 SWMAR relationship with the consumer will be as the advocate for private property rights and the resource for local and accurate real property information.

Action item #1. Local monthly real estate market statistical articles published in 3 county area.

Action item #2 Encourage attendance at local government meetings.

Action item #3 Interview and endorse candidates for election.

Action item #4 Create a useful member only website for our members.

Action item #5 Communicate articles of interest to consumers "such as how to appeal your property taxes and other items regarding homeownership".

Action item #6 Continue community outreach through Placemaking Grants, Beach Cleanups and the Foster Children program. Encourage participation in other community outreach programs.

Action item #7 Continue institutional advertising promoting REALTORS® on all media.

Action item #8 Broadcast fresh new messaging about the benefits of using a REALTOR®.

Action item #9 Recognize member involvement in the community and local government.

Action item #10 Public Relations committee to hold a minimum of 8 events per year.

### **SUPERIOR ASSOCIATION**

In 2022-2024 SWMAR will be a superior association by virtue of its elected leadership being willing to grow and adapt to any changing business environment.

Action item #1. Communicate often with staff and members about your intentions, progress, and results. Do everything in our power to train, retain, and keep the staff we currently have.

Action item #2 The Board of Directors shall identify future leaders through the Committee structure and provide them mentoring opportunities through the existing leadership structure. (Either Committee Chair, Director or Officer as a mentor.)

Action item #3 Each Committee Chairman to personally ask one Member to participate in the organization through the Committee structure.

Action item #4 Review current standing committees. Does each have:

- Statement of purpose - current and accurate list of objectives
- Strong and passionate chair with good facilitation and leadership skills
- Do they deliver? Are the results tangible and measurable?
- Should any of the standing committees be merged or sunsetted?
- Membership Committee to be repurposed and the direction refocused on the providing a better membership experience.
- Establish a new Fair Housing and Diversity Committee to provide much needed training to our members and to the public.

Action item #5 Continue to Exceed NAR's Core Standards. Share the results with your members and prospective members.

Action item #6 Maintain practice of not increasing dues during hard times (economy, membership drops, etc.) by maintaining sufficient reserves of 7-12 months operating expenses.

Action item #7 Professional Standards committee will hold at least 2 trainings per year to review the COE's, professionalism and best practices.

Action item #8 Establish a Local Leadership Academy with the help of local leaders and the staff at Michigan Realtors.

### **Fair Housing, Diversity, Equity and Inclusion**

In 2022-2024 SWMAR will provide training to it members and to the public in Fair Housing, Diversity, and in Equity and Inclusion.

Action Item #1 Sponsor at least 2 Fair Housing Conferences and encourage members to attend the training.

Action Item #2 Hold at least 2 Diversity/Implicit Bias programs per year and encourage members to attend the training.

Action Item #3 Directors, chairpersons, vice chairpersons and staff will attend at least 1 training per year regarding Fair Housing, Diversity, Implicit Bias, and Equity and Inclusion.

Action Item #4 The Board of Directors will establish a Fair Housing Committee.

**Exhibit B**  
**Investment Guidelines for Investment Consultant**  
**July 24, 2007**  
**Amended March 29, 2011**

The intention of establishing guidelines for investments, which are mutually agreeable to the Investment Consultant, hereafter referred to as "Advisor" and to the Real Estate Information System of Southwestern Michigan, Inc., hereafter referred to as "Client", is to assure that all securities purchased for the Client meet fiduciary standards and that adequate diversification of investments is maintained. The Client has imposed certain investment restrictions, which, will not be changed without written notice from the Client.

**ASSET ALLOCATION TARGETS**

The following asset allocation targets will be accomplished by the Advisor for the purpose of diversifying the Client's investment account:

|                         |        |
|-------------------------|--------|
| Large Cap Equity        | 0-25%  |
| Mid Cap Equity          | 0-25%  |
| Small Cap Equity        | 0-25%  |
| Equity                  | 0-25%  |
| Fixed Income            | 0-35%  |
| Alternative Investments | 0-25%  |
| Private Equity          | 0-15%  |
| Cash/Cash Equivalents   | 0-100% |

**GENERAL INVESTMENT RESTRICTIONS**

While these restrictions remain in effect, the Advisor may **NOT**:

A. Hold more than 10% of the funds that can be invested under the Client's Investment Policy in cash for more than 10 business days without the EVP's and/or Officer's approval, excluding the funds needed for the ongoing operation of Client's business

B. Invest in "restricted securities", including fixed-income securities, preferred stock, common stock, or any common stock acquired upon conversion thereof. "Restricted securities" are securities, which have not been registered under the Securities Act of 1933 and as a result are subject to restrictions on resale. The Board may give the investment Advisor written permission to hold restricted securities in an individual portfolio. An



international portfolio may invest in the “restricted securities” as described in the Investment Guidelines, INTERNATIONAL EQUITY GUIDELINES Paragraph A.

C. Purchase securities on margin, or engage in the short selling of securities not owned.

D. Participate on a joint and several basis in any securities trading account.

E. Purchase securities of any company with a record of less than three (3) years continuous operation (including that of predecessors). "Predecessor firm" defined as a reorganization, a merger, a name change, a public offering, creation of a tracking stock, a spin-off of an internal function, separate operating division or separate holding company, where these developments result in a separately incorporated entity. A written exemption of this guideline may be granted upon request by the Advisor and approval by the Client.

F. Invest in companies for the purpose of exercising control or management.

G. Concentrate its investment in a particular industry in excess of 25% of the total value of each Sub-advisor’s individual or aggregate portfolio. If any Sub-advisor desires to violate the stated 25% maximum, the Advisor must have the approval of the Client.

H. Invest in real estate fee simple, but only through investment certificates or other financial instruments. Real estate shall not be held for the Client (through this Advisor) as freehold or leasehold. This policy statement does not exclude the authority of the Client to purchase real estate for office facilities to be used in administration, including land, equipment and office building(s), and providing that the foregoing shall not prevent the Advisor from purchasing or selling publicly-traded securities of issuers engaged in any aspect of the real estate business or marketable securities secured by real estate or interest therein which may include mortgage-backed securities.

I. Purchase or sell commodities, commodity contracts, mineral, oil, gas or other mineral explorations or developmental programs. However, the Advisor may purchase the securities of companies engaged in the exploration, development, production, refining, transportation and marketing of oil, gas or other minerals. Upon authorization from the Client, the Advisor may utilize financial futures, but only for purposes of bona fide hedging and in no event for the purpose of speculation.

J. Make loans of money or securities other than (a) through the purchase of securities in accordance with the investment objectives, (b) by lending portfolio securities under circumstances where the borrower of such securities provides cash or cash equivalents as collateral at all times in an amount at least equal to the value of the owned securities and the Advisor retains the right to obtain any dividends, interest or other distribution on the securities and any increase in their market value and reserves the right to terminate such arrangement at any time, and (c) by entering into repurchase agreements.

K. Be restricted in realizing net investment gain or losses during any period.

L. Purchase securities, which are denominated in currencies other than that of the United States dollar with the exception of the international (non-U.S.) and global portfolios.

## **SECURITIES TRANSACTIONS GUIDELINES**

When investment Advisors direct commissions on behalf of the Client, the direction will be contingent upon the institution being competitive in both price and execution for the specific transaction.

The Client or its employees will only use soft dollar commissions (soft dollars) on fixed income securities which are generated as a result of concessions on fixed price offerings made to brokers on new issues and passed along to the account in part or whole. Such soft dollar commissions may be used only for investment related services or products. Soft dollar usage by equity Advisors for the benefit of the manager or the Fund is strictly prohibited.

No portfolio manager is directed by the Client to trade with any particular brokerage firm. All relationships for commission recapture programs will be directly between the Client and brokerage firms on a contract basis. All commission recapture credits will be returned to the account and will be treated as an asset of the Client account.

## **STOCK AND EQUITY GUIDELINES**

Unless otherwise indicated, the percentage limitations referred to in the following restrictions will be based upon market values at the time of valuation. When the Advisor exceeds the thresholds described below, the Advisor must provide notification to the Client within 30 days, providing justification for continuing to hold the investment. The Advisor will further notify the Client quarterly or upon their request for current disposition.

Each portfolio manager of stocks or convertible securities will do the following with regard to their specific portfolio:

A. Not invest more than 5 percent, at cost, or 7 percent, at market, in the securities of any one issuer. Any deviation from this policy statement must have approval from the Client.

B. Not invest more than 5 percent of the voting securities or more than 5 percent of the securities of any class of any one issuer. The investment Advisor will advise the Client of any Securities Exchange Commission 13(d) filings of which a portion of the securities are owned by the Client.

C. Limit stock purchases and purchases of American Depository Receipts (ADR's) to those issues on which the Advisors' research or portfolio management personnel maintain current opinions. Purchases should be listed on a national exchange (to include NASDAQ). All ADR's will be registered under the Securities Exchange Act of 1934 and will make annual filings of financial statements in conformity with U.S. generally accepted accounting principles (GAAP) or with the local equivalent of GAAP. In the latter case, financial statements will be audited in accordance with U.S. standards and the reports containing footnotes reconciling items to GAAP. All ADR's will be sponsored

under a formal agreement with a U.S. depository. It is permissible for the international portfolio to invest in equity securities of non-U.S. issuers.

D. Not restrict investment decisions based upon dividends or earnings for individual securities beyond those implied by the overall emphasis on quality.

E. Convertible securities are an allowable investment for the Advisor should they request latitude to use convertibles. The Advisor must demonstrate to the Client that they have significant capabilities in the area and receive Client approval. Furthermore, convertible securities are restricted to the six highest classifications of Moody's and/or Standard & Poor's. The convertible portfolio may utilize 144-A convertible securities, euro convertible securities and B rated securities in proportions not to exceed those of the First Boston Convertibles Index. The Client expects that the Advisor of convertible securities will be sensitive to the risk of conversion privilege expiration. The Advisor will inform the Finance Committee of securities held which approach the expiration deadline with 90 days notice.

F. Not purchase securities, which are denominated in currencies other than that of the United States dollar with the exception of international (non-U.S.) and global portfolios.

## **FIXED INCOME GUIDELINES**

The following percentage limitations will be calculated based upon total fixed-income market value at the time of valuation. In addition, when the Advisor exceeds the below-described thresholds, then the Advisor must provide notification to the Client within 30 days, providing justification for continuing to hold the investment. The Advisor will further notify the Client quarterly or upon their request for current disposition.

Each manager of fixed-income securities will do the following with regard to their specific portfolio:

A. Not invest 25 percent or more of the value of the fixed-income portfolio in the securities of issuers principally engaged in the same industry. This restriction does not apply to obligations issued or guaranteed by the United States Government or other sovereign non-U.S. governments within those countries, which comprise the Salomon Non-U.S. World Government Bond Index, or their agencies or instrumentalities.

B. Not invest more than 5 percent in the securities of a single issuer, other than obligations of the United States Government or other sovereign non-U.S. governments within those countries, which comprise the Salomon Non-U.S. World Government Bond Index, or their agencies or instrumentalities.

C. Not own 5 percent or more of the outstanding securities of any issuer, not to exclude purchase of collateralized issues of relatively small size. The domestic investment Advisor will advise the Board of any Securities Exchange Commission 13(d) filings of which a portion of the securities are owned by the Fund.

D. Not invest in corporate bonds or debentures which at the time of purchase are rated below the highest four (4) classifications established by a rating service recognized by the Comptroller of the Currency. A written exemption to this restriction may be given to the Advisor by the Client. If granted, that exemption will not exceed 20% of individual Advisor holdings. If the security drops below the four (4) highest classifications, then the Advisor must provide notification to the Client within 30 days, providing justification for continuing to hold the security. The Advisor will further notify the Client quarterly, or upon their request, of current disposition.

E. Not purchase securities, which are denominated in currencies other than that of the United States Dollar. The Client may give a written exemption to this restriction to the Advisor. If granted, that exemption will not exceed 20% of individual Advisor holdings.

F. An Advisor granted an exemption to invest in non-U.S. Dollar securities may invest in currency management and derivative securities transactions to manage risk arising from exposure to changing currency fluctuations and to settle trade or repatriate proceeds to the U.S. Dollar.

G. Certain specific "Restricted Securities" may be used as an investment vehicle for fixed income Advisors subject to the Client's approval. These may include Trust Preferred Securities and 144a securities.

## **REAL ASSETS**

The Advisor may invest in real assets to generate a rate of return that exceeds the rate of inflation. Real assets offer diversification since they tend to perform better than traditional asset classes such as fixed income and equities during periods of high unexpected inflation. Most real assets are physical assets having intrinsic value and have potential to generate returns with some degree of correlation to inflation, though generally un-correlated to equity and fixed income markets, thereby serving as an inflation hedge. Real assets may be publicly traded in securities or futures markets, or accessed through private markets. Types of real assets may include TIPS (Treasury Inflation Protected Securities), commodities, REITs (Real Estate Investment Trusts), equities (natural resource and infrastructure), private real estate, timberland, farmland, infrastructure, equipment leasing, and oil and gas investments. Investments shall be in limited liability investment vehicles, such as limited partnerships, limited liability corporations, private REITs and other pooled investment vehicles including fund of funds. Investment shall be primarily equity oriented, but may also include debt instruments secured by real estate with equity like returns. Real asset investments shall be diversified by type and by geographic location, when applicable.

## **GLOBAL EQUITIES (excluding U.S. Equities)**

The Advisor may utilize International/Global equities. International/Global equities earn an equity risk premium and diversify the equity exposure within the investment portfolio. This asset class consists of marketable equity securities outside the U.S. This class shall be diversified geographically and may include emerging markets. Investments are to be primarily in developed market countries that are included in the Morgan Stanley

Capital International (MSCI) World ex-US Index. Currency hedging transactions should be allowable in so far as the transactions shall be for investment not speculative purposes, and intended only to protect expected earnings.

A. Not invest more than 5% of the portfolio, at cost, or 7%, at market in the securities of any one issuer. Any deviation from this policy statement must have approval from the Client, or

B. Not invest more than 5% of the outstanding equity of a single issuer.

C. Not concentrate more than 25% of the portfolio's total assets in one or more issuers having their principal business activities in a single industry, or

D. Not invest more than 30% of the portfolio's total assets in one or more issuers in a single country.

E. At least 80% of the international/global allocation will be invested in companies located in developed markets as determined by MSCI.

## **PRIVATE EQUITY**

Should the Advisor incorporate the use of private equity, it will be for the purpose of enhancing the investment portfolio return through long-term capital appreciation. This asset class utilizes private equity investments that are typically long duration investments with substantial illiquidity. The primary strategic role for private equity is to increase the expected investment return of an institutional investment fund. Private markets typically provide higher returns than traditional asset classes, such as stocks and bonds, due to the market inefficiencies and the premium paid for illiquidity. Investment shall be primarily equity oriented, but may also include debt instruments. The key factors to be considered in managing the risk and return characteristics of the private equity portfolio are partnership selection, diversification and illiquidity. Investments in private equity may be made through a fund of funds vehicle and will be diversified over time.

## **CASH EQUIVALENTS GUIDELINES**

So long as these restrictions remain in effect, all portfolios will:

A. Not purchase the securities of any issuer other than obligations issued or guaranteed as to principal and interest by the government of the United States, its agencies or instrumentalities, if, as a result:

1. More than 5 percent of the total assets of each portfolio would be invested in securities of such issuer.

2. More than 25 percent of each portfolio's total assets would be invested in the securities of issuers having their principal business activities in the same industry except for the financial services industry.

- B. Limit commercial paper investments to those rated A1 P1 by Standard & Poor's or Moody's Investor Service.
- C. So long as these restrictions remain in effect, all international non-U.S. and global funds may:
1. Invest in funds at banks and hold cash equivalents denominated in U.S. or foreign currencies, as time deposits in U.S. or foreign banks, obligations of foreign sovereignties or deposits in U.S. or foreign banks, obligations of foreign sovereignties, or Eurodollars, as long as they are denominated in currencies within those countries which comprise the Morgan Stanley Capital International Europe, Australasia and Far East (EAFE) Index plus Canada or the Salomon Non-U.S. World Bond Index or in the U.S. Dollar. Time deposits in U.S. or foreign banks will be limited to those institutions, which have a quality rating within the top three categories of Standard & Poor's and/or Moody's, and have a minimum of \$5 billion in assets.

## **PERFORMANCE**

To evaluate the progress of the portfolio, investment performance will be reviewed at least semi-annually by the Client's Finance Committee or more often at the discretion of the Finance Committee. The Board of Directors and Finance Committee shall receive the quarterly investment performance report from the Investment Consultant. Analysis of performance should always be within the context of the prevailing investment environment and the Advisors' particular investment style.

## **Multiple Listing System of Southwestern Michigan Residential Standard Measuring Guidelines**

### **Definitions:**

1). Fannie Mae defines Gross Living Area (GLA) as including only finished above-grade areas. The area of the dwelling is based on measuring the exterior using the exterior siding, not the foundation. Garages and basements, including finished walkout basements and the lower levels of bi-levels, tri-levels and quad-level **ARE NOT** to be included. A level is considered to be below grade if any portion of it is below grade.

\*NOTE: Areas not included in Gross Living Area (GLA) may add substantially to value.

2). The REIS of Southwestern Michigan defines Total Living Area (TLA) on the residential data entry form as the Gross Living Area (OLA) as defined above under number 1.

3). Liveable Area - those areas of a 1/2 story on the second or third levels which have angled ceilings may be included in the Total Living Area (TLA) if the following criteria are met:

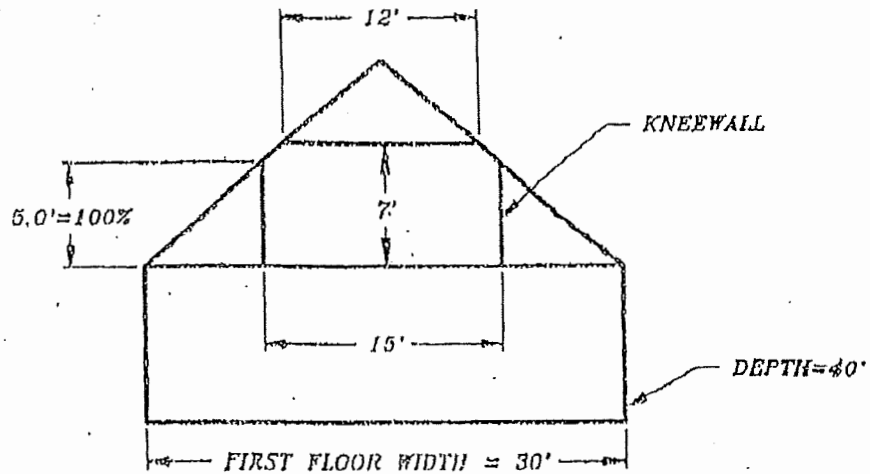
- a). The ceiling that is parallel to the floor is at least 7' high in at least one-half of the finished square footage between the angled roof line in the room.
- b). Each habited room has a heat source.
- c). The area included is totally finished.

When measuring the width of the room ( from kneewall to kneewall ), if the kneewall is less than 5' high, you cannot include any area that has a clearance from the floor that is less than 5'. See Exhibit I diagrams for examples of a 5' kneewall and a 3' kneewall and what is to be measured.

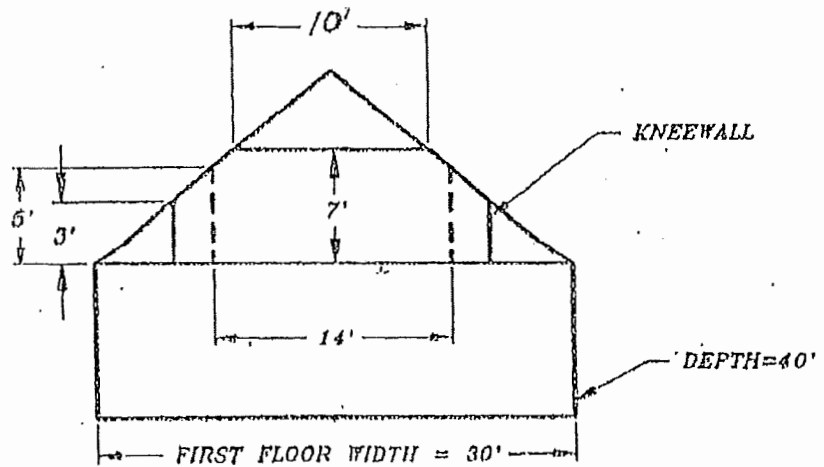
### **Procedure:**

- 1). Measure the exterior of the dwelling to the nearest inch or tenth of a foot using the exterior siding and not the foundation. The final result of the calculations must be reported to the nearest whole square foot.
- 2). It is suggested that the measurements be sketched on a preprinted grid form which will become a part of your listing file. (See samples for different styles of dwellings attached.)
- 3). If there is a foyer or other area that goes up to the second floor ceiling then this area must be deducted from the upper level living area.
- 4). If the dwelling is a 1-1/2 story, determine the liveable area. Use Exhibit 1 as a guide.
- 5). Use the attached Exhibit 2 as a guide for entering the Total Living Area (TLA) on the Residential Profile Form.
- 6). In a two story dwelling with vaulted ceilings that span both levels insure that you do not include the vaulted ceiling area in the upper level area.

Exhibit 1  
One and One Half Story Home



Example #1 Use second floor INTERIOR width adding  
0.5' or 1/2 foot for each exterior wall x depth  
(15' interior + 0.5' for each outside wall = 16')  
First Floor 30' x 40' = 1200 sq. ft.  
Second Floor 16' x 40' = 640 sq. ft.  
Total = 1840 sq. ft.



Example #2 Use second floor INTERIOR width by measuring  
between the dashed lines adding 0.5' or 1/2 foot  
for each exterior wall x depth  
(14' interior + 0.5' for each outside wall = 15')  
First Floor 30' x 40' = 1200 sq. ft.  
Second Floor 15' x 40' = 600 sq. ft.  
Total = 1800 sq. ft.

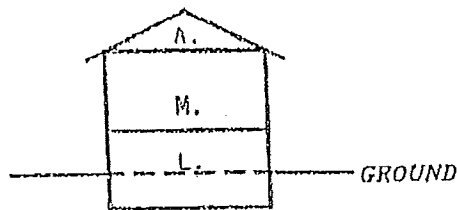


Exhibit 2

Calculating Total Living Area

Level definitions used on the Residential Profile Form and the diagrams below:

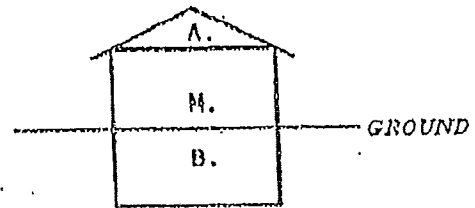
- A = Attic - Accessible space between the roof and the ceiling joists.
- U = Upper Level -
- M = Main Level -
- L = Lower Level - Used for bi-levels, tri-levels, quads and walkout basement
- B = Basement - Below ground level



Bi-Level

Also known as a raised ranch, a split entry or a split foyer

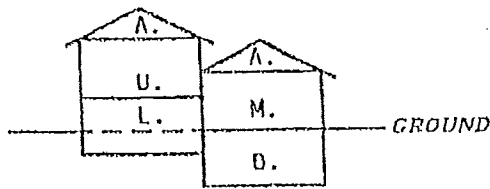
GLA = M  
TLA = M



One-story

Also known as a ranch or a bungalow

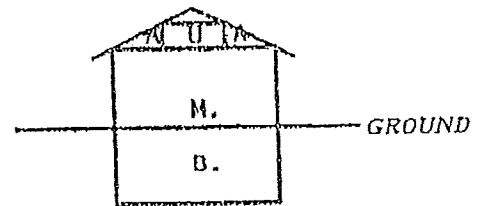
GLA = M  
TLA = M



Tri-Level

Also known as a split level

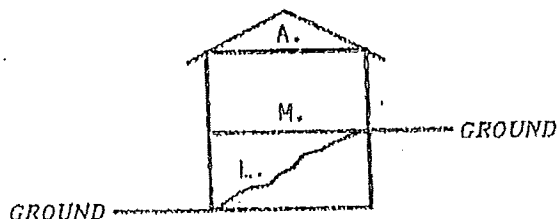
GLA = M + U  
TLA = M + U



One-and-one-half story

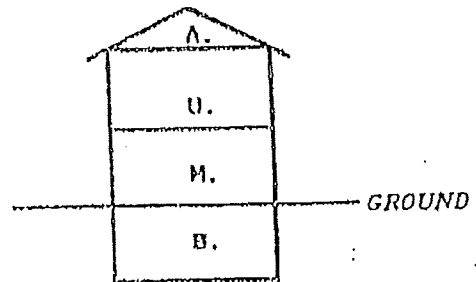
See Exhibit 1 for measuring "U"

GLA = M + U  
TLA = M + U



Walk-out

GLA = M  
TLA = M



Two-story

GLA = M + U  
TLA = M + U