

JUNE 2005



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NAR Breaks Attendance Records at Midyear Meetings & Trade Expo



Bobbie Nelson, Phillip Tedesco, Dan Sedenquist, & Sandy Kaplan with Congresswoman Anna Eshoo.

A record-breaking number of more than 9,600 REALTORS® and guests attended the 2005 REALTORS® Midyear Legislative Meetings & Trade Expo last week, which demolished all previous attendance and exhibit records.

The previous attendance record for the National Association of REALTORS® Midyear Legislative Meeting, held annually at the Marriott Wardman Park Hotel in Washington, D.C., was 8,300 REALTORS® and guests in 2004.

The 2005 NAR Midyear Trade Expo also broke the previous record for exhibitor space with 30,500 square feet and number of exhibitors with 211 exhibiting companies. The previous record was set in 2000 with 29,600 square feet and 157 exhibiting

companies.

“The attendance and expo records we broke at our midyear meetings this year reflect an NAR membership that stands at more than 1 million and growing,” says NAR President Al Mansell, CEO of Coldwell Banker Residential Brokerage in Salt Lake City. “This overall growth in NAR membership shows how healthy and competitive the real estate industry really is.”

NAR also set records last fall at the 2004 annual REALTORS® Conference & Expo in Orlando, which reached an all-time mainland record of over 25,500 total attendees and garnered a record 555 exhibiting companies.

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June is National Homeowner Month

An open letter to National Association of REALTORS® members from 2005 President, Al Mansell:

Dear Members,
The theme for this year’s National Homeownership Month, “Open the Door,” reflects the great work that AEs, brokers and individual REALTORS® do every day to make owning a home a reality for millions of Americans. But even though homeownership in the United States is at record high levels, there is still a great opportunity to help millions more have a home to call their own.

National Homeownership Month provides an outstanding opportunity to make the general public aware of the many ways that REALTORS® can - and do - make the American Dream come true. Browse this

site for information on NAR’s, as well as State and Local Associations’, many homeownership, housing opportunity, diversity and other related programs.

As we observe the 2005 National Homeownership Month, I ask for your support by holding homeownership activities in your community in June, and continue throughout the year. Thank you for all you do to “Open the Door” of opportunity for so many.

Sincerely,
Al Mansell, President
National Association of REALTORS®

NAR: We open the door to homeownership!

Listed below are several programs and initiatives NAR has created to help

REALTORS® help all Americans achieve homeownership.

FamilyTime® The new FamilyTime® DVD is an excellent way to build business relationships with clients, prospects and homeownership workshop attendees. Quantity discounts available. Please visit the FamilyTime® website at <http://www.familytimeorders.com/>

At Home with Diversity Aids REALTORS® in providing equal and affordable housing opportunities for all Americans. Join the more than 14,000 who have received this certification. <http://www.realtor.org/diversity>

Diversity Assistance Program

See Homeowner, Page 4



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REAL ESTATE is the official monthly newspaper of the Santa Cruz Association of REALTORS® provided as a member-service to inform, educate and update REALTOR® and Affiliate members on local, state and national real estate news and the Association's calendar of events.

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Affiliate News

Once again, the Spring Fling had it all: margaritas, barbecued skirt steak and chicken and all the trimmings. Best of all, it's a great venue to visit with fellow real



Linda Amador takes a turn serving margaritas out of the kiosk.

estate professionals. Of special note is the fantastic response to SCAOR Housing Foundation donation request at the sign-in desk -- we rose over \$1200! Most importantly, our gratitude goes out to all the SCAOR staff and volunteers who make this event so successful.

A hallmark of good organizations is the ability to attract new members. Recruiting new members requires a combination of membership benefits and educating potential new members to the opportunity. Once part of the Affiliate community, active participation further enhances the benefits



Rodney Fitzpatrick's daughter, Tainisha, and her band, All About, playing at Spring Fling.

to SCAOR members and the real estate community. With this in mind, the Affiliate Membership and Recruiting sub-committee has developed 3 initiatives intended to increase its membership by 10%.



Bob DeAngelo and his crew barbecued steak and chicken, which the Board of Directors took turns dishing up.

First, a new monthly email communication to all Affiliates reporting on Affiliate activities and discussing topics of interest to our membership. This new email communication is managed by the Affiliate Liaison and Communication sub-committee and will be sent out once a month, following the Affiliate Committee meeting. Remember: the more everyone participates, the more effective our organization is. Please forward any content for this email to Linda Amador (lamador@firstam.com) or Andy Mitchell (amitchell@santa-cruz-title.com).

Secondly, the Affiliate Committee has recommended improving and expanding the Affiliate Member Roster section of the SCAOR website. As part of this upgrade, we will be able to list all Affiliate members categorized by business focus, and be able to offer expanded information on each Affiliate's services. Along with this will be a printed version for distribution to real estate professionals desiring a portable resource for Affiliate services. We expect to have these available in July.

Our third initiative focuses on improving



Scott Pine, Associated Finance Company

networking among Affiliate members as well as providing a venue for prospective members to learn about joining. We have tentatively scheduled an Affiliate Mixer at the SCAOR offices for September 22nd, from 4:30 until 6:30pm. Plan to join us on the back patio for refreshments and snacks, and consider bringing a new prospective member.

To refer a new member, contact Norma at (831) 464-2000 or nmilete@scaor.org.

As membership is the backbone to our organizations success, please recommend to your business associates that they join the Association. They can contact Norma for information on joining (831-464-2000), or email me at pinescott@hotmail.com.

—By Scott Pine,
Associated Finance Company

New Members

Alain Pinel REALTORS®
Mark Oliverrez (secondary)

American Dream Realty
Robin Maze

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Lisa Burrell
Dave Dawson
Joanne Thompson

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Nancy Cecil

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Corralitos Homes & Land
Lila Veik (secondary)

Donner Land & Mortgage
Deborah Donner
Mary Beth Sundram

John Fuchs Properties
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Intero R.E. Services - Santa Cruz
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Mae Lamb

Keller-Williams Realty
Susie Loveless
Leslie E. Day
Brooke Van Vilet

David Lyng and Associates
Jenny Schneider

Network Alliance Real Estate
Lauren Murray
Lucinda (Cindy) Lariviere
Charles (Lee) Clark

Premier Real Estate
Khalil Moutawakkil

Re/MAX Real Estate Services
Deborah Wood

Russell Gross Real Estate
Gordon Rudy

Sherman & Boone Associated
Lisa Dewey
Richard Muller

The Real Estate Center
Joseph Triano

Wellington Development & Investment Co.
Jennifer White

Windsong Properties
Teresa Thurman

Windward Realty Group Inc.
Jennifer Discher

Comments about an applicant's admittance should be submitted in writing to the Santa Cruz Assn. of REALTORS®, 2525 Main St., Soquel, CA 95073.

NAR President-Elect Addresses Leadership Conference

Tom Stevens, 2005 president-elect of the National Association of REALTORS®, told attendees of a real estate leadership conference Thursday that in order to be successful in the future, they should look beyond today and adapt their businesses to the changing marketplace.

“I don’t profess to know what the future will look like any more than all of you do,” Stevens told the conference attendees. “But I think it’s a safe bet that 10 years from now, we will be competing in a very different market than we are today.”

Stevens, senior vice president of NRT Inc. in Vienna, VA, was a featured luncheon speaker during the REAL Trends Gathering of Eagles Leadership Conference, which runs through today in Denver. The conference is an annual gathering of large brokers representing the top 500 residential real estate firms, national franchises, relocation companies, refer-

ral networks, and REALTOR® associations. The theme for the conference this year was “Competing in the Future.”

To illustrate the theme, Stevens highlighted some major trends in the real estate industry that might impact the way large brokers do business in the future. *Some of these trends include:*

Increasing consumer diversity. Research shows that minority families are making some of the biggest gains in homeownership, driven mainly by immigration, Stevens said. These families represent a substantial portion of first-time home buyers, and experts predict that many more minority families will enter the market in the years ahead.

Growing number of second-home buyers. Current homeowners also are making an impact, Stevens said. For example, NAR’s research suggests that baby boomers in their peak-earning years

have turned to real estate as a profitable and reliable way to invest. According to the 2005 National Association of REALTORS® Profile of Second-Home Buyers, second homes accounted for more than one-third of transactions last year; 23 percent of all homes purchased in 2004 were for investment and 13 percent were vacation homes.

Licensee boom. Membership in NAR is at an all-time high—more than 1.1 million, which is 300,000 more than just three years ago, Stevens said. Newcomers are from a variety of backgrounds—some are mid-career professionals and others are retirees and people seeking flexible schedules. Regardless of the backgrounds, the influx of new real estate professionals is good for the industry because the diversity they bring to the market can help large brokers reach out to more consumers, Stevens said.

Increasing use of technology. From online training to PDAs, real estate professionals are using technology in all aspects of their business today, Stevens said. “We have yet to see a height of the technology revolution in our industry,” Stevens said. “More change is on the horizon, and those who stay on the cutting edge—or bleeding edge—are the ones who will remain competitive in the long term.”

“If we all are to remain successful, we must have the foresight to look beyond where the market is today and be willing to change in the way that best serves the market for the long term,” Stevens said.

—REALTOR® Magazine Online

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Bush: MID Safe, Seeks Health Fairness Passage

President Bush, in a speech to more than 4,000 REALTORS® on Friday, gave his assurance that he doesn’t see the mortgage interest deduction as a negotiable item in any tax reform that Congress passes. The mortgage interest deduction is “an important part of the tax code,” the president said, because it “enables more Americans to own a home.”

Bush made the speech at 2005 REALTORS® Midyear Legislative Meetings & Trade Expo in Washington, D.C. His remarks came as a reassurance after some news reports have explored the possibility that even bedrock tax code provisions could be open to change as part of tax reform.

Bush, who thanked REALTORS® for their key role in helping the country reach a record 69 percent homeownership rate, also reiterated his support for giving small businesses the ability to band together and negotiate affordable health care rates similar to what large corporations enjoy—a top priority of the National Association of REALTORS®—and received a standing ovation from the capacity crowd

of REALTORS® who heard him speak.

Bush called on Congress to pass legislation that would make it possible for small businesses to “pool risk across jurisdictional boundaries,” which is what the NAR-backed Small Business Health Fairness Act (S. 406) would do.

He also called on Congress to help curb “junk lawsuits” that drive up health care insurance costs by passing medical liability reform, which would complement NAR-backed tort reform legislation he signed into law last year. NAR has not taken a position on medical liability reform legislation.

Bush reiterated his call for Congress to pass his administration’s single-family homeownership tax credit legislation, introduced in his first term as president. The NAR-supported bill would give developers a tax credit to spur development of about 50,000 homes annually that are affordable to moderate-income households. “Congress needs to pass this bill,” he said.

Bush framed the remarks around his “ownership society” theme, in which the tax code and other federal program

areas—most notably Social Security—are modified to give households more control over their assets. He assured all retirees born in 1950 or before that Social Security, which federal analyses show faces a financial crisis in coming years, won’t change at all for them under his Social Security reform plan.

For workers born after 1950, the rate of future benefits increases would slow, with the rate of increase based on worker income levels. The slowest rate of increase would be for higher-income workers and the highest rate of increase would be for lowest-income workers.

Bush pointed to a REALTOR® in the audience, Rick Brandt of RE/MAX Peninsula in Newport News, Va., who would receive annual benefits of \$24,300 under the proposed plan—\$3,300 more than he would receive under current rules, assuming Brandt’s income is \$75,000 over two years.

Also part of the Social Security plan, to which Bush devoted the largest part of his remarks, is the widely reported voluntary personal savings account. Under his plan, workers could choose to

manage investment options on a portion of their benefits. Bush said workers who invested the funds in a conservative stock and bond portfolio would likely receive a better annual return than the less than 2 percent that their contribution now receives from the federal government.

“You should be able to get 4.6 percent easily enough,” and maybe even a lot more than that, he said. He called on REALTORS®, while they’re in Washington, to advocate for Social Security reform. “I ask you to contact your members of Congress and ask them to work in good faith to solve this problem,” he said.

Some of the crowd who attended the event were in line as early as 5:30 a.m. to hear the president’s noon speech. Doors to the ballroom opened at 8 a.m.

“I’m just happy I had the opportunity to see him in person,” said Barbara McDonough, CIPS, CRS, a broker with Brigitte Greene Realty, Fresh Meadows, N.Y., who was the first person in line.

—Robert Freedman and

Haley M. Hwang, REALTOR®

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Homeowners...continued from page 1

Helps fund State and Local associations in their diversity efforts. <http://www.realtor.org/diversitysupport>

Habitat for Humanity® NAR sponsors and provides volunteers for building a Habitat house in the Annual Convention host city. www.realtor.org/convhome.nsf/pages/habitat

HOPE Awards Recognizes organizations working to increase minority homeownership. 2005 winners have been selected and will be honored at the HOPE Awards gala celebration in Washington, DC. www.hopeawards.org/

Housing Opportunity Develop affordable housing opportunities that secure vibrant communities and create business opportunities for members with assistance from NAR’s Housing Opportunity Program. Get the tools

and resources to establish successful housing projects.

www.realtor.org/housingopportunity

REALTORS® Ambassadors to Cities Created in 2004, this program encourages partnerships between REALTOR® Associations and their local Mayors to expand housing opportunities.

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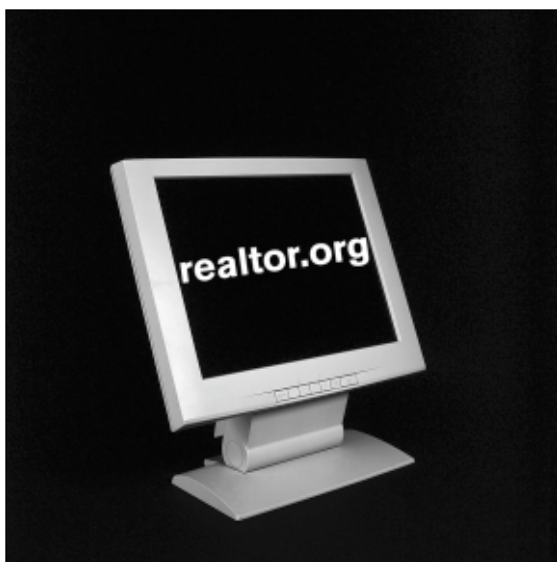
more than \$1.5 million for the REALTOR® Tsunami Relief Project. With those funds, NAR and Habitat for Humanity International® are building “REALTOR® Villages” for thousands. www.realtor.org/realtororg.nsf/pages/NARTsunamicheck?OpenDocument

For more NAR initiatives and programs visit our Government Affairs page at www.realtor.org/governmentaffairs and our Community Outreach section at www.realtor.org/communityoutreach.

NAR, DOJ to Negotiate Enhanced IDX Policy

The National Association of REALTORS® is considering blending key provisions of its two existing Internet listing display policies into a single set of rules governing all Internet displays of MLS property listings as part of its ongoing negotiations with the U.S. Department of Justice.

The department has been conducting an antitrust investigation of NAR's Virtual office Web site (VOW) policy for the past 20 months.



NAR's VOW policy, adopted in 2003, is based on the premise that real estate brokerage can be conducted online. It regulates the display of listing data on a Virtual office Web site, which typically provides more detailed property information and requires consumers to register, disclose certain information about themselves, and agree to terms of use.

NAR's Internet Data Exchange (IDX) policy, adopted in 2000, governs the advertising display of abbreviated listing data on MLS participants' sites. Today, IDX displays of listings are the dominant method through which brokers share their listings with one another over the Internet.

NAR General Counsel Laurie Janik told a large gathering of members, association executives, and MLS professionals today at the NAR Multiple Listing Issues & Policies Committee meeting that an enhanced IDX policy that incorporates aspects of the VOW policy would serve as the foundation for continuing negotiations with the Department of Justice.

The committee meeting was part of the 2005 REALTORS® Midyear Legislative Meetings & Trade Expo, which is being held

May 9-14 in Washington, D.C.

Janik met with DOJ officials May 11 as part of the ongoing investigation. The meeting was preceded by a flurry of media attention that speculated the DOJ was prepared this week to sue NAR for antitrust violations over aspects of its VOW policy.

Contrary to the media reports, Janik said she was told by DOJ officials that a lawsuit against NAR has not been authorized yet by the department, and negotiations will continue.

"We are exploring with the DOJ the concept of blending the IDX and VOW policies into one that would govern all internet display of listings," Janik said.

Enhancements to the IDX policy, which require brokers to update listing data weekly and employ appropriate data security procedures, among other things, were approved Thursday by the Multiple Listing Issues & Policies Committee, but are still subject to approval by NAR's Board of Directors on Saturday.

The enhanced IDX policy retains an opt-out, but not a selective opt-out, provision. It allows brokers to opt-out of having their listing data display on all competitors' Web sites, but it does not allow brokers to select which competitors' listings sites not participate with, as the VOW policy had provided.

NAR and the DOJ will discuss other policy modifications that could be added to the enhanced IDX policy. That includes the "clean page" provision, which prohibits advertising around the display of another broker's listings online, and the referral fee provision, which prohibits brokers from operating a VOW primarily to obtain referral fees.

The Multiple Listing Issues & Policies Committee also authorized NAR's leadership team to negotiate with the DOJ on listing display policy modifications in the interest of expediency. "It is in NAR's best interest to reach agreement with the DOJ as soon as possible," said Janik.

Go to www.REALTOR.org for a comprehensive news analysis of the DOJ investigation and its possible outcomes and impacts

—Carolyn Schwaar,

REALTOR® Magazine Online

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NAR Launches New Effort to Combat "Toxic" Loans

The National Association of REALTORS® is launching a new consumer education campaign through its membership to help consumers avoid the pitfalls of predatory lending practices that often afflict potential homebuyers with credit problems



and we're taking a strong stance against the practice by some unconscionable lenders to trap consumers into toxic loans that benefit the lender and not the consumer. Homebuyers should get themselves pre qualified for fair and affordable financing, and REALTORS® can educate them on the consequences of some Subprime loans that work against the homebuyers' best interests," said Al Mansell, president of NAR and CEO of Coldwell Banker Residential Brokerage in Salt Lake City.

"Because of federal preemption by the Office of the Comptroller of the Currency of state lending laws regarding large, federally chartered banks, and Congress' lack of response to protect consumers, it is even more important that consumers consult with REALTORS® about home financing," Mansell said. REALTORS® are ready to refer their customers and clients, when appropriate, to reputable credit and housing counselors, he said.

To learn more, go to the Final Report by the Subprime Lending Work Group at www.realtor.org/gapublic.nsf/pages/SLWGReport

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in today's hot real estate market.

The object of the policy approved by the NAR Board of Directors on Saturday is to develop standards that balance continued valid uses of Subprime loans for borrowers with imperfect credit while avoiding "toxic" loans and abusive lending practices.

"REALTORS® are the first stop for consumers in the real estate transaction,

NAR Launches Ad Campaign on Small Business Health Plans

The National Association of REALTORS® is launching a \$1.2 million advertising campaign this week to urge Congress to pass legislation that would give small business employees access to the same quality group health insurance plans currently available to union workers and employees of large corporations.

The radio spot will run starting today through the end of July in the Washington, D.C., market on WTOG, WGMS, WMAL, and WTNT. Print ads will run in Roll Call, The Hill, National Journal and Congressional Quarterly this week through the end of July. Ads also will run in the online editions of The Washington Post and The Washington Times starting next week.

The ads read in part: "Our over 1 million members care deeply about the hometown communities we represent. So we're urging Congress to pass the

Small Business Health Fairness Act that gives small businesses and the self-employed the opportunity to purchase affordable health insurance coverage. After all, small businesses generate well over 60 percent of all new jobs. Their businesses may be small, but together, their power drives our economy."

The Small Business Health Fairness Act (H.R. 525/S. 406) would allow small businesses and self-employed workers to band together through a trade or professional association to negotiate lower health insurance costs for participants. Small business health plans would operate under the same rules as federally regulated large corporate and union plans that provide group health insurance to all participants regardless of where they live.

"Too many of our more than 1 million REALTORS®, most of

See NAR Ad Campaign, Page 7

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NAR Ad Campaign...continued
from page 6

whom are small business people or independent contractors, struggle to find quality, affordable health care for their employees and families," says NAR President Al Mansell, CEO of Coldwell Banker Residential Brokerage in Salt Lake City. "The Small Business Health Fairness Act would allow associations like NAR to offer a uniform health care plan and thus use our collective bargaining power to the lower the cost of health insurance for REALTORS®



everywhere."

The legislation was introduced earlier this year by U.S. Reps. John Boehner (R-Ohio), Sam Johnson (R-Texas), Nydia Velazquez (D-N.Y.), and Albert Wynn (D-Md.) and by U.S. Sens. Olympia Snowe (R-Maine), Jim Talent (R-Mo.), Kit Bond (R-Mo.), and Robert Byrd (D-W.Va.). Support for the bill has grown to a bipartisan list of more than 135 cosponsors in the U.S. House of Representatives. The bill is identical to legislation that passed the House twice last year with bipartisan support. REALTORS® sent nearly 100,000 letters to members of Congress this month urging them to pass the bill.

President Bush pledged his strong support for the small business health plans in his speech at the 2005 REALTORS® Midyear Legislative Meetings & Expo last week, causing him to get a standing ovation from 4,000 REALTORS®. The president also highlighted his support for the issue in his State of the Union address earlier this year.

A significant number of America's 45 million uninsured citizens work for small businesses who cannot afford to offer quality health insurance benefits to their workers.

When small business health plans are described to voters, 89 percent favor the concept, according to a recent survey of 800 registered voters by



Public Opinion Strategies. Even when presented with arguments against small business health plans, 88 percent of voters continued to support the concept. The survey also showed that support for small business health plans crosses party lines, with almost equal percentages of Democrats, Independents, and Republicans supporting the concept.

The American public and small business owners share NAR's support for a level playing field when it comes to affordable health insurance. According to a separate survey of small business owners of firms with 50 or fewer employees also conducted by Public Opinion Strategies, 77 percent said they would be likely to participate in a small business health plan were it available.

According to a recent survey of NAR members, 28 percent—more than 330,000—of NAR's almost 1.2 million members are uninsured. Only 7 percent of real estate firms offer health care coverage for independent contractors, who are the largest segment of real estate practitioners. The figures are more disconcerting when you consider the reasons for lack of coverage. Only 7 percent of those uninsured named a preexisting condition as the reason. Nearly three-quarters cited the cost of coverage as the biggest barrier.

To learn more about this issue, go to the Small Business Health Plans legislative update page at www.REALTOR.org.

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Legislative Advocacy/ Political Action

There are at least four different political action committees that comprise C.A.R.'s political action programs: CREPAC, CREIEC, CREPAC/Federal and IMPAC. Each of them with member support protects REALTOR® rights on the local, state and federal levels.

CREPAC (California Real Estate Political Action Committee) and CREIEC (California Real Estate Independent Expenditure Committee) were formed to support those candidates, at both the state and local government levels, who understand the goals and philosophy of REALTORS®.

They are bipartisan committees and not affiliated with any political party. CREPAC/Federal supports qualified candidates for the House of Representatives and the U.S. Senate. IMPAC (Issues Mobilization Political Action Committee) supports or opposes local and/or state ballot measures, which affect real property rights in California.

Bill Requires Notice Before Filing Suit

A Southern California lawmaker has introduced legislation that would require a prospective plaintiff to give real estate practitioners at least 60 days written notice before a lawsuit can be filed. The 60-day window would give licensees time to potentially resolve the dispute.

The California Association of REALTORS® says Democratic Assemblyman Mike Gordon's



bill (AB 323), which it strongly supports, is designed to help licensees "avoid unnecessary lawsuits and encourage early settlement of suits."

C.A.R.'s Member Mobilization program is designed to support C.A.R.'s policy agendas by getting REALTORS® involved in lobbying and political activities. Thousands of REALTORS® have responded to C.A.R.'s Red Alerts and Calls-for-Action by calling or writing their legislators on specific pieces of legislation or policy initiatives. Member Mobilization has been credited with playing an important role in passing C.A.R.'s rent control relief bill, creating the political momentum necessary to pass C.A.R.'s Megan's Law clarification, and passing state capital gains tax conformity legislation. An important component to C.A.R.'s activities has been the Legislative Liaison program, where local REALTORS® sign up to receive regular legislative updates, with the understanding that they will share this valuable information with their colleagues.

The notice also would provide information to the supervising broker about the legal basis for the lawsuit, what kind of loss was involved, and the amount of damages. Often, brokers aren't aware of possible suits against their affiliates because of the "complexity and unique circumstances" of each transaction, CAR says.

Advance notice of a lawsuit would be similar to that provided to medical professionals. In California, a prospective plaintiff must provide 90-days' notice to licensed or certified health care providers before a lawsuit can be filed, according to the state's legislative analyst.

The association also supports a related measure (SB 530) that provides some leeway for practitioners in reporting claims to errors & omissions insurers. Democratic Sen. Christine Kehoe's measure would give real estate professionals 60 days to settle claims and not have them count against the claims or loss record of a broker or real estate company. Resolution would preserve a clean claim history and enable a lower premium.

—Corrie M. Anders for
REALTOR® Magazine Online

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Local IMPAC Funds

What is Local IMPAC?

Every local Association of REALTORS® has a Local Issues Mobilization Political Action Committee (IMPAC) account, administered by C.A.R., which may be used to fund a variety of issue-oriented purposes. Please note that local IMPAC differs from BOPAC (Board of REALTORS® Political Action Committee). BOPAC funds are used to support candidates for office like city council or county boards of supervisors, while Local IMPAC funds may be used for real estate-related issues.

C.A.R. administers your association's Local IMPAC funds because a Political Action Committee (PAC) is required to file reports with the state's Fair Political Practices Commission (FPPC), to ensure it does not break any laws. Local IMPAC funds are a combination of an association's IMPAC share of Political Survival dollars (10%) and a C.A.R. contribution from the Issue Action Fund portion of C.A.R. dues. Local associations may also raise their own funds for their local IMPAC accounts.

Local IMPAC funds MAY be used for the following issue-advocacy purposes:

- Local Ballot Measure Campaigns – Issues like school facilities funding, redevelopment, growth and development, housing, property rights and others that are real estate-related.
- Data Collection and Polling to Help Develop a Lobbying Strategy – If a ballot measure has not yet qualified, but the local association would like to start laying the groundwork for a campaign, it may hire polling consultants or purchase other necessary data.
- Grassroots/Mobilization Activities – Expenses for mailgrams or letter writing campaigns, fliers or advertisements in support of issues.
- Travel, Meals and Receptions Associated with Lobbying an Issue – Expenses for REALTORS® and Government Affairs Directors to travel to C.A.R.'s Legislative Day in Sacramento, or N.A.R.'s Washington D.C. visits are reimbursable. In addition, a lunch meeting or reception with an elected official or officials (legislator, mayor, etc.) may be reimbursed from IMPAC funds. Local IMPAC funds can be spent on current office holders only. Meetings with candidates for office must be funded with BOPAC funds.
- Membership In or Contributions to Other Grassroots Lobbying Organizations that are Based on Issues – Local chambers of commerce,

taxpayers associations, building industry associations, apartment associations, and REALTOR® groups that are organized regionally or for specific issues. In addition, state-level organizations that are non-partisan and issue-oriented, such as the Pacific Legal Foundation may be funded.

- Issue/Legislative Advocacy Expenses – Subscriptions to the agendas for local government bodies and expenses associated with a contract between a professional local legislative advocate and a local Association of REALTORS®.
- Educational Programs Related to Issues or Advocacy Techniques – Subscriptions to newsletters, periodicals or journals pertinent to REALTOR® issues, videotapes or related training materials, and conference registration fees.

Local IMPAC funds MAY NOT be used for:

- Candidates For Office – IMPAC cannot be used to fund a person. BOPAC is the appropriate funding source for people/candidates, while IMPAC is used for issues. Even if a sitting councilman or legislator holds a pancake breakfast, if the proceeds go to benefit the person's reelection campaign, IMPAC funds cannot be used.
- Activities That Impose A Lobbyist Registration Burden on C.A.R. – IMPAC cannot be used to fund a state- or national-level lobbyist.
- Routine Business Expenses of a Local Association – IMPAC cannot be used to fund activities that should be paid by a local association's general fund, such as general newsletter or magazine printing costs, operating expenses, or REALTOR® travel to C.A.R. or N.A.R. Board of Directors' meetings that do not include lobbying days.

Other ways to get issue advocacy funds:

In addition to using Local IMPAC, a local Association may also: 1) conduct an IMPAC/ BOPAC exchange with another local Association through a registry maintained by C.A.R.; 2) conduct an interboard IMPAC solicitation in coordination with State IMPAC; 3) apply to State IMPAC for funding if it is an issue with statewide implications; 4) apply to the N.A.R. Issues Mobilization Committee (IMC) if the issue has national significance; and, 5) hold a fundraiser, the proceeds of which may be placed in the Association's Local IMPAC account.

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Baking Contest Winners

The 8th Annual SCAOR Spring Fling Baking Contest was an overwhelming success, with desserts filling the entire Board Room table. Michael Clark and Beth Robideaux of Michael's on Main graciously judged the contest, resulting in the following awards. Each winner received a ribbon, and overall winners were given prizes of dip spreaders.

CAKES/TORTES

- 1st Renie Schober
- 2nd Donna Teale
- 3rd Jeanne Mulhern

BAR COOKIES

- 1st Jeanne Mulhern
- 2nd Jennifer Aronovici
- 3rd Harry Lake

INDIVIDUAL COOKIES

- 1st Donna Teale
- 2nd Corey Folsom

BREADS

- 1st Debbie Jelten

OVERALL

- 1st Renie Schober
- 2nd Debbie Jelten
- 3rd Jennifer Aronovici
- Honorable Mention Kyle Berube

TARTS/PASTRIES/PIES

- 1st Heather Grinager



Jennifer Aronovici of Coldwell Banker Residential Brokerage, baking contest coordinator.



Michael Clark and Beth Robideaux of Michael's on Main, baking contest judges.

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These are the current rates for the line of credit product described above for a single-family primary residence. Your rate will depend upon the specific characteristics of the line of credit transaction and your credit profile up to the time of closing.

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Previews International

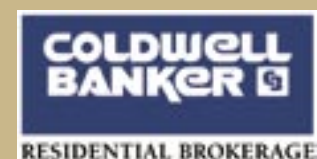
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**Underwriter
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Survey: Residents Like Affordable Housing Done Right

Residents are more likely to support affordable housing in their communities if they are sure it would not hurt property values, would not contribute to school overcrowding, or would not make traffic worse, according to the third annual National Housing Opportunity Pulse survey released by the National Association of REALTORS®.

The survey also found that residents prefer affordable housing that is single-family detached housing over town homes, low-rise, or high-rise apartments. Seven out of 10 residents support more

open space in their community, and that three out of five feel there is a need for more residential growth in their communities.

“For the first time, we see that people support affordable housing if it is done right,” says NAR First Vice President Pat Vredevoogd, a practitioner from Grand Rapids, Mich. “This survey sheds needed light on the conditions that encourage people to support affordable housing. We hope the survey serves as a guide to local officials, developers, planners, and

See **Residents**, Page 15



Donations to SCAOR Housing Foundation made at Spring Fling topped \$1200.



Carl Taylor & Registration/Donation table workers, Jeanne Mulhern & Kathy Jo Sera.

Thank Yous

The Santa Cruz Association of REALTORS® Housing Foundation would like to recognize the following donors for their recent contributions to the Housing Foundation:

Corporate – Gold

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Scott Pine
Janet Romanowski
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Lauren Spencer
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Earthquake Safety

The California Seismic Safety Commission has recently released a newly revised 52-page Homeowner's Guide to Earthquake Safety. This 2005 Edition replaces the existing 2002 Edition starting July 1, 2005. C.A.R. will release an updated Combined Hazards Book containing the new earthquake safety booklet by May 27, 2005.

The Homeowner's Guide to Earthquake Safety is a required disclosure for most sellers of residential

one-to-four units built before 1960 of light frame construction. The 2005 Edition has a more consumer-friendly format than its predecessor, and has more maps, pictures, and helpful information, such as a greater emphasis on solving structural problems caused by earthquake weaknesses.

For more information, C.A.R. members may contact C.A.R.'s Member Legal Hotline at (213) 739-8282, or for office managers, broker/owners, and designated REALTORS®,

call (213) 739-8350.

Access to Member Legal Hotline is also available through C.A.R. Online at www.car.org/index.php?id=Ntk2.

Source: Realegal® May 20, 2005. Realegal® is published by the California Association of REALTORS®. Copyright C.A.R.



C.A.R. Legal Hotline

The C.A.R. Legal Hotline offers members the incredible benefit of receiving free confidential legal advice over the telephone on a vast array of real-estate related topics such as contract interpretation, arbitration, litigation, tax issues, commission disputes, disclosure requirements, fair housing issues, laws governing homeowners' associations, and so on. By contacting the C.A.R. Legal Hotline you can speak directly to one of C.A.R.'s attorneys. Since its debut in 1979, C.A.R. attorneys have

answered more than 600,000 questions about real estate law and brokerage practice.

To submit a Legal Hotline question online, go to www.car.org/index.php?id=Ntk2.

You may also e-mail legal questions by clicking on legal_hotline@car.org.

One of our C.A.R. attorneys will telephone you to discuss your legal question, so please be sure to indicate all the applicable telephone numbers.

Recently, the membership of C.A.R. has increased tremendously with thousands of new real estate licensees joining the ranks of those contacting the Legal Hotline for free legal advice. As a result, there are days in which the Legal Hotline is flooded with calls, faxes, and e-mail requests. Unfortunately that may mean a delay from several hours to several days before receiving a phone call from one of the real estate attorneys on our staff. Our receptionists who answer the phone, process your requests

and forward them to the attorneys would greatly appreciate your understanding and patience.

For personalized legal advice from a C.A.R. attorney, you may also telephone the C.A.R. Legal Hotline at 213.739.8282, Monday to Friday, from 9:00 a.m. to 6:00 p.m. C.A.R. members who are broker-owners, office managers, or designation REALTORS® may contact the Member Legal Hotline at 213.739.8350 to receive expedited service.

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Sexual Harassment Training Required

Employers with 50 or more "employees" (as defined) must provide two hours of sexual harassment training to all supervisory employees by January 1, 2006, and once every two years thereafter. For purposes of this law, the term "employees" generally includes real estate agents working in a broker's office, because the definition encompasses "persons providing services pursuant to a contract, or any person acting as an agent of any employer, directly or indirectly."

The sexual harassment training must be conducted in a classroom or through other effective interactive training and education. The instructor must have knowledge and expertise in the prevention of harassment, discrimination, and retaliation. Topics covered must include information and practical guidance regarding the federal and state laws prohibiting sexual harassment, preventing and correcting sexual harassment, the remedies available to victims of sexual harassment in employment, and practical examples of how

supervisors can prevent harassment, discrimination, and retaliation.

The January 1, 2006 deadline applies to all supervisors employed as of July 1, 2005, unless the employer has already provided sexual harassment training after January 1, 2003. After July 1, 2005, training must be provided within six months of a new supervisory employee assuming that supervisory position.

This law is set forth at section 12950.1 of the California Government Code. For more information, C.A.R. members may contact C.A.R.'s Member Legal Hotline at (213) 739-8282, or for office managers, broker/owners, and designated REALTORS®, call (213) 739-8350. Access to Member Legal Hotline is also available through C.A.R. Online at www.car.org/index.php?id=Ntk2.

Realegal® is published by the California Association of REALTORS®, a trade association representing more than 165,000 REALTORS® statewide.

Santa Cruz County Statistics

Single Family Residences

04-05	Current Inventory	New	Sold	Average	Median
Feb.	448	208	140	\$765,650	\$730,000
Mar.	515	319	195	\$821,695	\$725,000
Apr.	612	341	198	\$803,238	\$715,000

Condos/Townhouses

04-05	Current Inventory	New	Sold	Average	Median
Feb.	65	58	36	\$500,270	\$465,000
Mar.	86	66	50	\$573,742	\$546,000
Apr.	108	94	59	\$482,508	\$475,000

For more info, go to www.scaor.org & click on "Market Statistics."

Standard Form Updates in Winforms®

The latest version of C.A.R. standard forms can now be downloaded from C.A.R. Online (www.car.org). C.A.R. standard forms are updated twice a year, during the spring and fall, and the corresponding forms also

are revised in Winforms®. Download instructions for the updates are included in the April 2005 issue of Winforms® Today, which can be found at www.car.org/index.php?Id=mzq4ntk

Residents...continued from page 13

others involved in their communities to clearly spell out what people want, and give our leaders the political will to do what the people want."

The latest National Housing Opportunity Pulse survey of 1,600 urban and suburban residents in the top 25 media markets was conducted by Public Opinion Strategies in May. As in past surveys, Americans ranked affordable housing as one of the two most difficult issues they face and said they worry that the cost of housing is widening the gap between those who can afford to buy a home and those who cannot.

The survey was conducted by NAR's Housing Opportunity Program. As many as 200 housing opportunity programs

are now sponsored by state and local REALTOR® organizations to address local housing needs. More such programs are in the works all across the country.

NAR also has established an Ambassador to Cities Program with the U.S. Conference of Mayors to raise homeownership rates and has lobbied for the American Dream Down Payment Act signed into law last year by President Bush.

"REALTORS® are the first point of contact for people trying to buy a home," Vredevoogd says. "We see first hand what the lack of affordable housing does to communities. Let's hear what the people are telling us. We hope that local leaders learn from our survey and work with us to work smarter so that the lack of affordable housing will be a problem of the past."

FIRST AMERICAN TITLE COMPANY

FILES NEW "ONE RATE" PLAN WITH DEPARTMENT OF INSURANCE!

First American's ONE RATE is the industry's *first* look at simplifying, clarifying and reducing title insurance and escrow rates for residential refinances!

Under First American ONE RATE, refinance customers in California will benefit by receiving a single rate that includes virtually all necessary title and escrow services. In addition to providing clarity, this new rate plan will significantly lower the overall cost to the consumer.

With this newly filed rate, consumers can now ask their mortgage broker or lender for First American's ONE RATE and be assured that they are getting the highest value package of services in the market today.

For more information regarding our ONE RATE, visit our website at www.firstam.com or contact your local First American Representative.

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Caution Urged as HUD Ups RESPA Enforcement

With the U.S. Department of Housing and Urban Development stepping up its enforcement of non-compliant referral activity under the Real Estate Settlement Procedures Act, REALTORS® meeting in Washington, D.C., were cautioned to take extra care in how they structure their relationships with settlement service providers.

Section 8 anti-kickback provisions in RESPA prohibit settlement service providers such as lenders and title companies from providing things of value to real estate professionals in exchange for business referrals.

How that restriction is interpreted

can be complicated, and it's not uncommon for practitioners and service providers to be confused about what is and what isn't permitted, RESPA specialists said at REALTOR® RESPA Realities, a Thursday session at the 2005 REALTORS® Midyear Legislative Meetings & Trade Expo, held May 9-14 in Washington, D.C.

In general, there's nothing wrong with a practitioner and a service provider to refer business to one another as long as the referrals don't follow from an inappropriate exchange involving a thing of value. A title company can sponsor a golf benefit for practitioners as a way

to advertise its services, for example, but it couldn't give a practitioner free golfing tickets unconnected to any kind of advertising program.

In another example, a lender and a practitioner could jointly buy space in a newspaper to advertise their services, but if the lender paid for the bulk of the cost without taking the bulk of the space—in effect subsidizing the practitioner's ad buy—then RESPA could be violated.

Because of the nuances in determining what is and isn't a proper relationship between practitioners and service providers, all professionals should tread carefully and consult

resources online and elsewhere for guidance, said the specialists.

NAR offers guidance on www.REALTOR.org, where you can read about Dos and Don'ts for Complying with RESPA. HUD also provides guidance in the RESPA section of its Web site.

The specialists at the session were Phil Schulman, partner with Kirkpatrick & Lockhart LLP, in Washington, D.C.; Gary Cunningham, HUD deputy assistant secretary; and Ralph Holmen, NAR general counsel.

—Robert Freedman, REALTOR® Magazine Online

C.A.R. – Sponsored Legislation Moves Forward

Three bills sponsored by C.A.R. moved forward in the state legislature earlier this month. AB 223 (Negrete mcleod), "Real Estate Licensure: Education Requirements," passed the Assembly Floor on May 5. The bill requires all licensees to fulfill 12 of their 45 continuing education hours with courses on agency, ethics, fair housing and trust fund management.

To ensure licensees are steeped in best practices, C.A.R. is sponsoring AB 223 to also designate a mandatory course on risk management as part of the continuing education requirements.

Other legislation that passed the Assembly Floor this month includes AB 712 (Canciamilla), "Attorney Fees," which repeals the Jan. 1, 2007, sunset date of an attorney fee provision

set in an amendment to the state's Anti-Nimby law. Additionally, SB 435 (Hollingsworth), "Housing Density Bonus," passed the Senate Floor on May 9. C.A.R. is sponsoring SB 435 to provide direct economic incentives to builders that will accommodate additional housing.

See this month's Legislative Watch for more info on legislation in real estate.



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Calendar

June 2005

DID YOU KNOW?

Sun	Mon	Tues	Wed	Thur	Fri	Sat
			1	2	3	4
5	6 <i>RE INFOLINK</i> 9:00 – 12:00 P.M. <i>AFFILIATE</i> 8:30 A.M.	7	8 <i>LEGISLATIVE DAY</i>	9 <i>H.F. MARKETING & PR</i> At First American Title, Capitola 3:30 P.M.	10 <i>GRI</i> 8:00 – 5:00 P.M.	11
12	13 <i>AFFILIATE</i> 8:30 A.M. <i>H.F. FUNDRAISING</i> 10:00 A.M. <i>H.F. ALLOCATION & DISTRIBUTION</i> 12:00 P.M.	14	15 <i>ELECTIONS</i> 8:30 A.M. <i>MARKETING & PR</i> 2:00 P.M. <i>GRIEVANCE COMMITTEE</i> 2:30 P.M.	16	17 <i>LOCAL GOVERNMENTAL RELATIONS</i> 8:30 A.M.	18
19	20 <i>INFOLINK</i> 9:00 – 12:00 P.M. <i>OFFICE LIAISON</i> 2:00 – 5:00 P.M. <i>H.F. BOARD OF TRUSTEES</i> 3:00 P.M.	21	23	24	25	26
27	28	29 <i>STRATEGIC PLANNING</i> 8:30 A.M.	30	31		
						<i>H.F. = HOUSING FOUNDATION</i>

Winforms® F.A.Q.s

When does C.A.R. update forms and software? In general C.A.R. updates forms twice a year – in April and October.

How do I download Winforms® updates?

1. Visit www.car.org and click the Winforms® icon, or go to www.transactiontools.com
2. Click the Winforms® desktop icon
3. Click on “Yes, I have registered for Winforms® desktop software”
4. Click on “I need to update my Winforms® software and forms”
5. Click on the “Winforms® desktop software and forms updates” under the product name

To download and install your software:

6. Save the software download to hard disk
 7. Run the installation program
 8. Go to your desktop or the folder you saved the file, and double-click on the newly downloaded installation program icon.
- Click “OK” when asked whether you would like to install and run the software.
 - Click “Next”
 - Click “Next”
 - Click “Finish” to complete the installation.

Who to contact for Winforms® and technical questions:

- Winforms® Technical Support: 586-840-0140
- Winforms® Registration Inquiry: 800-228-9466
- C.A.R. Membership Department: 213-739-8265
- Other technical or computer questions, contact Tech Hotline at (800) 773-8630.

Meeting Schedule Rules

Board of Directors:
First Friday at 8:30 A.M.

LGR:
Third Friday at 8:30 A.M.

Affiliates:
Second Wednesday at 8:30 A.M.

Strategic Planning:
Last Wednesday at 8:30 A.M.–bi-monthly

Budget & Finance:
Third Wednesday at 8:30 A.M.–bi-monthly

Grievance:
Third Wednesday at 2:30 P.M.

Professional Standards:
as needed

Education:
First Wednesday at 9:00 A.M.–bi-monthly

Housing Foundation Board of Trustees:
Third Monday at 3:00 P.M.

Marketing & PR:
Second Wednesday at 2:00 P.M.

Offices Liaison:
First Monday following first full week following CAR meetings

WCR® Events

June WCR Business Resource Meeting, Wednesday, June 15, 2005, 11:30am-1:30pm, Coast Santa Cruz Hotel, 175 West Cliff.

Anna Maria Wong, Operating Partner & Top Producer, Keller Williams Realty, Castro Valley

“Building a Business Team” :
What are the benefits of putting together a team to increase our business and put balance in our lives? Anna Maria will talk about the benefits but more importantly

“How” we can put an effective team in place to make it all happen.

RESERVATIONS REQUIRED

Contact:
Jody Stelck, Bailey Mortgage,
831-566-6144 or email
wcrsantacruz@yahoo.com

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Wanted: Buyers, Sellers with "Extreme Design Tastes"

The cable channel TLC (The Learning Channel) is currently looking for homebuyers and sellers to feature on its newest TV show, "Moving Up." Real estate practitioners who help TLC find families who are selected for the show will receive \$100 and on-air promotion.

"Real estate practitioners have been our greatest resource in terms of casting," says Liz Alderman, junior associate producer with BBC New York Productions. "And they have fun, too, being involved in the TV process."

Alderman says TLC is looking for people from all walks of life

who are buying or selling anything from multimillion-dollar homes to manufactured housing. They can be first-time buyers, families moving to a bigger home, or people downsizing to a smaller property. Both the buyer and the seller must still occupy their current home and must have a definitive closing date for the sale. The buyers must be planning to move into their new home before Aug. 1. Candidates must have outgoing personalities or unique, extreme taste in design.

Alderman says all candidates should have plans to change the decor

of their new home within the first four to six months after moving in. TLC doesn't design the decor or do the makeovers; it simply documents how homeowners choose to change their new house to match their personal taste in design. TLC will step in to help make those projects happen faster and less expensively. After a few months, the show brings the former owners back to see what they think of the new changes. "Moving Up" isn't a traditional house makeover show," Alderman says. "The show is ultimately about the choices we make to turn a house into a home."

Candidates must reside in Connecticut, Delaware, Massachusetts, New Jersey, New York, Rhode Island, Virginia, or Washington, D.C.

Anyone who would like to propose a buyer-seller pair as candidates for the show should contact Alderman at (212) 974-9050 or alderman@bbcnycproduction.com as soon as possible.

"Moving Up" airs on Saturday nights at 8 p.m. Eastern time. The show is hosted by "Trading Spaces" designer Doug Wilson.

—REALTOR® Magazine Online
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REALTOR® Hired as Trump's New Apprentice

Kendra Todd, a real estate salesperson from Boynton Beach, Fla., was hired as Donald Trump's new apprentice in the live third-season finale of the highly rated reality show "The Apprentice" on NBC.

Todd, 27, is the first real estate practitioner and first woman to be hired as an apprentice by Trump. In the first two seasons of the reality show, Trump hired Bill Rancic, an entrepreneur from Chicago who launched a successful online cigar Web site, and Kelly Perdev, a West Point grad and former U.S.

Army military intelligence officer who spearheaded several business start-ups in California.

Todd beat out fellow contestant Tana Goertz, 37, a Mary Kay cosmetics consultant and business woman from Iowa, in a grueling 16-week "job interview" that involved weekly team challenges between Net Worth ("street smarts" or high school grads) and Magna Corp. ("book smarts" or college grads). Todd's victory over 17 other contestants and more than "1 million job

applicants" overall in the third season of the show was hailed as a victory of the book smarts group over the street smarts group.

Todd is a sales associate with RE/MAX Advantage Plus in Boca Raton, Fla., and also runs My House Real Estate Inc. in Boynton Beach, Fla., a real estate marketing company that specializes in condo conversions and preconstruction projects. Todd also co-hosts a local radio talk show about real estate in Florida.

As the newest apprentice, Todd will get a "six-figure salary" and a executive position with the Trump Organization. Given the choice between two projects to work on—overseeing the Miss Universe Pageant or the renovation of the Palm Beach Mansion, a 68,000 square foot oceanfront property in Florida—Todd chose to stay in her hometown and work on the mansion.

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At Keller Williams, our success is our system of values and beliefs that we call "WI4C2TS"



"When I heard what Keller Williams was about, I said to myself "finally someone gets it." The belief system is right in line with mine - win/win, integrity, success through others and I really like the team environment. KW has literally helped me become a better person."

Jeff Hansen



"We love how Keller Williams views each agent's career as their own small business within a team of other agents, as well as the professional atmosphere, supportive environment and entrepreneurial spirit of the Santa Cruz Market Center."

Brooke Van Vilet and Cheryl Hinchman

"The Keller Williams model for managing and growing your own business works! During the last year we exceeded our plan goals and have hired an assistant. We are now able to focus on the 20% of our business that are our 'Big Rocks!'"
Jeanne and Mike Mulhern



"I must admit, money is important, so I like the percentage and the cap at KW, plus the opportunity to create extra passive income."

Velia Anderson



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R E A L T Y

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Building on Our Commitment to Team Bailey



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Bailey Properties' real estate training center in Soquel is dedicated to jump-starting our associate's careers.

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