



2021 Policy Manual

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original



The State of Texas

SECRETARY OF STATE

The undersigned, as Secretary of State of the State of Texas, **HEREBY CERTIFIES** that the attached is a true and correct copy of the following described instruments on file in this office:

GREATER EL PASO ASSOCIATION OF REALTORS

**ARTICLES OF INCORPORATION
ARTICLES OF AMENDMENT**

**JUNE 14, 1951
JANUARY 19, 1990**



IN TESTIMONY WHEREOF, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in the City of Austin, on August 5, 1993.

John Hannah Jr
Secretary of State

PH

THIS 17 DAY OF 1954

Robert J. ...
CHIEF CHARTER DIVISION

THE STATE OF TEXAS)
)
COUNTY OF EL PASO)

KNOW ALL MEN BY THESE PRESENTS: That we, R. L. BOGARDUS, HARRY O. REARICK, WILLIAM J. ELLIOTT, J. J. ANCHONDO, ARTHUR HORN, S. B. HUNT, J. P. McGRATH, and RAY WARD, all citizens of the State of Texas, under and by virtue of the laws of this State, do hereby voluntarily associate ourselves for the purpose of forming a private corporation under such laws upon the following terms and conditions:

1. The name of the corporation shall be "EL PASO BOARD OF REALTORS".
2. The purpose for which it is formed is the support of an educational undertaking, to-wit, the education of realtors engaged in the business of selling real estate in the ethics and principles of the profession of acting as realtors and to promote and maintain the high standards of conduct in the transaction of real estate business by realtors expressed in the Code of Ethics of the National Association of Real Estate Boards and to enforce the Code among its members and in their dealings with one another and with the public.
3. The place where the business of the corporation is to be transacted is in El Paso County, Texas, and its principal place of business is to be in El Paso, El Paso County, Texas.
4. The term for which it is to exist is fifty (50) years.
5. The number of directors shall be eight, and the names and residences of those who are appointees for the first year are as follows:

<u>Name</u>	<u>Residence</u>
Harry O. Rearick	500 N. Kansas St., El Paso, Texas.
J. J. Anchondo	614 1/2 E. El Paso St., El Paso, Texas.
Wm. J. Elliott	110 N. Stanton St., El Paso, Texas.
Arthur Horn	5125 Alameda Blvd., El Paso, Texas.
S. B. Hunt	3100 N. Piedras, El Paso, Texas.
J. P. McGrath	311 Texas Street, El Paso, Texas.
Ray Ward	1201 Madeline St., El Paso, Texas.
R. L. Bogardus	314 El Paso Nat'l Bk. Bldg., El Paso, Texas.

6. This corporation shall have no capital stock and shall be a non-profit corporation. The estimated value of the goods, chattels, lands, rights and credits owned by the corporation is \$4,000.00.

A 1.

IN TESTIMONY WHEREOF, we hereunto sign our names this 31st
day of May, A.D. 1951.

R. L. Bogardus
[Signature]
[Signature]
[Signature]
[Signature]
[Signature]

THE STATE OF TEXAS)
COUNTY OF EL PASO)

BEFORE ME, the undersigned authority, on this day personally
appeared R. L. BOGARDUS, known to me to be the person whose name is
subscribed to the foregoing instrument, and also known to me to be
a citizen of said state, and acknowledged to me that he executed the
same for the purposes and consideration therein expressed.

IN TESTIMONY WHEREOF, I hereunto subscribe my name and affix
the seal of my office, this, the 31st day of May, A.D. 1951.

[Signature]
Notary Public, El Paso County, Texas.

THE STATE OF TEXAS)
COUNTY OF EL PASO)

BEFORE ME, the undersigned authority, on this day personally
appeared HARRY O. REARICK, known to me to be the person whose name is
subscribed to the foregoing instrument, and also known to me to be
a citizen of said state, and acknowledged to me that he executed the
same for the purposes and consideration therein expressed.

IN TESTIMONY WHEREOF, I hereunto subscribe my name and affix
the seal of my office, this, the 31st day of May, A.D. 1951.

[Signature]
Notary Public, El Paso County, Texas.

THE STATE OF TEXAS)
COUNTY OF EL PASO)

BEFORE ME, the undersigned authority, on this day personally
appeared WILLIAM J. ELLIOTT, known to me to be the person whose name
is subscribed to the foregoing instrument, and also known to me to be
a citizen of said state, and acknowledged to me that he executed the
same for the purposes and consideration therein expressed.

IN TESTIMONY WHEREOF, I hereunto subscribe my name and affix
the seal of my office, this, the 31st day of May, A.D. 1951.

[Signature]
Notary Public, El Paso County, Texas.

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THE STATE OF TEXAS)
(
COUNTY OF EL PASO)

BEFORE ME, the undersigned authority, on this day personally appeared J. J. ANCHONDO, known to me to be the person whose name is subscribed to the foregoing instrument, and also known to me to be a citizen of said state, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

IN TESTIMONY WHEREOF, I hereunto subscribe my name and affix the seal of my office, this, the 11th day of June, A.D. 1951.

Walter E. Hopkins
Notary Public, El Paso County, Texas.

THE STATE OF TEXAS)
(
COUNTY OF EL PASO)

BEFORE ME, the undersigned authority, on this day personally appeared ARTHUR HORN, known to me to be the person whose name is subscribed to the foregoing instrument, and also known to me to be a citizen of said state, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

IN TESTIMONY WHEREOF, I hereunto subscribe my name and affix the seal of my office, this, the 11th day of June, A.D. 1951.

Walter E. Hopkins
Notary Public, El Paso County, Texas.

THE STATE OF TEXAS)
(
COUNTY OF EL PASO)

BEFORE ME, the undersigned authority, on this day personally appeared S. B. HUNT, known to me to be the person whose name is subscribed to the foregoing instrument, and also known to me to be a citizen of said state, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

IN TESTIMONY WHEREOF, I hereunto subscribe my name and affix the seal of my office, this, the 11th day of June, A.D. 1951.

Walter E. Hopkins
Notary Public, El Paso County, Texas.

THE STATE OF TEXAS)
(
COUNTY OF EL PASO)

BEFORE ME, the undersigned authority, on this day personally appeared J. P. McGRATH, known to me to be the person whose name is subscribed to the foregoing instrument, and also known to me to be a citizen of said state, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

IN TESTIMONY WHEREOF, I hereunto subscribe my name and affix the seal of my office, this, the 3rd day of May, A.D. 1951.

Walter E. Hopkins
Notary Public, El Paso County, Texas.

ARTICLES OF AMENDMENT
TO THE
ARTICLES OF INCORPORATION

FILED
In the Office of the
Secretary of State of Texas
JAN 19 1990

Corporations Section

Pursuant to the provisions of Article 4.03 of the Texas Non-Profit Corporation Act, the undersigned corporation adopts the following Articles of Amendment to the Articles of Incorporation which changes the name of the corporation.

ARTICLE ONE

The name of the corporation is EL PASO BOARD OF REALTORS ©.

ARTICLE TWO

The following amendment to the Articles of Incorporation was adopted by the corporation on October 3, 1989.

Article I of the Articles of Incorporation is hereby amended to read as follows:

The name of the corporation is GREATER EL PASO ASSOCIATION OF REALTORS ©.

ARTICLE THREE

The amendment was adopted in the following manner:

The amendment was adopted at a meeting of the members held on October 3, 1989, at which a quorum was present, and the amendment received at least two-thirds of the votes which members present or represented by proxy at such meeting were entitled to cast.

Dated November 21, 1989.

EL PASO BOARD OF REALTORS ©
Name of Corporation

By Rah Hovous
President

Kathleen Coleman
Secretary

State of Texas

County of

Before me, a notary public, on this day personally appeared Rob
Hovious and Kathren Coleman, known to me to be
the persons whose names are subscribed to the foregoing document and,
being by me first duly sworn, declared that the statements therein
contained are true and correct.

Given under my hand and seal of office this 21st day of
November, A.D., 1989.

Jackie Taylor

Notary Public, State of Texas

My commission expires:

10-26-93

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

ARTICLE I—NAME

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

SECTION 2. REALTORS®. Inclusion and retention of the term REALTORS®, registered collective membership mark, in the name of the Association shall be governed by the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS® as from time to time amended.

ARTICLE II—OBJECTIVES

The objectives of the Association are:

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

SECTION 2. To promote and maintain high standards of conduct in the real estate profession as expressed in the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®.

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

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

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

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

ARTICLE III—JURISDICTION

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

SECTION 2. Territorial jurisdiction is defined to mean: The right and duty to control the use of the terms REALTOR® and REALTORS® subject to the conditions set forth in these Bylaws and those of the NATIONAL ASSOCIATION OF REALTORS®, in return for which the Association agrees to protect and safeguard the property rights of the National Association in the terms.

ARTICLE IV—MEMBERSHIP

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE V—QUALIFICATION AND ELECTION TO MEMBERSHIP

SECTION 1. APPLICATION.

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

SECTION 2. QUALIFICATION.

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

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

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

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

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

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

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

1. All final findings of Code of Ethics violations and violations of other membership duties in this or any other REALTOR® association within the past three (3) years.
2. Pending ethics complaints (or hearings)
3. Unsatisfied discipline pending
4. Pending arbitration requests (or hearings)
5. Unpaid arbitration awards or unpaid financial obligations to any other association or association MLS.

6. Any misuse of the term REALTOR® or REALTORS® in the name of the applicant's firm.

“Provisional” membership may be granted in instances where ethics complaints or arbitration requests (or hearings) are pending in other associations or where the applicant for membership has unsatisfied discipline pending in another association (except for violations of the Code of Ethics; See Article V, Section 2(a) NOTE) provided all other qualifications for membership have been satisfied. Associations may reconsider the membership status of such individuals when all pending ethics and arbitration matters (and related discipline) have been resolved or if such matters are not resolved within six months from the date that provisional membership is approved.

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

SECTION 3. ELECTION TO MEMBERSHIP.

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

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

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

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

SECTION 4. NEW MEMBER CODE OF ETHICS ORIENTATION:

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

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

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

SECTION 5. REALTOR® CODE OF ETHICS TRAINING

Effective January 1, 2019 through December 31, 2021 and for successive three year periods thereafter, each REALTOR® member of the association (with the exception of REALTOR® members granted REALTOR® Emeritus status by the National Association) shall be required to complete ethics training of not less than two (2) hours and thirty (30) minutes of instructional time. This requirement will be satisfied upon presentation of documentation that the member has completed a course of instruction conducted by this or another REALTOR® association, the State Association of REALTORS®, or the NATIONAL ASSOCIATION OF REALTORS® which meets the learning objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTORS® from time to time. REALTOR® members who have completed training as a requirement of membership in another association and REALTOR® members who have completed the New Member Code of Ethics Orientation during any three year cycle shall not be required to complete additional ethics training until a new three year cycle commences.

Failure to satisfy the required periodic ethics training shall be considered a violation of a membership duty. Failure to meet the requirement in any three year cycle will result in suspension of membership for the first two months (January and February) of the year following the end of any three year cycle or until the requirement is met, whichever occurs sooner. On March 1 of that year, the membership of a member who is still suspended as of that date will be automatically terminated. (Adopted 1/01, revised 5/05, Amended 11/2016, Amended 2020)

SECTION 6. STATUS CHANGES

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

A REALTOR® (or REALTOR-ASSOCIATE®, where applicable) who is transferring their license from one firm comprised of REALTOR® principals to another firm comprised of REALTOR® principals shall be subject to all of the privileges and obligations of membership during the period of

transition. If the transfer is not completed within ten (10) business days of the date the board is advised of the disaffiliation with the current firm, membership will terminate automatically unless otherwise so directed by the Board of Directors.

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

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

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

ARTICLE VI—PRIVILEGES AND OBLIGATIONS

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

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

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

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

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

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

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

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

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

If a REALTOR® Member who is other than a principal in a firm, partnership, or corporation is suspended or expelled, the use of the terms REALTOR® or REALTORS® by the firm, partnership, or corporation shall not be affected.

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

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

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

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

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

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

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

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

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

ARTICLE VII—PROFESSIONAL STANDARDS AND ARBITRATION

SECTION 1. The responsibility of the Association and of Association Members relating to the enforcement of the Code of Ethics, the disciplining of Members, and the arbitration of disputes, and the organization and procedures incident thereto shall be governed by the *Code of Ethics and Arbitration Manual* of the Association, as amended from time to time, which by this reference is incorporated into these Bylaws, provided, however, that any provision deemed inconsistent with state law shall be deleted or amended to comply with state law.

SECTION 2. It shall be the duty and responsibility of every REALTOR® Member of this Association to abide by the Constitution and Bylaws and the Rules and Regulations of the Association, the Constitution and Bylaws of the State Association, the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS®, and to abide by the Code of Ethics of the NATIONAL ASSOCIATION OF REALTORS®, including the duty to arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics, and as further defined and in accordance with the procedures set forth in the *Code of Ethics and Arbitration Manual* of this Association as from time to time amended.

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

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

SECTION 1. Use of the terms REALTOR® and REALTORS® by Members shall, at all times, be subject to the provisions of the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS® and to the Rules and Regulations prescribed by its Board of Directors. This Association shall have the authority to control, jointly and in full cooperation with the NATIONAL ASSOCIATION OF REALTORS®, use of the terms within its jurisdiction. Any misuse of the terms by Members is a violation of a membership duty and may subject Members to disciplinary action by the Board of Directors after a hearing as provided for in the association's Code of Ethics and Arbitration Manual.

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

SECTION 3. A REALTOR® Member who is a principal of a real estate firm, partnership, or corporation, may use the term REALTOR® and REALTORS® only if all the principals of such firm, partnership, or corporation who are actively engaged in the real estate profession within the state or a state contiguous thereto are REALTOR® Members of the Association or Institute Affiliate Members as described in Section 1(b) of Article IV.

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

SECTION 4. Institute Affiliate Members shall not use the terms REALTOR® or REALTORS®, nor the imprint of the emblem seal of the NATIONAL ASSOCIATION OF REALTORS®.

ARTICLE IX—STATE AND NATIONAL MEMBERSHIPS

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

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

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

ARTICLE X—DUES AND ASSESSMENTS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

NOTE: A Member Association's dues obligation to the National Association is reduced by an equal amount which the Association is assessed for a REALTOR® Member times the number of REALTOR® Emeriti (as recognized by the National Association), Past Presidents and past treasurers of the National Association, and recipients of the Distinguished Service Award of the National Association who are REALTOR® Members of the Association. The dues obligation of such individuals to the local Association should be reduced to reflect the reduction in the

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

ARTICLE XI—OFFICERS AND DIRECTORS

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

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

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

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

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

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

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

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

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

SECTION 7. DUTIES OF OFFICERS.

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

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

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

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

SECTION 8. VACANCIES AMONG THE BOARD OF DIRECTORS AND OFFICERS. Vacancies among the Board of Directors and Officers shall be appointed by the Board of Directors until the next succeeding election or until their successors are qualified. Any Director or

Officer who serves by virtue of appointment to fill a vacancy has the same rights and privileges as an Officer or Director elected by the Membership.

SECTION 9. ELECTION OF OFFICERS AND DIRECTORS.

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

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

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

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

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

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

(b) The election electronic pre-voting process shall commence at 8:00 a.m. MST on the Monday eighteen days preceding the Friday prior to the Annual Meeting and continue throughout until 5:00 p.m. MST on the Friday prior to the Annual Meeting. The printed ballot election process shall commence at 8:00 a.m. MST on the Monday preceding the Friday prior to the Annual Meeting and continue throughout that week until 5:00 p.m. MST on the Friday prior to the Annual Meeting. Election shall be by ballot. The ballot shall contain the names of all candidates

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

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

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

ARTICLE XII—MEETINGS

SECTION 1. MEETINGS OF DIRECTORS.

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

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

SECTION 2. ANNUAL MEETINGS OF MEMBERSHIP. The Annual Meeting of the Membership shall be held during October of each year or at such other date designated by the Board of Directors. The date and place and time of the meeting shall be published in the Association

newsletter at least ten (10), but not earlier than fifty (50), days prior to the meeting, but no other notice shall be required.

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

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

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

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

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

ARTICLE XIII—COMMITTEES AND DIVISIONS

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

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

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

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

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

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

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

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

ARTICLE XIV—FISCAL AND ELECTIVE YEAR

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

ARTICLE XV—RULES OF ORDER

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

ARTICLE XVI—AMENDMENTS

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

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

SECTION 3. Amendments to these Bylaws affecting the admission or qualification of REALTOR® and Institute Affiliate Members, the use of the terms REALTOR® and REALTORS® or any alteration in the territorial jurisdiction of the Association shall become effective only upon their approval as authorized by the Board of Directors of the NATIONAL ASSOCIATION OF REALTORS®.

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

ARTICLE XVII- DISSOLUTION

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

ARTICLE XVIII—SUBSIDIARY MULTIPLE LISTING CORPORATION

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

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

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

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

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

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

The key is that the participant or potential participant actively endeavors to make or accept offers of cooperation and compensation with respect to properties of the type that are listed on the MLS in which participation is sought. This requirement does not permit an MLS to deny participation to a participant or potential participant that operates a “Virtual Office Website” (VOW) (including a VOW that the participant uses to refer customers to other participants) if the participant or potential

participant actively endeavors to make or accept offers of cooperation and compensation. An MLS may evaluate whether a participant or potential participant actively endeavors during the operation of its real estate business to offer or accept cooperation and compensation only if the MLS has a reasonable basis to believe that the participant or potential participant is in fact not doing so. The membership requirement shall be applied in a nondiscriminatory manner to all participants and potential participants. (Adopted 11/08)

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

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

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



POLICY

I. MEETING ROOMS

Limit the use of the auditorium for members, societies, divisions and councils during regular working hours for real estate related functions only. Association functions will always have priority.

- * Office meetings may be scheduled for six month periods between December 1st and 31st of the preceding year for January through June and April 1st through 31st of the current year for meetings July through December. If more than one office requests the same day and time, the choice will be made by lottery. This will begin March 1, 2008.
- * Office meetings will be for two hours or less.
- * Office meetings are limited to members of that office, speakers and trainers.
- * Coffee will be provided for a fee as established once a year by the Board of Directors. No other food or beverage will be provided by the Association.
- * Audio visual and other equipment of the Association will be checked in and out by a technical staff person.
- * A fee, established by the Board of Directors yearly, will be charged for rooms left dirty. That fee is \$100.00 plus cost of repair. (*BOD motion 1/2010*)
- * Special office meetings may be scheduled with Association notification.
- * A fee of \$50.00 will be charged for half of the conference room for 2 hours, \$100.00 for the full room for 2 hours and \$50.00 for the BOD room for 2 hours to the members and affiliates. Non-members – double the fee of each room. (*BOD motion 1/1/10*)

II. E-MAIL BLASTS

E-Mail blasts will be used for Association business only.

III. WEB SITE

The web site will be restricted to members, societies, divisions and councils. Separate links may be made available.

* Obituaries of REALTOR® members may be on an e-mail blast, all others will be under obituaries on the web site. All requests will be made by e-mail or fax.

Public Web Site – Cannot advertise any goods or service which would require a real estate license. *(BOD motion 2/19/08)*

IV. SIGN

The Greater El Paso Association of REALTORS® sign will be used for public relations and to promote the REALTOR® image.

* The sign may be used for endorsed political candidates.

* The chairman of a committee and above may be recognized for special accomplishments.

* VIP welcome announcements are allowed for visiting officers and chairmen of NAR, TAR, REALTOR® societies, divisions and councils.

V. LIFRO (Limited Function Referral Organizations)

A \$300.00 set up fee and a \$300.00 per year administrative fee for Limited Function Referral Organizations (LIFRO).

An agent who is a REALTOR® must sign a letter of resignation from membership in the TAR, NAR and the Greater El Paso Association of REALTORS® before he can be transferred to a LIFRO. The agent must agree that he has read and understands the rules for a LIFRO. *(BOD motion 4/27/2012)*

VI. OTHER

Sentrilock: There will be a non-refundable \$25.00 processing fee for non-compliance of the Sentrilock keybox audit notification. *(BOD motion 3/28/2013)*

Nominating Committee: If a member is running for a Board position, he/she cannot be on the Nominating committee. *(BOD motion 8/27/2010)*

Designated Broker: A Designated Broker (MLS Participant) will designate a name it desires for its company on the Greater El Paso Association of REALTORS® application for membership. The name designated by the applicant as its company name must be identical to the company name or assumed name as registered with the Texas Real Estate Commission (TREC); provided however, that, if the association believes the name desired by the applicant is the same or substantially similar to the name of an existing member of the association, the association may require the applicant to utilize a different name acceptable to the association. *(BOD motion 4/25/14)*

Texas Open Carry Law:

The Greater El Paso Association of REALTORS® property:

Concealed and open carry handguns are prohibited on the GEPAR property located at 6400 Gateway East, El Paso, TX. *(BOD motion 3/24/16)*

Off-Site Greater El Paso Association of REALTOR® meetings:

GEPAR Off-site meeting attendees will adhere to the policy of the meeting location. *(BOD motion 3/24/16)*

Professional Standards Hearings:

GEPAR Professional Standards Hearings prohibit all parties, witnesses, legal counsel, REALTOR® counsel and panel members from concealed and open carry handguns in the location of the Professional Standards Hearing. *(BOD motion 3/24/16)*

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

ARTICLE 1, NAME

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

ARTICLE 2, PURPOSES

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

ARTICLE 3, SERVICE AREA

The service area of the MLS shall be determined by the MLS Board of Directors.

***Note:** MLSs are encouraged to establish service areas that encompass natural markets and to periodically reexamine such boundaries. An MLS is not precluded from establishing and maintaining an MLS service area that exceeds the parent association(s) jurisdiction. (Amended 11/17)*

ARTICLE 4, PARTICIPATION

A. Participation Defined:

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

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

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

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

The membership requirement shall be applied on a nondiscriminatory manner to all Participants and potential Participants. (Adopted 11/08)

B. Application for Participation

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

C. Discontinuance of Service

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

D. Subscribers

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

E. Internet Display

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

ARTICLE 5, SERVICE CHARGES

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

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

ARTICLE 6, GOVERNING BODY

A. Government of the Service

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

B. Board of Directors and Officers of the Service

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

C. Nomination and Election of Directors

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

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

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

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

4. Voting by Electronic or Written Ballot. The electronic pre-voting process shall commence at 8:00 a.m. on the Monday eighteen days preceding the Friday prior to the Annual Meeting and continue throughout until 5:00 p.m. on the Friday prior to the Annual Meeting. Voting for selection of nominees shall be by printed secret ballot. Only members of the Election Committee shall have access to the ballots cast for the purpose of verifying the number of votes each participant is entitled to cast.

5. Vote to Select Nominees. Voting shall be in accordance with provisions of Article 7 of these Bylaws, and with the following provisions. The election process shall commence at 8:00 a.m. on Monday preceding the Friday prior to the annual meeting of the Service and continue throughout that week until 5:00 p.m. on the Friday prior to the annual meeting. Election shall be by ballot. The ballot shall contain the names of all candidates and the offices for which they are nominated. Each Participant will be allowed to cast their ballot at the Association office and will be required to supply proper identification prior to obtaining their ballot for the election process. Each participant will sign their name on the ballot stub in a legible manner and will also print their name under their signature. They will place their ballot in a ballot box and the ballot stub in a separate box which will be provided. In order for votes cast to be counted, all ballots must be completed at the Association office and there will be no voting accepted after the Friday, 5:00 p.m. deadline. All participants will be required to vote for the same number of candidates as there are open places on the Board of Directors or that section of the ballot will be declared void. A Participant may also vote by a signed and dated written proxy, which may be delivered by mail or a selected

messenger. If delivered by messenger, the person voting the proxy will furnish the original proxy for verification purposes, leave a copy of the proxy at the Association office, and print his/her name and the name of the person on whose behalf the proxy is voted, on the ballot stub. The proxy will be accepted at the Association office at any time during normal business hours, from the date of distribution of the proxy to Participants, until the close of voting.

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

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

6. Nominees Submitted to Member for Election. When nominees for Directors of the Service for the forthcoming fiscal year have been selected by vote of the participants of the Service, such nominees shall be submitted to the Board of Directors of the Association for formal election. Said nominees shall be deemed to be formally elected, unless 80% of the Association's Directors with voting rights vote against said nominee. Upon election by the Board of Directors of the Association, the individuals so elected shall be considered Directors-Elect and shall assume their respective offices on the succeeding January 1.

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

E. Term of Office

The Officers, elected by and from among the Directors, shall serve for a one-year term. The Directors shall serve for staggered two year terms; provided, however, that the initial Directors shall all serve one-year terms, and their successors shall draw lots to determine which five shall serve two-year terms and which four shall serve one-year terms. Each year, two of the open Director positions will be filled by appointment, and the balance of open Director positions (either two or three, as the case may be) will be filled by election. Officers and Directors shall take office upon the effective date of their offices and shall continue until their successors are elected,

qualified, and installed. No Officer or Director shall be nominated and elected to the same office for more than two consecutive terms.

E. Duties of Officers and Directors

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

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

F. Removal of Officers

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

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

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

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

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

G. Vacancies of Officers and/or Directors

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

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

ARTICLE 7, MEETINGS

A. Annual Meeting

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

B. Special Meetings of the Service

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

C. Quorum and Voting at Meetings of the Service

For the transaction of business, 10% of the Participants (both by number of Participants and by the total number of votes they are entitled to cast) of the service shall be considered a quorum.

A Approved by MLS 9/17/03 Approved by GEPAR 9/26/03 8

majority vote by such participants present and voting in person or by proxy shall be required for passage of motions at Participant's meetings. A majority vote of those Directors present and voting at a board of Directors meeting attended by a quorum shall be required for passage of motions at such meetings. Each participant shall be entitled to cast a number of votes equal to the number of licensees and certified appraisers affiliated with the Participant as of January 1 each year (including the Participant) and not exempt from calculation of MLS charges.

D. Meeting of the Board of Directors

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

E. Presiding Officer

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

ARTICLE 8, COMMITTEES

A. Appointment of Committees

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

B. Executive Committee

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

ARTICLE 9, FISCAL YEAR

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

ARTICLE 10, AMENDMENTS TO BYLAWS AND RULES AND REGULATIONS

A. Amendments to Bylaws

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

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

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

B. Rules and Regulations

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

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

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

ARTICLE 11, DISSOLUTION

In the event this service shall at any time terminate its activities, the Board of Directors of the Service shall consider and adopt a plan of liquidation and dissolution with the approval of the

participants thereof and of the Board of Directors of the Association. Said plan shall provide for the collection of all assets, the payment of all liabilities, and that the remaining portions of the assets be assigned to the Association.

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

Attest: _____ Date September 28th, 2020
Secretary/Treasurer, Greater El Paso Association
of REALTORS® Multiple Listing Service Inc.

Attest: _____ Date September 28th, 2020
Secretary/Treasurer, Greater El Paso Association
of REALTORS®

MLS RULES AND REGULATIONS
INTRODUCTION

A Multiple Listing Service is:

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

Definition of MLS Participant:

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

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

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

intended to permit an MLS to deny participation based on the level of service provided by the participant or potential participant as long as the level of service satisfies state law. (Adopted 11/08)

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

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

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

The universal access to services component of Board of Choice is to be interpreted as requiring that MLS Participatory rights be available to REALTOR® principals, or to firms comprised of REALTOR® principals, irrespective of where primary or secondary membership is held. The MLS may charge participants and subscribers not holding primary or secondary membership in a REALTOR® association that owns the MLS a different amount than charged to members of the association, provided that such charge is reasonable related to the actual costs of serving those members.

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

AGREEMENT

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

LISTING PROCEDURES

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

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

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

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

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

The different types of listing agreements include:

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

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

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

The exclusive agency listing also authorizes the listing broker, as exclusive agent, to offer cooperation and compensation on blanket unilateral bases, but also reserves to the seller the general right to sell the property on an unlimited or restrictive basis. Exclusive agency listings and exclusive right to sell listings with named

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

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

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

Section 1.01 Clear Cooperation: Within one (1) business day of marketing a property to the public, the listing broker must submit the listing to the MLS for cooperation with other MLS participants. Public marketing includes, but is not limited to, flyers displayed in windows, yard signs, digital marketing on public facing websites, brokerage website displays (including IDX and VOW), digital communications marketing (email blasts), multi-brokerage listing sharing networks, and applications available to the general public. (Adopted 11/19)

Note: Exclusive listing information for required property types must be filed and distributed to other MLS Participants for cooperation under the Clear Cooperation Policy. This applies to listings filed under Section 1 and listings exempt from distribution under Section 1.3 of the NAR model MLS rules if it is being publicly marketed, and any other situation where the listing broker is publicly marketing an exclusive listing that is required to be filed with the service and is not currently available to other MLS Participants.

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

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

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

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

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

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

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

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

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

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

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

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

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

Note: MLS Participants must distribute exempt listings within (1) one business day once the listing is publicly marketed. See Section 1.01, Clear Cooperation.

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

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

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

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

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

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

Section 1.9 No Control of Commission Rates or Fees Charged by Participants: The Multiple Listing Service shall not fix, control, recommend, suggest, or maintain commission rates or fees for services to be rendered by Participants. Further, the Multiple Listing Service shall not fix, control, recommend, suggest,

or maintain the division of commissions or fees between cooperating Participants or between Participants and non-participants.

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

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

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

Section 1.12 Service Area: Only listings of the designated types of property located within the service area of the Greater El Paso Association of REALTORS® MLS are required to be submitted to the Service. Listings of property located outside the MLS's service area will be accepted if submitted voluntarily by a Participant, but cannot be required by the Service.

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

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

Section 1.15 Listings of Resigned Participants: When a Participant resigns from the MLS, the MLS is not obligated to provide services, including continued inclusion of the resigned Participant's listings in the MLS compilation of current listing information. Prior to any removal of a resigned Participant's listings

from the MLS, the resigned Participant should be advised, in writing, of the intended removal so that the resigned Participant may advise his clients.

Selling Procedures

Section 2. Showings and Negotiations

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

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

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

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

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

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

Section 2.3 Right of Cooperating Broker in Presentation of Offer: The cooperating broker (subagent or buyer agent) or his representative has the right to participate in the presentation to the seller or lessor of any offer he secures to purchase or lease. He does not have the right to be present at any discussion or evaluation of that offer by the seller or lessor and the listing broker. However, if the seller or lessor gives written instructions to the listing broker that the cooperating broker not be present when an offer the cooperating broker secured is presented, the cooperating broker has the right to a copy of the seller's written instructions. None of the foregoing diminishes the listing broker's right to control the establishment of appointments for such presentations.

Where the cooperating broker is not present during the presentation of the offer, the cooperating broker can request in writing, and the listing broker must provide, as soon as practical, written affirmation stating that the offer has been submitted to the seller, or written notification that the seller has waived the obligation to have the offer presented.

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

gives written instructions to the cooperating broker that the listing broker not be present when a counter-offer is presented, the listing broker has the right to a copy of the purchaser or lessee's written instructions.

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

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

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

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

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

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

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

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

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

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

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

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

REFUSAL TO SELL

Section 3. Refusal to Sell: If the seller of any listed property filed with the Multiple Listing Service refuses to accept a written offer satisfying the terms and conditions stated in the listing, such fact shall be transmitted immediately to the Service and to all Participants.

PROHIBITIONS

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

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

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

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

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

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

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

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

DIVISION OF COMMISSIONS

Section 5. Compensation Specified on Each Listing: The listing broker shall specify, on each listing filed with the multiple listing service, the compensation offered to other multiple listing service participants for their services in the sale of such listing. Such offers are unconditional except that entitlement to compensation is determined by the cooperating broker's performance as the procuring cause of the sale (or lease) or as otherwise provided for in this rule. The listing broker's obligation to compensate any cooperating broker as the procuring cause of the sale (or lease) may be excused if it is determined through arbitration that, through no fault of the listing broker and in the exercise of good faith and reasonable care, it was impossible or financially unfeasible for the listing broker to collect a commission pursuant to the listing agreement. In such instances, entitlement to cooperative compensation offered through MLS would be a question to be determined by an arbitration hearing panel based on all relevant facts and circumstances including, but not limited to, why it was impossible or financially unfeasible for the listing broker to collect some or all of the commission established in the listing agreement; at what point in the transaction did the listing broker know (or should have known) that some or all of the commission established in the listing agreement might not be paid; and how promptly had the listing broker communicated to cooperating brokers that the commission established in the listing agreement might not be paid. (Amended 11/98)

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

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

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

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

The Multiple Listing Service shall not have a rule requiring the listing broker to disclose the amount of total negotiated commission in his listing contract and the Multiple Listing Service shall not publish the total negotiated commission on a listing which has been submitted to the MLS by a Participant. The Multiple Listing Service shall not disclose in any way the total commission negotiated between the seller and the listing broker.

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

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

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

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

Note 4: Multiple Listing Services, at their discretion, may adopt rules and procedures enabling listing brokers to communicate to potential cooperating brokers that gross commissions established in listing contracts are subject to court approval or to lender approval; and that compensation payable to cooperating brokers may be reduced if the gross commission established in the listing contract is reduced by a court or by a lender. In such instances, the fact that the gross commission is subject to court or to lender approval and either the potential reduction in

compensation payable to cooperating brokers or the method by which the potential reduction in compensation will be calculated must be clearly communicated to potential cooperating brokers prior to the time they submit an offer that ultimately results in a successful transaction. (Amended 5/10)

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

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

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

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

Section 5.0.1 Participant must disclose potential short sales: Participants must disclose potential short sales (defined as a transaction where title transfers, where the sale price is insufficient to pay the total of all liens and costs of sale and where the seller does not bring sufficient liquid assets to the closing to cure all deficiencies) when reasonably known to the listing participants. (Amended 5/09)

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

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

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

SERVICE CHARGES

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

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

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

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

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

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

COMPLIANCE WITH RULES

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

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

Section 7.2 Applicability of Rules to Users and/or Subscribers: Non-principal brokers, sales licensees, appraisers and others authorized to have access to information published by the MLS are subject to these Rules and Regulations and may be disciplined for violations thereof provided that the user or subscriber has signed an agreement acknowledging that access to and use of MLS information is contingent on compliance with the Rules and Regulations. Further, failure of any user or subscriber to abide by the rules

and/or sanction imposed for violations thereof can subject the Participant to the same or other discipline. This provision does not eliminate the Participant's ultimate responsibility and accountability for all users or subscribers affiliated with the Participant.

MEETINGS

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

ENFORCEMENT OF RULES OR DISPUTES

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

Section 9.1 Violations of Rules and Regulations: If the alleged offense is a violation of the MLS Rules and Regulations of the service and does not involve a charge of alleged unethical conduct or request for arbitration and the MLS has a procedure established to conduct hearings, it may be considered and determined by the MLS Tribunal and if a violation is determined, the MLS Tribunal may direct the imposition of sanction, provided the recipient of such sanction may request an appeal to the MLS Board of Directors within twenty (20) days of the tribunal's decision. Alleged violations involving unethical conduct shall be referred to the professional standards committee of the association of REALTORS® for processing in accordance with the professional standards procedures of the association. If the charge alleges a refusal to arbitrate, such charge shall be referred directly to the board of directors of the association of REALTORS®

Sanctions for violations may include:

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

Note: A participant (or user/subscriber, where appropriate) can be placed on probation. Probation is not a form of discipline. When a participant (or user/subscriber, where appropriate) is placed on probation the discipline is held in abeyance for a stipulated period of time not longer than one (1) year. Any subsequent finding of a violation of the MLS rules during the probationary period may, at the discretion of the Board of Directors, result in the imposition of the suspended discipline.

Absent any subsequent findings of a violation during the probationary period, both the probationary status and the suspended discipline are considered fulfilled, and the individual's record will reflect the fulfillment. The fact that one or more forms of discipline are held in abeyance during the probationary period does not bar imposition of other forms of discipline which will not be held in abeyance.

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

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

Section 9.1.2: *Beginning August 1st, 2020, violations of Rule 1.01, the MLS will impose a fine of \$1,000.00. Recurrence of the violation will cause the fine to escalate at \$1,000.00 increments with a cap of \$5,000.00.*

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

CONFIDENTIALITY OF MLS INFORMATION

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

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

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

OWNERSHIP OF MLS COMPILATION* AND COPYRIGHT

Section 11: By the act of submitting any property listing content to the MLS, the Participant represents that he has been authorized to grant and also thereby does grant authority for the MLS to include the property listing content in its copyrighted MLS compilation and also in any statistical report on comparable. Listing content includes, but is not limited to, photographs, images, graphics, audio and video recordings, virtual tours, drawings, descriptions, remarks, narratives, pricing information, and other details or information related to listed property.

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

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

To qualify for this safe harbor, the OSP must:

- Designate on its website and register with the Copyright Office an agent to receive takedown requests. The agent could be the MLS, participant, subscriber, or other individual or entity.
- Develop and post a DMCA-compliant website policy that addresses repeat offenders.
- Comply with the DMCA takedown procedure. If a copyright owner submits a takedown notice to the OSP, which alleges infringement of its copyright at a certain location, then the OSP must promptly remove allegedly infringing material. The alleged infringer may submit a counter-notice that the OSP must share with the copyright owner. If the copyright owner fails to initiate a copyright lawsuit within ten (10) days, then the OSP may restore the removed material.

- Have no actual knowledge of any complained-of infringing activity.
- Not be aware of facts or circumstances from which complained-of infringing activity is apparent.
- Not receive a financial benefit attributable to complained-of infringing activity when the OSP is capable of controlling such activity.

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

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

Section 11.2: Each Participant shall be entitled to lease from the Association Board of REALTORS® a number of copies of each MLS compilation sufficient provide the Participant and each person affiliated as a licensee (including licensed or certified appraisers) with such Participant with one copy of such compilation. The Participant shall pay for each such copy the rental fee set by the MLS. Participants shall acquire by such lease only the right to use the MLS compilation in accordance with these rules.

USE OF COPYRIGHTED MLS COMPILATION

Section 12. Distribution: Participants shall at all times, maintain control over and responsibility for each copy of any MLS compilation leased to them by the Association of REALTORS® shall not distribute any such copies to persons other than subscribers who are affiliated with such Participant as licensees, those individuals who are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property, and any other subscribers as authorized pursuant to the governing documents of the MLS. Use of information developed by or published by the Association Multiple Listing Service is strictly limited to the activities authorized under a Participant's licensure(s) or certification and unauthorized uses are prohibited. Further, none of the foregoing is intended to convey "Participation, or "Membership or any right of access to information developed by or published by an Association Multiple Listing Service where access to such information is prohibited by law.

* The term "MLS compilation," as used in Sections 11 and 12 herein, shall be construed to include any format in which property listing data is collected and disseminated to the Participants, including but not limited to bound book, loose-leaf binder, computer database, card file, or any other format whatever.

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

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

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

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

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

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

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

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

None of the foregoing shall be construed to prevent any individual legitimately in possession of current listing information, sold information, comparable, or statistical information from utilizing such information to support valuations on particular properties for clients and customers. Any MLS content in data feeds available to participants for real estate brokerage purposes must also be available to participants for valuation purposes, including automated valuations. MLSs must either permit use of existing data feeds, or create a separate data feed, to satisfy this requirement. MLSs may require execution of a third-party license agreement where deemed appropriate by the MLS. MLSs may require participants who will use such data feeds to pay the reasonably estimated costs incurred by the MLS in adding or enhancing its downloading capacity for this purpose. Information deemed confidential may not be used as supporting documentation. Any other use of such information is unauthorized and prohibited by these rules and regulations. (Amended 05/14)

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

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

USE OF MLS INFORMATION

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

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

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

CHANGES IN RULES AND REGULATIONS

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

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

ORIENTATION

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

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

PROVISIONS FOR ESTABLISHING INTERNET DATA EXCHANGE (“IDX”)

Internet Data Exchange (“IDX”)

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

Section 18.1 Authorization: Participants’ consent for display of their listings by other participants pursuant to these rules and regulations is presumed unless a participant affirmatively notifies the MLS that the participant refuses to permit display (either on a blanket or on a listing-by-listing basis). If a participant refuses on a blanket basis to permit the display of that participant’s listings, that participant may not download, frame or display the aggregated MLS data of other participants.

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

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

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

Section 18.2.3: Listings, including property addresses, can be included in IDX displays except where a seller has directed their listing broker to withhold their listing or the listing’s property address from all display on the Internet (including, but not limited to, publicly-accessible websites or VOWs) or other electronic forms of display or distribution. (Amended 05/17)

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

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

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

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

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

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

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

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

Section 18.2.10 be added to the Internet Data Exchange (“IDX”) Rules: An MLS Participant (or where permitted locally, an MLS Subscriber) may co-mingle the listings of other brokers received in an IDX feed with listings available from other MLS IDX feeds, provided all such displays are consistent with the IDX rules, and the MLS Participant (or MLS Subscriber) holds participatory rights in those MLSs. As used in this policy, “co-mingling” means that consumers are able to execute a single property search of multiple IDX data feeds resulting in the display of IDX information from each of the MLSs on a single search results page; and that Participants may display listings from each IDX feed on a single webpage or display.

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

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

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

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

Section 18.3.1: Listings displayed pursuant to IDX shall contain only those fields of data designated by the MLS. Display of all other fields (as determined by the MLS) is prohibited. Confidential fields intended only for other MLS participants and users (e.g., cooperative compensation offers, showing instructions,

property security information, etc.) may not be displayed.

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

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

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

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

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

Section 18.3.11: Listings obtained through IDX feeds from REALTOR® Association MLSs where the MLS Participant holds participatory rights must be displayed separately from listings obtained from other sources. Listings obtained from other sources (e.g., from other MLSs, from non-participating brokers, etc.) must display the source from which each such listing was obtained. Displays of minimal information (e.g., "thumbnails", text messages, "tweets", etc., of two hundred [200] characters or less) are exempt from this requirement but only when linked directly to a display that includes all required disclosures. (Amended 11/14)

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

Section 18.3.12: Display of expired, withdrawn, and sold listings is prohibited.

Section 18.3.13: Display of seller's(s') and/or occupant's(s') name(s), phone number(s), and email address(es) is prohibited.

Section 18.3.14: Participants are required to employ appropriate security protection such as firewalls, on their websites and displays provided that any security measures required may not be greater than those employed by the MLS.

Section 18.3.15: IDX Participants must maintain an audit trail of consumer activity on their website and make that information available to the MLS if the MLS believes the IDX site has caused or permitted a breach in the security of the data or a violation of MLS rules related to use by consumers.

Section 18.3.16: Deceptive or misleading advertising (including co-branding) on pages displaying IDX-provided listings is prohibited. For purposes of the rules, co-branding will be presumed not to be deceptive or misleading if the participant's logo and contact information is larger than that of any third party.

Section 18.4 Service Fees and Charges: Service fees and charges for participation in IDX shall be as established annually by the Board of Directors.

Virtual Office Website (VOW) Rules for MLSs

Section 19.1 VOW Defined:

- A Virtual Office Website ("VOW") is a Participant's Internet website, or a feature of a Participant's website, through which the Participant is capable of providing real estate brokerage services to consumers with whom the Participant has first established a broker-consumer relationship (as defined by state law) where the consumer has the opportunity to search MLS Listing Information, subject to the Participant's oversight, supervision, and accountability. A non-principal broker or sales licensee affiliated with a Participant may, with his or her Participant's consent, operate a VOW. Any VOW of a non-principal broker or sales licensee is subject to the Participant's oversight, supervision, and accountability.
- As used in Section 19 of these Rules, the term "Participant" includes a Participant's affiliated non-principal brokers and sales licensees – except when the term is used in the phrases "Participant's consent" and "Participant's oversight, supervision, and accountability". References to "VOW" and "VOWs" include all VOWs, whether operated by a Participant, by a non-principal broker or sales licensee, or by an Affiliated VOW Partner ("AVP") on behalf of a Participant.
- "Affiliated VOW Partner" ("AVP") refers to an entity or person designated by a Participant to operate a VOW on behalf of the Participant, subject to the Participant's supervision, accountability and compliance with the VOW Policy. No AVP has independent participation rights in the MLS by virtue of its right to receive information on behalf of a Participant. No AVP has the right to use MLS Listing Information except in connection with operation of a VOW on behalf of one or more Participants. Access by an AVP to MLS Listing Information is derivative of the rights of the Participant on whose behalf the AVP operates a VOW.

- As used in Section 19 of these Rules, the term “MLS Listing Information” refers to active listing information and sold data provided by Participants to the MLS and aggregated and distributed by the MLS to Participants.

Section 19.2:

- The right of a Participant’s VOW to display MLS Listing Information is limited to that supplied by the MLS(s) in which the Participant has participatory rights. However, a Participant with offices participating in different MLSs may operate a master website with links to the VOWs of the other offices.
- Subject to the provisions of the VOW Policy and these Rules, a Participant’s VOW, including any VOW operated on behalf of a Participant by an AVP, may provide other features, information, or functions, e.g. Internet Data Exchange (“IDX”).
- Except as otherwise provided in the VOW Policy or in these Rules, a Participant need not obtain separate permission from other MLS Participants whose listings will be displayed on the Participant’s VOW.

Section 19.3:

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

- The Participant must first establish with that consumer a lawful broker-consumer relationship (as defined by state law), including completion of all actions required by state law in connection with providing real estate brokerage services to clients and customers (hereinafter “Registrants”). Such actions shall include, but are not limited to, satisfying all applicable agency, non-agency, and other disclosure obligations, and execution of any required agreements.
- The Participant must obtain the name of, and a valid email address for, each Registrant. The Participant must send an email to the address provided by the Registrant confirming that the Registrant has agreed to the Terms of Use (described in subsection (d) below). The Participant must verify that the email address provided by the Registrant is valid and that the Registrant has agreed to the Terms of Use.
- The Participant must require each Registrant to have a user name and a password, the combination of which is different from those of all other Registrants on the VOW. The Participant may, at his or her option, supply the user name and password or may allow the Registrant to establish its user name and password. The Participant must also assure that any email address is associated with only one user name and password.

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

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

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

- That the Registrant acknowledges entering into a lawful consumer-broker relationship with the Participant;
- That all information obtained by the Registrant from the VOW is intended only for the Registrant's personal, non-commercial use;
- That the Registrant has a bona fide interest in the purchase, sale, or lease of real estate of the type being offered through the VOW;
- That the Registrant will not copy, redistribute, or retransmit any of the information provided except in connection with the Registrant's consideration of the purchase or sale of an individual property;
- That the Registrant acknowledges the MLS's ownership of, and the validity of the MLS's copyright in, the MLS database.

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

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

Section 19.4: A Participant's VOW must prominently display an e-mail address, telephone number, or specific identification of another mode of communication (e.g., live chat) by which a consumer can contact the Participant to ask questions, or get more information, about any property displayed on the VOW. The Participant, or a non-principal broker or sales licensee licensed with the Participant, must be willing and able to respond knowledgeably to inquiries from Registrants about properties within the market area served by that Participant and displayed on the VOW.

Section 19.5: A Participant's VOW must employ reasonable efforts to monitor for, and prevent, misappropriation, "scraping", and other unauthorized use of MLS Listing Information. A Participant's VOW shall utilize appropriate security protection such as firewalls as long as this requirement does not impose security obligations greater than those employed concurrently by the MLS.

Section 19.6:

- A Participant’s VOW shall not display listings or property addresses of any seller who has affirmatively directed the listing broker to withhold the seller’s listing or property address from display on the Internet. The listing broker shall communicate to the MLS that the seller has elected not to permit display of the listing or property address on the Internet. Notwithstanding the foregoing, a Participant who operates a VOW may provide to consumers via other delivery mechanisms, such as email, fax, or otherwise, the listings of sellers who have determined not to have the listing for their property displayed on the Internet.
- A Participant who lists a property for a seller who has elected not to have the property listing or the property address displayed on the Internet shall cause the seller to execute a document that includes the following (or a substantially similar) provision.

Seller Opt-Out Form

Please check either Option A or Option B:

A. I have advised my broker or sales agent that I do not want the listed property to be displayed on the Internet.

OR

B. I have advised my broker or sales agent that I do not want the address of the listed property to be displayed on the Internet.

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

Initials of Seller

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

Section 19.7:

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

- Write comments or reviews about particular listings or display a hyperlink to such comments or reviews in immediate conjunction with particular listings, or:
- Display an automated estimate of the market value of the listing (or hyperlink to such estimate) in immediate conjunction with the listing.

(b) Notwithstanding the foregoing, at the request of a seller the Participant shall disable or discontinue either or both of those features described in subsection (a) as to any listing of the seller. The listing broker or agent shall communicate to the MLS that the seller has elected to have one or both of these features disabled or discontinued on all Participants' websites. Subject to the foregoing and to Section 19.8, a Participant's VOW may communicate the Participant's professional judgment concerning any listing. A Participant's VOW may notify its customers that a particular feature has been disabled "at the request of the seller."

Section 19.8: A Participant's VOW shall maintain a means (e.g., e-mail address, telephone number) to receive comments from the listing broker about the accuracy of any information that is added by or on behalf of the Participant beyond that supplied by the MLS and that relates to a specific property displayed on the VOW. The Participant shall correct or remove any false information relating to a specific property within 48 hours following receipt of a communication from the listing broker explaining why the data or information is false. The Participant shall not, however, be obligated to correct or remove any data or information that simply reflects good faith opinion, advice, or professional judgment.

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

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

Section 19.11: A Participant's VOW must display the Participant's privacy policy informing Registrants of all of the ways in which information that they provide may be used.

Section 19.12: A Participant's VOW may exclude listings from display based only on objective criteria, including, but not limited to, factors such as geography, list price, type of property, cooperative compensation offered by listing broker, and whether the listing broker is a REALTOR®.

Section 19.13: A Participant who intends to operate a VOW to display MLS Listing Information must notify the MLS of its intention to establish a VOW and must make the VOW readily accessible to the MLS and to all MLS Participants for purposes of verifying compliance with these Rules, the VOW Policy, and any other applicable MLS rules or policies.

Section 19.14: A Participant may operate more than one VOW himself or herself or through an AVP. A Participant who operates his or her own VOW may contract with an AVP to have the AVP operate other VOWs on his or her behalf. However, any VOW operated on behalf of a Participant by an AVP is subject to the supervision and accountability of the participant.

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

- Expired and withdrawn, ~~or pending ("under contract")~~ listings.

Note: Due to the 2015 changes in IDX policy and the requirement that participants be permitted to make MLS listing information available to Registrants of VOW sites where such information may be made available via other delivery

mechanisms, MLSs can no longer prohibit the display of pending (“under contract”) listings on VOW sites.

- The compensation offered to other MLS Participants.
- The type of listing agreement, i.e., exclusive right to sell or exclusive agency.
- The seller’s and occupant’s name(s), phone number(s), or e-mail address(es).
- Instructions or remarks intended for cooperating brokers only, such as those regarding showings or security of listed property.
- Sold information

Section 19.16: A Participant shall not change the content of any MLS Listing Information that is displayed on a VOW from the content as it is provided in the MLS. The Participant may, however, augment MLS Listing Information with additional information not otherwise prohibited by these Rules or by other applicable MLS rules or policies as long as the source of such other information is clearly identified. This rule does not restrict the format of display of MLS Listing Information on VOWs or the display on VOWs of fewer than all of the listings or fewer than all of the authorized information fields.

Section 19.17: A Participant shall cause to be placed on his or her VOW a notice indicating that the MLS Listing Information displayed on the VOW is deemed reliable but is not guaranteed accurate by the MLS. A Participant’s VOW may include other appropriate disclaimers necessary to protect the Participant and/or the MLS from liability.

Section 19.18: A Participant shall cause any listing that is displayed on his or her VOW to identify the name of the listing firm and the listing broker or agent in a readily visible color, in a reasonably prominent location, and in typeface not smaller than the median typeface used in the display of listing data.

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

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

Section 19.21: A Participant may display advertising and the identification of other entities (“co-branding”) on any VOW the Participant operates or that is operated on his or her behalf. However, a Participant may not display on any such VOW deceptive or misleading advertising or co-branding. For purposes of this Section, co-branding will be presumed not to be deceptive or misleading if the Participant’s logo and contact information (or that of at least one Participant, in the case of a VOW established and operated on behalf of more than one Participant) is displayed in immediate conjunction with that of every other party, and the logo and contact information of all Participants displayed on the VOW is as large as the logo of the AVP and larger than that of any third party.

Section 19.22: A Participant shall cause any listing displayed on his or her VOW that is obtained from other sources, including from another MLS or from a broker not participating in the MLS, to identify the source of the listing.

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

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

Section 19.25: Where a seller affirmatively directs their listing broker to withhold either the seller's listing or the address of the seller's listing from display on the Internet, a copy of the seller's affirmative direction shall be provided to the MLS within 48 hours.

MLS Listing Policy Statements

- **Multiple Listing Policy Statement 7.31, Section 6, Lock Box Security:** Lock boxes may not be placed on a property without written authority from the seller. This authority may be established in the listing contract or in a separate document created specifically for the purpose. Inclusion in MLS compilations cannot be required as a condition of placing lock boxes on listed property.
- **Multiple Listing Policy Statement 7.31, Section 8 Lock Box Security Requirements:** Boards shall adopt written, reasonable, and appropriate rules and procedures for administrators of lock box systems which may include appropriate fines, not to exceed \$15,000.
- **Policy Statement 7.58 IDX Advertising, Print and Electronic:** The IDX policy gives MLS participants the ability to authorize limited electronic display of their listings by other participants.

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

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

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

Unless state law requires prior written consent from listing brokers, listing brokers' consent for IDX display may be presumed unless a listing broker affirmatively notifies the MLS that the listing broker refuses to permit display (either on a blanket or on a listing-by-listing basis). If a participant refuses on a blanket basis to permit IDX display of that participant's listings, then that participant may not display the aggregated MLS data of other participants on an IDX site.

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

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

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

Policies Applicable to Participants' IDX Websites and Displays:

- Participants must notify the MLS of their intention to display IDX information and give the MLS direct access for purposes of monitoring/ensuring compliance with applicable rules and policies. *(Amended 05/12)*
- MLS participants may not use IDX-provided listings for any purpose other than IDX display. This does not require participants to prevent indexing of IDX listings by recognized search engines. *(Amended 05/12)*

- Listings or property addresses of sellers who have directed their listing brokers to withhold their listing or property address from display on the Internet (including, but not limited to, publicly accessible websites or VOWs) shall not be accessible via IDX display. *(Amended 05/12)*
- Participants may select the IDX listings they choose to display based only on objective criteria including, but not limited to, factors such as geography or location (“uptown”, “downtown”, etc.), list price, type of property (e.g., condominiums, cooperatives, single family detached, multi-family), cooperative compensation offered by listing brokers, type of listing (e.g., exclusive right-to-sell or exclusive agency), or the level of service provided by the listing firm. Selection of IDX listings to be displayed must be independently made by each participant. *(Amended 05/12)*
- Participants must refresh all MLS downloads and displays automatically fed by those downloads not less frequently than every twelve (12) hours. *(Amended 11/14)*
- Except as provided elsewhere in this policy or elsewhere in an MLS’s rules and regulations, an IDX display or participant engaging in IDX display may not distribute, provide, or make any portion of the MLS database available to any person or entity. *(Amended 05/12)*
- When displaying listing content, a participant’s or user’s IDX display must clearly identify the name of the brokerage firm under which they operate in a readily visible color and typeface. This policy acknowledges that certain required disclosures may not be possible in displays of minimal information (e.g., “thumbnails”, text messages, “tweets”, etc., of 200 characters or less). Such displays are exempt from the disclosure requirements established in this policy but only when linked directly to a display that includes all required disclosures. *(Amended 05/12)*
- With respect to any participant’s IDX display that:
 - allows third-parties to write comments or reviews about particular listings or displays a hyperlink to such comments or reviews in immediate conjunction with particular listings, or
 - displays an automated estimate of the market value of the listing (or hyperlink to such estimate) in immediate conjunction with the listing, either or both of those features shall be disabled or discontinued with respect to the seller’s listing at the request of the seller. The listing broker or agent shall communicate to the MLS that the seller has elected to have one or both of these features disabled or discontinued by all participants. Except for the foregoing and subject to paragraph 9, a participant’s IDX display may communicate the participant’s professional judgment concerning any listing. Nothing shall prevent an IDX display from notifying customers that a particular feature has been disabled at the request of the seller. *(Amended 05/12)*
- Participants shall maintain a means (e.g., e-mail address, telephone number) to receive comments about the accuracy of any data or information that is added by or on behalf of the participant beyond that supplied by the MLS and that relates to a specific property. The participant shall correct or remove any false data or information relating to a specific property upon receipt of a communication from the listing broker or listing agent for that property explaining why the data or information is false. However, the participant shall not be obligated to remove or correct any data

or information that simply reflects good faith opinion, advice, or professional judgment. (Amended 05/12)

- An MLS Participant (or where permitted locally, an MLS subscriber) may co-mingle the listings of other brokers received in an IDX feed with listings available from other MLS IDX feeds, provided all such displays are consistent with the IDX rules, and the MLS Participant (or MLS subscriber) holds participatory rights in those MLSs. As used in this policy, “co-mingling” means that consumers are able to execute a single property search of multiple IDX data feeds resulting in the display of IDX information from each of the MLSs on a single search results page; and that Participants may display listings from each IDX feed on a single webpage or display. (Adopted 11/14)

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

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

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

- **Policy Statement 7.90, Real Estate Transaction Standards (RETS), revised as follows:**
The integrity of data is a foundation to the orderly real estate market. The Real Estate Transaction Standards (RETS) provide a vendor neutral; secure approach to exchanging listing information between the broker and the MLS. In order to ensure that the goal of maintaining an orderly marketplace is maintained, and to further establish REALTOR® information as the trusted data source, MLS organizations owned and operated by associations of REALTORS® will implement the RESO Standards including: the RESO Data Dictionary by January 1, 2016; the RESO Web API by June 30, 2016 and will keep current by implementing new releases of RESO Standards within one (1) year from ratification. Compliance with this requirement can be demonstrated using the Real Estate Standards Organization (RESO) compliance Certification Process.
- **Policy Statement 7.92, Orientation and Other Training, adopted as follows:**

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

- **Policy Statement 7.93, Submission of Photographs or Other Graphic Representations, adopted as follows:** Multiple Listing Services may, as a matter of local discretion, require submission of a reasonable number of photographs or other graphic representations that accurately depict listed property except where sellers expressly direct that photographs of their property not appear in MLS compilations.
- **Policy Statement 7.94, Submission of Legally Required Seller Disclosure Information, adopted as follows:** Multiple Listing Services may, as a matter of local discretion, require submission of all legally-required seller disclosure information except where sellers expressly direct that such disclosure documents not be disseminated through MLS.
- **Policy Statement 7.95, Price Change Information, adopted as follows:** MLS's are not required to track or report price change information other than the most recent increase or decrease in the price of current listings. If such information (either with respect to a current listing or to prior listings of that property) is tracked by an MLS and made available to participants and subscribers, neither it nor any information from which it may be determined shall be classified as confidential nor may participants be prohibited from making such information available to clients and customers pursuant to the same rules governing dissemination of other non-confidential data fields. Classification as non-confidential permits inclusion of such information in advertisements, including IDX display, of other participants' listings as a matter of local option.
- **Policy Statement 7.96, Days/Time on Market Information, adopted as follows:** MLS's are not required to track or report days/time on market information (i.e., the length of time a property has been listed for sale pursuant to a current listing agreement or prior listing agreements, whether with the same or different listing brokers or firms). If such information is tracked by an MLS and made available to participants and subscribers, neither it nor any information from which it may be determined (such as the current list date, or prior list and expiration dates) shall be classified as confidential, nor may participants be prohibited from making such information available to clients or customers pursuant to the same rules governing dissemination of other non-confidential data fields. Classification as non-confidential permits inclusion of such information in advertisements, including IDX display, of other participants' listings as a matter of local option.

- **Policy Statement 7.97, Need to Disclose of Property is a Foreclosure, is Bank-own, or is Real Estate Owned (“REO”), adopted.** As a matter of local discretion, Multiple Listing Services may require participants to disclose if a listed property is a foreclosure, bank-owned, or real estate owned (“REO”). *(Adopted 11/11)*

MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (the "Agreement") is made and entered into as of November 20, 2009, by and between GREATER EL PASO ASSOCIATION OF REALTORS®, a Texas non-profit corporation ("GEPAR"), and GREATER EL PASO ASSOCIATION OF REALTORS® MULTIPLE LISTING SERVICE, INC., a Texas non-profit corporation (the "MLS Subsidiary").

ARTICLE I. DEFINITIONS

Section 1.1. Multiple Listing Services of MLS. The terms "Multiple Listing Service" or MLS mean the real property listing service previously and currently operated by the MLS Subsidiary pursuant to a prior Memorandum of Understanding or its predecessor, and it includes all MLS Hardware, MLS Software, MLS Data and any rights under the Provider Agreement.

Section 1.2. MLS Hardware. The term "MLS Hardware" means all computer and other equipment currently owned or hereafter acquired for use, in connection with the MLS.

Section 1.3. MLS Software. The term "MLS Software" means all computer programs currently owned, or hereafter acquired for use, in connection with the MLS.

Section 1.4. MLS Data. The term "MLS Data" means all data and information currently stored, or previously or hereafter acquired for use, in the MLS.

Section 1.5. Provider Agreement. The name "Provider" means the MLS System Lease/Hosting Company.

Section 1.6. Provider Agreement. The term "Provider Agreement" means that certain MarketLinx, Lease/Hosting Agreement between GEPAR and MarketLinx dated January 27, 2004, as may be amended and extended.

Section 1.7. GEPAR Office. The term "GEPAR Office" means the GEPAR office building located at 6400 Gateway Blvd. East, El Paso, TX 79905.

Section 1.8. Assignment. The term "Assignment" means the Assignment described in Section 2.1 herein below.

ARTICLE II. ASSIGNMENT AND OPERATION OF THE MLS

Section 2.1 Assignment to MLS Subsidiary. Subject to the terms and conditions of this Agreement and effective as of the date provided in Section 2.2 hereof and for the term provided in Section 2.5 hereof, GEPAR hereby assigns to MLS Subsidiary the right to use, but not title to, the MLS, including without limitation the right to operate the MLS, the MLS Hardware, MLS Software, MLS Data, and the Provider Agreement, (the "Assignment"). MLS Subsidiary hereby agrees to accept the Assignment and to assume and operate the Multiple Listing Service according to the terms and

conditions set forth in this Agreement. MLS Subsidiary stipulates and agrees that the MLS is property of GEPAR.

Section 2.2. Effective Date of Assignment. The Assignment will be effective as of July 1, 2015. The parties stipulate that any provision contained in the governing documents of the MLS Subsidiary, and this document and other documents referenced herein, that do not meet the approval of the National Association of REALTORS® (“NAR”), shall not be given effect to the extent of such disapproval.

Section 2.3. Operation of MLS. MLS Subsidiary agrees to conduct the MLS in conformity with the requirements of the National Association of REALTORS®, and the Constitution, Bylaws, Rules and Regulations and Policies thereof.

Section 2.4. Lease of Space for MLS Offices. GEPAR agrees to provide to the MLS Subsidiary, and MLS Subsidiary agrees to lease from GEPAR, at fair market rental amount, suitable and adequate space within the existing GEPAR Offices. The parties agree to execute a separate lease to this effect contemporaneously herewith, with the term to be the same as the term of the Assignment.

Section 2.5. Term. The term of this Agreement and the Assignment shall expire June 30, 2020, but this Agreement and the Assignment shall be renewed automatically for successive five-year terms unless either the GEPAR Board of Directors or the MLS Board of Directors provides to the other written notice of nonrenewal no less than 360 days prior to the expiration date of any renewal term. If notice of nonrenewal is delivered in a timely manner, the Board of Directors of GEPAR shall provide for the structure, operation and organization of the MLS to take effect immediately upon the expiration hereof, and during the period leading up to the expiration hereof, shall solicit input from the MLS Board of Directors regarding the plans for the MLS. Upon expiration hereof, GEPAR shall be responsible for any and all taxes, legal expenses, accounting expenses, and conversion costs attendant to the expiration of this Agreement and its assumption of the operation of the MLS, and shall assume all assets and authorized liabilities incurred and contracts executed by the MLS corporate subsidiary in regard to the MLS systems, data, leases, furniture, fixtures and equipment.

Section 2.6. Cooperation and Efficiency. In order to promote cooperation and efficiency for the benefit of the GEPAR Members and the MLS Participants, and in order to avoid duplication of effort, the MLS Subsidiary agrees not to engage in revenue generating activities which are not covered by the Assignment and which are being pursued by GEPAR, and GEPAR agrees not to engage the revenue generating activities that are covered by the Assignment to the MLS Subsidiary.

Section 2.7. MLS Expenses. MLS Subsidiary will pay a proportionate share of the compensation for the Association Executive employed and selected by GEPAR, who will oversee the entire operation of the MLS and the MLS Subsidiary. Common operating expenses of GEPAR and MLS, including without limitation those described on Exhibit “A”, attached hereto and incorporated herein, shall be shared between GEPAR and the MLS Subsidiary on a 60% - 40% basis, except as otherwise shown to Exhibit “A” or as otherwise agreed by the parties. It is understood by the parties that this sharing ratio is subject to change, as needed, by the parties in order to adequately reflect the proper apportionment of expenses. If any party desires any such change, the matter should be first referred to the respective presidents of GEPAR and the MLS Subsidiary, and, absent agreement by the

presidents, then to the respective boards of directors of GEPAR and the MLS Subsidiary. The MLS Subsidiary hereby agrees to promptly pay its share of such expenses as set forth above, upon request by GEPAR.

Section 2.8. Board Meetings. The President of GEPAR or his/her designee may sit in on MLS Subsidiary board of directors meetings, in a nonvoting capacity; the President of the MLS Subsidiary or his/her designee may sit in on GEPAR board of directors meetings, in a nonvoting capacity.

Section 2.9. Use of MLS Hardware and Software. GEPAR shall have the right to use MLS Hardware, MLS Software, and MLS Data for its own purposes, and shall be allocated reasonable costs associated with such use.

ARTICLE III. AGREEMENTS AND REPRESENTATIONS OF MLS SUBSIDIARY

Section 3.1. MLS Subsidiary's Representation and Warranties.

- A. MLS Subsidiary is duly organized and validly existing under the laws of the State of Texas.
- B. MLS Subsidiary has the authority to execute, deliver and perform this Agreement; and the execution and performance hereof have been authorized by all necessary action of MLS Subsidiary.

Section 3.2. MLS Subsidiary's Covenants and Agreements.

- A. MLS Subsidiary will keep the MLS free from any lien, attachment, security interest, sequestration, encumbrance, or any other legal or equitable process, or any encumbrance of any kind or character, except with the written consent of GEPAR;
- B. MLS Subsidiary will keep the MLS in good repair and condition, and will use reasonable care to prevent the MLS from being damaged or depreciated, ordinary wear and tear expected;
- C. GEPAR does not assume and will not have any liability for the performance of any of the obligations of the MLS Subsidiary or any transaction, agreement or contract entered into by the MLS Subsidiary, unless it specifically agrees to do so by official action of its Board of Directors;
- D. MLS Subsidiary will punctually and properly perform all of MLS Subsidiary's covenants and duties under the InnoVia Agreement, and will promptly furnish GEPAR with any information or writings which the GEPAR may reasonably request concerning the InnoVia Agreement;
- E. MLS Subsidiary will promptly notify GEPAR of any change in any fact or circumstance warranted or represented by the MLS Subsidiary in this Agreement, and will promptly notify GEPAR of any claims, action or proceeding materially affecting the MLS, or any part thereof, and, at the request of GEPAR will appear in and defend, at MLS Subsidiary's expense, any such action or proceeding;
- F. MLS Subsidiary will promptly pay or cause to be paid, when due, (1) all lawful claims, whether for labor, materials or otherwise, which might, or could if unpaid, become a lien or charge on the MLS or any part thereof, and (2) any and all taxes and other governmental assessments which might, or

could if unpaid, become a lien or charge on the MLS, unless and to the extent only that the same are being contested in good faith by appropriate proceedings, that notice thereof has been delivered to GEPAR setting forth the nature and amount of the contested claim, and reserves deemed adequate by GEPAR have been established therefore;

- G. Until the termination of this Agreement, and except for the financing statements in favor of MLS Provider and GEPAR, MLS Subsidiary will not execute and there will not be on file in any public office any financing statement or statements creating or evidencing a lien covering any of the MLS, and MLS Subsidiary further agrees that it will not permit or suffer any other security interest, lien or encumbrance upon any of the MLS assets, except as may be permitted in writing by GEPAR by official action of its Board of Directors.
- H. MLS Subsidiary will not cause or allow the removal of the MLS Hardware or MLS Software from the GEPAR Office without the prior written consent of GEPAR by official action of its Board of Directors.
- I. MLS Subsidiary will keep proper books of record and accounts in accordance with sound and accepted accounting practice, which books will at all times be open to inspection by GEPAR. MLS Subsidiary will maintain all such books of record and accounts at the GEPAR Office;
- J. MLS Subsidiary will continuously maintain MLS Subsidiary's existence and MLS Subsidiary's right to do business in Texas and in each other state in which the MLS, or any part of it, is located, under all applicable law.
- K. MLS Subsidiary will allow GEPAR to inspect the MLS and all records relating to the MLS, and to make and take away copies of such records at any time and from time to time;
- L. MLS Subsidiary will not enter into any transaction of merger, reorganization, or consolidation, or transfer, sell, assign, lease, or otherwise dispose of all or any part of its property, or wind up, liquidate or dissolve, or agree to do any of the foregoing without written approval of GEPAR by official action of its Board of Directors.
- M. During the term of this Agreement, title to the MLS and all other property covered by the Assignment shall at all times remain the sole and exclusive property of GEPAR. Upon execution of this Agreement, MLS Subsidiary shall execute a financing statement in accordance with the provisions of the Texas Uniform Commercial Code, listing the MLS and other property covered by the Assignment, and showing GEPAR as the lessor and MLS Subsidiary as the lessee.

ARTICLE IV. DEFAULT

Section 4.1. Default. MLS Subsidiary will be in default ("Default") under the Agreement upon the occurrence of any one or more of the following events: (i) the failure to pay any amount under the Provider agreement when due; (ii) the failure to perform any covenant or condition in the Provider agreement and (iii) the failure to perform any obligation or covenant under this Agreement.

Section 4.2. GEPAR's Rights and Remedies.

A. GEPAR, at any time, either before or after a Default:

- (1) May examine and inspect the MLS records, wherever located.
- (2) Will have the right, together with such accountants and other agents as it may from time to time designate, to visit and inspect MLS Subsidiary's properties, assets and books, and to discuss MLS Subsidiary's affairs, finances and accounts with MLS Subsidiary's Board of Directors, at such reasonable times as GEPAR may designate, and to make copies of MLS Subsidiary's records. MLS Subsidiary will furnish to GEPAR any information requested by GEPAR in connection with the MLS.

B. In the event of the occurrence of any Default, GEPAR may, at its option, with at least 30 days prior notice of default to the MLS Subsidiary with an opportunity to cure such default:

- (1) Terminate this Agreement, in which event the Assignment of the MLS will become null and void and the MLS will revert to GEPAR;
- (2) In addition to the rights and remedies provided in this Agreement, or in any other agreement, instrument or undertaking executed by MLS Subsidiary, invoke any rights and remedies available at law or in equity;
- (3) GEPAR is hereby authorized, in its own name or the names of MLS Subsidiary, at any time, to notify any debtor or obligor or any party obligated to the MLS to make all payments due or to become due thereon directly to GEPAR, or such other person or officer as GEPAR may require. With or without such general notification, GEPAR may take or bring in MLS Subsidiary's name or that of the GEPAR all steps, actions, suits or proceedings deemed by GEPAR necessary or desirable to effect possession or collection of sums due to the MLS, may complete any contract or agreement of MLS Subsidiary in any way related to the MLS, may compromise any claims related to the MLS, may remove from the MLS Subsidiary's premises all documents, instruments, records, files or other items relating to the MLS, and GEPAR may, without cost or expense to GEPAR, use MLS Subsidiary's personnel, supplies and space to take possession of and administer the MLS.
- (4) GEPAR may, at the sole option of GEPAR, discharge taxes, liens and interest, perform or cause to be performed, for and on behalf of MLS Subsidiary, any actions and conditions, obligations or covenants which MLS Subsidiary has failed or refused to perform, and may pay for the repair, maintenance or preservation of any of the MLS assets, and all sums so expended, including, but limited to, attorneys' fees, court costs, agents' fees or commissions, or any other costs or expenses, will be due and payable by the MLS Subsidiary to GEPAR on demand and will bear interest from the date of payment at the highest lawful rate.

ARTICLE V. MISCELLANEOUS.

Section 5.1. Entire Agreement. This Agreement and the documents executed in connection therewith contain the entire agreement of the parties and incorporate all prior negotiations and understandings.

Section 5.2. Successors and Assigns. This Agreement is binding upon and inures to the benefit of and is enforceable by the parties hereto and their respective heirs, successors and assigns. Notwithstanding anything to the contrary in this Agreement, the MLS Subsidiary may not assign any rights or obligations under this Agreement without GEPAR's prior written consent by official action of its Board of Directors.

Section 5.3. Severability. In the event any provision of this Agreement is declared or judged to be unenforceable or unlawful by any governmental authority, then such unenforceable or unlawful provision will be excised therefrom, and the remainder of the document or instrument so affected, together with all rights and remedies granted thereby, will continue and remain in full force and effect.

Section 5.4. Governing Law. This Agreement and the rights and obligations of the parties hereunder will be construed and interpreted in accordance with and governed by the laws of the State of Texas, except as federal law may apply. El Paso County, Texas, is the proper place of venue for all suits arising under this Agreement.

EXECUTED to be effective as of the 1st day of July, 2015.

MLS Subsidiary:

GREATER EL PASO ASSOCIATION OF REALTORS® MULTIPLE LISTING SERVICE INC.

By: _____
President

GEPAR

GREATER EL PASO ASSOCIATION OF REALTORS®

By: _____
President

Travel Policy

Effective: May 25, 2018

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Purpose

The Greater El Paso Association of REALTORS® expense-reimbursement policies have been formulated to comply with the regulations of the Internal Revenue Service. The IRS establishes an “accountable plan” travel-expense allowance based on what is considered to be ordinary, necessary, and directly related to the active conduct of one’s trade or business. Because of this, the Greater Association of REALTORS® limits may seem somewhat restrictive.

Expenses must be actually incurred and documented by receipts in order to warrant reimbursement under the Greater El Paso Association of REALTORS® limits. “Trade-offs” (i.e., submission of an expense voucher for other expenditures in lieu of transportation, lodging, and meals) do not meet the IRS criteria of “directly related” and therefore are not reimbursable.

When receipts are submitted for reimbursement, the Greater El Paso Association of REALTORS® limits, as stated herein, apply. If receipts are not submitted, the IRS per diem limit for the respective travel date and location applies. This policy limits the IRS per diem reimbursement to one day only. However, when extenuating circumstances arise, special consideration may be requested.

Expense Report Forms

The Greater El Paso Association of REALTORS® travel-reimbursement process is initiated with travel-expense reports. These reports are designed to assist you in organizing and accounting for essential information necessary to receive reimbursement, such as time, place, business purpose of the meeting attended, type of expense, related cost, and the party to be reimbursed.

A completed and signed expense-report form, with original receipts attached and a report of the conference/event attended must be submitted to receive reimbursement, or expense App approved by Greater El Paso Association of REALTORS®.

All expenses must be submitted within 30 days of the completed trip. Those expenses submitted after 30 days, under special circumstances, may be approved. In no case will expenses be reimbursed if submitted more than 90 days after the expense is incurred.

General Expense Reimbursement Guidelines

Transportation

- Air:** Commercial air travel is reimbursed at the coach-class rate. Advance purchase should be made whenever possible to take advantage of lowest fares. Business use of frequent flyer miles (or any other type of airline rewards program) or vouchers is not reimbursable.
- Curbside baggage-handling fees are reimbursed at the actual cost, plus \$1 per bag/box for a tip. The cost for bags/boxes exceeding weight limit or number of bag limit will not be reimbursed.
- Limo/taxi/bus:** Actual cost is reimbursed, and receipts must be provided. Tipping for taxi/limo shall not exceed 15% of the actual fare plus an additional \$0.50 per bag/box.
- Personal auto:** The owner of the vehicle that is used will be reimbursed at the IRS allowable rate per mile. The number of miles driven must be stated. The allowable rate per mile changes periodically and is indicated on the expense-reimbursement form. Personal auto mileage is reimbursable only when other modes of transportation are unobtainable, or when personal auto use is less expensive than other modes.
- Parking/tolls:** Actual cost is reimbursed. Receipts should be provided when possible, and are required for any amount over \$75. Reimbursement for parking is limited to self-parking options, unless no self-parking is available. If valet parking is utilized where self-parking is otherwise available, reimbursement will be based on the lowest available self-parking option.
- Rental car:** Rental cars are reimbursable only when other modes of transportation are unobtainable or more expensive.

Lodging

- GEPAR limit:** The actual cost of the room, based on the allowance indicated under member- or officer-specific lodging section is reimbursable. When the association negotiates a special rate at a stated facility, the reimbursement Greater Association of REALTORS® will be limited to the negotiated rate. Should you choose to stay at a different facility, the limit of the reimbursement will be based on the the negotiated rate at the stated facility. If you choose to stay at a different facility, it will be your responsibility to cancel the reservation that the Greater El Paso Association of REALTORS® has made for you at the original facility to ensure reimbursement.

If expenses are reimbursable, receipts should be attached to the expense report. If no receipts for lodging expenses are attached, reimbursement will fall within the IRS per diem limit for date and location of travel.

Tipping: For a maid, \$1 per day per room is reimbursable. For a bellhop or doorman, \$1 per bag is reimbursable.

IRS limit: Without receipts, the maximum IRS lodging per diem limit for the respective date and travel location will be reimbursed.

Note: Overnight lodging is not paid when the first meeting starts at or after 10 a.m. and the last meeting adjourns by 4 p.m., unless travel time exceeds three hours one way or commercial travel modes will not accommodate the meeting's start or end time. Exceptions to this policy are subject to approval prior to incurring the expense.

Personal expenditures are not reimbursable. Personal expenditures include but are not limited to:

1. Entertainment such as in-room movies or tours or any other non-business functions
2. Books or magazines
3. Barber or beautician services
4. Golf fees
5. Spa services
6. Fitness-center fees
7. Mini-bar or bottled water

Meals

GEPAR limit: The maximum daily limit including tips for meals and excluding alcohol is \$75, provided itemized receipts are attached. Without receipts, the reimbursement will be at the current IRS allowable rate. The name of each person and the purpose of the business meal must be written on the receipt.

Tipping: If dining at a restaurant the maximum reimbursable tip is 17% of the bill, while for room service, the maximum is 15% of the bill.

IRS limit: Without receipts, the maximum IRS meal per diem limit for the respective date and travel location will be reimbursed.

Communication

Telephone: All Greater El Paso Association of REALTORS® related calls or fax transmissions are reimbursed based on actual charges.

Internet: Internet-access charges are reimbursed based on actual cost.

General Note

All expenses are strictly based on the number of days the individual must be in attendance. If a person chooses to arrive early or remain after the conclusion of a meeting, all additional expenses (lodging, meals, etc.) will be paid by the individual

Elected and Appointed Positions that will be eligible for reimbursement.

NAR Director

TAR Director

TREPAC Chair

TREPAC Past Chair

TREPAC Incoming Chair

Nominating Committee

YPN Vice Chair

TAR Regional Vice President

Meetings and travel amount are outlined in the yearly budget.

Leadership Team Travel

The leadership team includes:

1. President
2. President - elect
3. Secretary/Treasurer

Transportation: General-expense reimbursement guidelines apply.

Lodging: Actual cost of room.

Meals: General-expense reimbursement guidelines apply.

All guest expenditures are treated as compensation and are reflected on Form 1099 for tax purposes each year. TAR will issue a gross up payment to cover the tax burden resulting from guest compensation reflected on Form 1099.

If a Leadership Team member uses a Texas Realtor-issued credit card to charge an expense that is not in accordance with this policy, the member will be personally responsible for reimbursing the Association for the applicable charges.

Regional Vice President Travel

The two regularly scheduled meetings consist of the Winter Meeting and the Conference.

Transportation: General – expenses reimbursement guidelines apply

Lodging: The actual cost of a single room and any *non-personal* expenditures will be covered. This will cover only days of conference. Vehicle parking fees applied are limited to self-parking for one vehicle per room per night. Excess parking fees will be charged to the RVP.

Meals: General – expenses reimbursement guidelines apply

Registration fees: The RVP's registration will be reimbursed for both meetings.

Executive Board meeting attendance: Regional Vice Presidents are expected to attend Executive Board meetings. An RVP will be personally responsible for reimbursing TAR for any room, parking and registration fees expended on behalf of the RVP if the RVP attends any portion of the meeting but does not attend the Executive Board meeting. Exceptions to this policy may be considered due to extenuating circumstances. This provision also applies to an Incoming RVP at Conference.

General Information:

Anyone who qualifies for reimbursement must attend TAR or NAR meetings in its entirety before attending affiliated meetings.

Other Meetings

Other meetings include:

1. Scheduled Executive Board meetings (excluding Winter Meeting and Conference)
2. Specially called meetings of the Executive Board
3. Board Officers Leadership Conference (only prior to taking office)
4. Spokesperson training (only prior to taking office)
5. Regional meetings

Travel-related expenses incurred by the RVP while attending specially called meetings approved by the president/CEO as a committee member will be reimbursed under member-travel guidelines.

Transportation: General-expense reimbursement guidelines applies.

Lodging: General-expense reimbursement guidelines apply. The actual cost of a room, based on single-room rate for the facility, is the reimbursable limit. Vehicle parking fees are limited to self-parking for one vehicle per room per night. Excess parking fees will be charged to the RVP.

Meals: General-expense reimbursement guidelines apply. A complimentary ticket will be provided for meal functions when attendance is expected.

Staff Travel

Transportation: General-expense reimbursement guidelines apply.

Lodging: General-expense reimbursement guidelines apply.

Meals: Maximum daily limit for meals including tips and excluding alcohol is \$75 when itemized receipts are provided. With no receipts, the reimbursement will be at the IRS meal per diem limit for respective date and travel location.
Expenses incurred at local association banquets where responsibilities as an association employee are expected to be performed are a reimbursable expense, however, an exception to the GEPAR limit for meals would apply.

Hosting/entertaining: The Greater El Paso Association of REALTORS® will reimburse the actual costs incurred in situations where it is deemed appropriate for the staff member to pay for several individuals at a meal.
Entertainment expenditures draw the greatest attention from the IRS, and thus require a higher degree of discretion. IRS regulations require the expenditure to be adequately explained with information concerning the purpose of the gathering, a list of individuals attending, the name of the organization each individual represents, the name and location where the expense was incurred, and all costs included. Any hosting expense must be within the Greater El Paso Association of REALTORS® or departmental budget.

Communication: General-expense reimbursement guidelines apply.

Attachment to the Policy is the yearly schedule.
Attachment yearly budget.



Greater El Paso Association of REALTORS®

2020-21 Strategic Plan



Member Engagement

Goal: Support a culture of member engagement through promoting the value of membership and the relevancy of the association.

- Engage new members to help the association understand their expectations and utilize effective programming to encourage involvement.
- Identify and cultivate new and emerging leaders for involvement in association governance.
- Utilize effective and innovative resources, tools and programs to recognize members for their contributions and achievements.
- Ensure full transparency and accountability of the association to members and provide platforms for member input and feedback, including the use of surveys, task forces and focus groups.
- Utilize video communication to celebrate member success and highlight association events, programs and issues.
- Effectively inform members of association meetings and decisions to increase awareness of key issues and policies.
- Encourage more member attendance at association meetings and explore video streaming of the association's Board of Directors meeting.
- Utilize social media as a communication tool and resource.
- Explore the use of a text communication tool to increase member knowledge, awareness and engagement.
- Create and utilize video promotion on what GEPAR committees do at new member orientations to explain the importance and value of input and engagement.
- Continue GEPAR participation in the Texas REALTORS® Leadership Program to identify and cultivate member and leadership involvement. Utilize graduates to share their experiences, talent and knowledge through engaging in association governance, programs and events.
- Utilize TRLP graduates to mentor others to grow the program and encourage participation/engagement in the association and in the community.



Association Engagement and Social Responsibility

Goal: Enhance the positive image of REALTORS® and the association's relationship with the community to *positively* impact sustainable improvement of economic and social conditions.

- Be the Voice of Real Estate both internally with REALTORS® and externally to the public utilizing diverse media strategies.
- Be a trusted resource to the media through distribution and commentary on Greater El Paso real estate market statistics.
- Explore and develop a marketing plan to expand the association's communications and marketing resources and strategies to enhance the positive image of the association and our REALTOR® members to the public.
- Promote the value of the association and the role it serves as a community partner and trusted resource to members.
- Recognize that we as REALTORS® are inextricably entwined and represent the fabric of our communities. We benefit from the economic vitality of our community and have a responsibility and moral obligation to give back to the community.
- Sustain association initiatives to give and facilitate member giving to local charitable organizations.



Advocacy

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

- Promote the importance of TREPAC as it relates to the health and vitality of the real estate industry and the community.
- Encourage REALTOR® members to vote and participate in the advocacy efforts of the association.
- Educate members on the rationale and importance of Calls for Action on local, state and national issues.
- Maximize the utilization of TREPAC and REALTOR® Party funding available to the association to enhance advocacy efforts.
- Increase member participation through low-commitment opportunities to engage.
- Utilize social media best practices and other modern forms of communication to communicate with and engage members in creative and effective ways.
- Communicate in person with members, including the use of A-Team office visits.
- Maintain a strong and visible presence in all local political meetings and have the ability to rapidly mobilize REALTORS® to act when necessary.
- Encourage members to serve in elected and appointed positions in local government and community organizations.
- Establish stronger relationships with the media as a credible and valuable resource on advocacy issues.



Professional Development & Member Success

Goal: Promote growth and provide resources that elevate ethics, professionalism and integrity that contribute to member success.

- Improve the quality of professional development opportunities and programs, including specialty area education and designations.
- Diversify the delivery of professional development opportunities to better meet member needs, preferences and delivery of course and educational offerings.
- Promote NAR's C2EX endorsement program.
- Provide opportunities for members to complete their Code of Ethics training.
- Promote Equal Opportunity and Fair Housing.

Goal: Promote the importance of the MLS as a relevant and valued resource for members, utilizing an effective leadership and governance operational structure.

- In coordination with the MLS, utilize a work group to examine its relevancy, effectiveness and future viability.
- Communicate and educate membership on the value of accurate MLS data and use of market statistics.
- Enhance relationships with builders to facilitate a collaborative resource or database of new home construction market data and statistics to supplement MLS resources.

Mission:

The Greater El Paso Association of REALTORS® is a trusted ally to the public through protection of property rights and facilitation of professionalism and ethics among our members.



The goal for this meeting was to determine which committee would be responsible for the bullet points on the Strategic Plan. Although there was some discussion, we tried not to get into “how” the item would be accomplished but rather which committee.

It was agreed for the Mission Statement to remain as written, and to include it where the membership can be aware of it.

TRLP task force shall consist of graduates and those who choose to serve.

Member Engagement – (Match bullet points to number)

1. YPN & Orientation
2. Executive, Staff, Leadership and TRLP
3. Executive & Staff
4. Executive & Staff
5. Staff
6. Leadership, Chairs and Staff
7. Executive & Staff
8. Chairs & Staff
9. Staff
10. Chairs & Staff
11. TRLP task force
12. TRLP task force

Association Engagement and Social Responsibility

1. President or appointee
2. President or appointee
3. Executive, CEO & Staff
4. Community Investment & YPN
5. Community Investment & YPN
6. Staff & task force

Advocacy

TREPAC & Governmental Affairs (all bullets)

Professional Development & Member Success

1. All committees
2. All committees
3. Promote C2EX – Brokers and Committees
4. Teach Code of Ethics – Ambassador Luncheons

CODE OF ETHICS AND STANDARDS OF PRACTICE OF THE NATIONAL ASSOCIATION OF REALTORS®

Effective January 1, 2021



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

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

Preamble

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

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

In recognition and appreciation of their obligations to clients, customers, the public, and each other, REALTORS® continuously strive to become and remain informed on issues affecting real estate and, as knowledgeable professionals, they willingly share the fruit of their experience and study with others. They identify and take steps, through enforcement of this Code of Ethics and by assisting appropriate regulatory bodies, to eliminate practices which may damage the public or which might discredit or bring dishonor to the real estate profession. REALTORS® having direct personal knowledge of conduct that may violate the Code of Ethics involving misappropriation of client or customer funds or property, discrimination against the protected classes under the Code of Ethics, or fraud, bring such matters to the attention of the appropriate Board or Association of REALTORS®. (Amended 1/21)

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

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

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

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

Duties to Clients and Customers

Article 1

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

- **Standard of Practice 1-1**

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

- **Standard of Practice 1-2**

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

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

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

- **Standard of Practice 1-3**

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

- **Standard of Practice 1-4**
REALTORS®, when seeking to become a buyer/tenant representative, shall not mislead buyers or tenants as to savings or other benefits that might be realized through use of the REALTOR®'s services. (Amended 1/93)
 - **Standard of Practice 1-5**
REALTORS® may represent the seller/landlord and buyer/tenant in the same transaction only after full disclosure to and with informed consent of both parties. (Adopted 1/93)
 - **Standard of Practice 1-6**
REALTORS® shall submit offers and counter-offers objectively and as quickly as possible. (Adopted 1/93, Amended 1/95)
 - **Standard of Practice 1-7**
When acting as listing brokers, REALTORS® shall continue to submit to the seller/landlord all offers and counter-offers until closing or execution of a lease unless the seller/landlord has waived this obligation in writing. Upon the written request of a cooperating broker who submits an offer to the listing broker, the listing broker shall provide, as soon as practical, a written affirmation to the cooperating broker stating that the offer has been submitted to the seller/landlord, or a written notification that the seller/landlord has waived the obligation to have the offer presented. REALTORS® shall not be obligated to continue to market the property after an offer has been accepted by the seller/landlord. REALTORS® shall recommend that sellers/landlords obtain the advice of legal counsel prior to acceptance of a subsequent offer except where the acceptance is contingent on the termination of the pre-existing purchase contract or lease. (Amended 1/20)
 - **Standard of Practice 1-8**
REALTORS®, acting as agents or brokers of buyers/tenants, shall submit to buyers/tenants all offers and counter-offers until acceptance but have no obligation to continue to show properties to their clients after an offer has been accepted unless otherwise agreed in writing. REALTORS®, acting as agents or brokers of buyers/tenants, shall recommend that buyers/tenants obtain the advice of legal counsel if there is a question as to whether a pre-existing contract has been terminated. (Adopted 1/93, Amended 1/99)
 - **Standard of Practice 1-9**
The obligation of REALTORS® to preserve confidential information (as defined by state law) provided by their clients in the course of any agency relationship or non-agency relationship recognized by law continues after termination of agency relationships or any non-agency relationships recognized by law. REALTORS® shall not knowingly, during or following the termination of professional relationships with their clients:
 - 1) reveal confidential information of clients; or
 - 2) use confidential information of clients to the disadvantage of clients; or
 - 3) use confidential information of clients for the REALTOR®'s advantage or the advantage of third parties unless:
 - a) clients consent after full disclosure; or
 - b) REALTORS® are required by court order; or
 - c) it is the intention of a client to commit a crime and the information is necessary to prevent the crime; or
 - d) it is necessary to defend a REALTOR® or the REALTOR®'s employees or associates against an accusation of wrongful conduct.

Information concerning latent material defects is not considered confidential information under this Code of Ethics. (Adopted 1/93, Amended 1/01)
 - **Standard of Practice 1-10**
REALTORS® shall, consistent with the terms and conditions of their real estate licensure and their property management agreement, competently manage the property of clients with due regard for the rights, safety and health of tenants and others lawfully on the premises. (Adopted 1/95, Amended 1/00)
 - **Standard of Practice 1-11**
REALTORS® who are employed to maintain or manage a client's property shall exercise due diligence and make reasonable efforts to protect it against reasonably foreseeable contingencies and losses. (Adopted 1/95)
 - **Standard of Practice 1-12**
When entering into listing contracts, REALTORS® must advise sellers/landlords of:
 - 1) the REALTOR®'s company policies regarding cooperation and the amount(s) of any compensation that will be offered to subagents, buyer/tenant agents, and/or brokers acting in legally recognized non-agency capacities;
 - 2) the fact that buyer/tenant agents or brokers, even if compensated by listing brokers, or by sellers/landlords may represent the interests of buyers/tenants; and
 - 3) any potential for listing brokers to act as disclosed dual agents, e.g., buyer/tenant agents. (Adopted 1/93, Renumbered 1/98, Amended 1/03)
 - **Standard of Practice 1-13**
When entering into buyer/tenant agreements, REALTORS® must advise potential clients of:
 - 1) the REALTOR®'s company policies regarding cooperation;
 - 2) the amount of compensation to be paid by the client;
 - 3) the potential for additional or offsetting compensation from other brokers, from the seller or landlord, or from other parties;
 - 4) any potential for the buyer/tenant representative to act as a disclosed dual agent, e.g., listing broker, subagent, landlord's agent, etc.; and
 - 5) the possibility that sellers or sellers' representatives may not treat the existence, terms, or conditions of offers as confidential unless confidentiality is required by law, regulation, or by any confidentiality agreement between the parties. (Adopted 1/93, Renumbered 1/98, Amended 1/06)
 - **Standard of Practice 1-14**
Fees for preparing appraisals or other valuations shall not be contingent upon the amount of the appraisal or valuation. (Adopted 1/02)
 - **Standard of Practice 1-15**
REALTORS®, in response to inquiries from buyers or cooperating brokers shall, with the sellers' approval, disclose the existence of offers on the property. Where disclosure is authorized, REALTORS® shall also disclose, if asked, whether offers were obtained by the listing licensee, another licensee in the listing firm, or by a cooperating broker. (Adopted 1/03, Amended 1/09)
 - **Standard of Practice 1-16**
REALTORS® shall not access or use, or permit or enable others to access or use, listed or managed property on terms or conditions other than those authorized by the owner or seller. (Adopted 1/12)
- ## Article 2
- REALTORS® shall avoid exaggeration, misrepresentation, or concealment of pertinent facts relating to the property or the transaction. REALTORS® shall not, however, be obligated to discover latent defects in the property, to advise on matters outside the scope of their real estate license, or to disclose facts which are confidential under the scope of agency or non-agency relationships as defined by state law. (Amended 1/00)
- **Standard of Practice 2-1**
REALTORS® shall only be obligated to discover and disclose adverse factors reasonably apparent to someone with expertise in those areas required by their real estate licensing authority. Article 2 does not impose upon the REALTOR® the obligation of expertise in other professional or technical disciplines. (Amended 1/96)

- **Standard of Practice 2-2**
(Renumbered as Standard of Practice 1-12 1/98)
- **Standard of Practice 2-3**
(Renumbered as Standard of Practice 1-13 1/98)
- **Standard of Practice 2-4**
REALTORS® shall not be parties to the naming of a false consideration in any document, unless it be the naming of an obviously nominal consideration.
- **Standard of Practice 2-5**
Factors defined as “non-material” by law or regulation or which are expressly referenced in law or regulation as not being subject to disclosure are considered not “pertinent” for purposes of Article 2. (Adopted 1/93)

Article 3

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

- **Standard of Practice 3-1**
REALTORS®, acting as exclusive agents or brokers of sellers/landlords, establish the terms and conditions of offers to cooperate. Unless expressly indicated in offers to cooperate, cooperating brokers may not assume that the offer of cooperation includes an offer of compensation. Terms of compensation, if any, shall be ascertained by cooperating brokers before beginning efforts to accept the offer of cooperation. (Amended 1/99)
- **Standard of Practice 3-2**
Any change in compensation offered for cooperative services must be communicated to the other REALTOR® prior to the time that REALTOR® submits an offer to purchase/lease the property. After a REALTOR® has submitted an offer to purchase or lease property, the listing broker may not attempt to unilaterally modify the offered compensation with respect to that cooperative transaction. (Amended 1/14)
- **Standard of Practice 3-3**
Standard of Practice 3-2 does not preclude the listing broker and cooperating broker from entering into an agreement to change cooperative compensation. (Adopted 1/94)
- **Standard of Practice 3-4**
REALTORS®, acting as listing brokers, have an affirmative obligation to disclose the existence of dual or variable rate commission arrangements (i.e., listings where one amount of commission is payable if the listing broker’s firm is the procuring cause of sale/lease and a different amount of commission is payable if the sale/lease results through the efforts of the seller/landlord or a cooperating broker). The listing broker shall, as soon as practical, disclose the existence of such arrangements to potential cooperating brokers and shall, in response to inquiries from cooperating brokers, disclose the differential that would result in a cooperative transaction or in a sale/lease that results through the efforts of the seller/landlord. If the cooperating broker is a buyer/tenant representative, the buyer/tenant representative must disclose such information to their client before the client makes an offer to purchase or lease. (Amended 1/02)
- **Standard of Practice 3-5**
It is the obligation of subagents to promptly disclose all pertinent facts to the principal’s agent prior to as well as after a purchase or lease agreement is executed. (Amended 1/93)
- **Standard of Practice 3-6**
REALTORS® shall disclose the existence of accepted offers, including offers with unresolved contingencies, to any broker seeking cooperation. (Adopted 5/86, Amended 1/04)
- **Standard of Practice 3-7**
When seeking information from another REALTOR® concerning property under a management or listing agreement, REALTORS® shall disclose their REALTOR® status and whether their interest is

personal or on behalf of a client and, if on behalf of a client, their relationship with the client. (Amended 1/11)

- **Standard of Practice 3-8**
REALTORS® shall not misrepresent the availability of access to show or inspect a listed property. (Amended 11/87)
- **Standard of Practice 3-9**
REALTORS® shall not provide access to listed property on terms other than those established by the owner or the listing broker. (Adopted 1/10)
- **Standard of Practice 3-10**
The duty to cooperate established in Article 3 relates to the obligation to share information on listed property, and to make property available to other brokers for showing to prospective purchasers/tenants when it is in the best interests of sellers/landlords. (Adopted 1/11)
- **Standard of Practice 3-11**
REALTORS® may not refuse to cooperate on the basis of a broker’s race, color, religion, sex, handicap, familial status, national origin, sexual orientation, or gender identity. (Adopted 1/20)

Article 4

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

- **Standard of Practice 4-1**
For the protection of all parties, the disclosures required by Article 4 shall be in writing and provided by REALTORS® prior to the signing of any contract. (Adopted 2/86)

Article 5

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

Article 6

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

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

- **Standard of Practice 6-1**
REALTORS® shall not recommend or suggest to a client or a customer the use of services of another organization or business entity in which they have a direct interest without disclosing such interest at the time of the recommendation or suggestion. (Amended 5/88)

Article 7

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

Article 8

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

Article 9

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

• Standard of Practice 9-1

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

• Standard of Practice 9-2

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

Duties to the Public

Article 10

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

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

• Standard of Practice 10-1

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

• Standard of Practice 10-2

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

• Standard of Practice 10-3

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

• Standard of Practice 10-4

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

• Standard of Practice 10-5

REALTORS® must not use harassing speech, hate speech, epithets, or slurs based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, or gender identity. (Adopted and effective November 13, 2020)

Article 11

The services which REALTORS® provide to their clients and customers shall conform to the standards of practice and competence which are reasonably expected in the specific real estate disciplines in which they engage; specifically, residential real estate brokerage, real property management, commercial and industrial real estate brokerage, land brokerage, real estate appraisal, real estate counseling, real estate syndication, real estate auction, and international real estate.

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

• Standard of Practice 11-1

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

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

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

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

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

• Standard of Practice 11-2

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

• Standard of Practice 11-3

When REALTORS® provide consultative services to clients which involve advice or counsel for a fee (not a commission), such advice shall be rendered in an objective manner and the fee shall not be contingent on the substance of the advice or counsel given. If

brokerage or transaction services are to be provided in addition to consultive services, a separate compensation may be paid with prior agreement between the client and REALTOR®. (Adopted 1/96)

- **Standard of Practice 11-4**

The competency required by Article 11 relates to services contracted for between REALTORS® and their clients or customers; the duties expressly imposed by the Code of Ethics; and the duties imposed by law or regulation. (Adopted 1/02)

Article 12

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

- **Standard of Practice 12-1**

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

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

- **Standard of Practice 12-2**

(Deleted 1/20)

- **Standard of Practice 12-3**

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

- **Standard of Practice 12-4**

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

- **Standard of Practice 12-5**

REALTORS® shall not advertise nor permit any person employed by or affiliated with them to advertise real estate services or listed property in any medium (e.g., electronically, print, radio, television, etc.) without disclosing the name of that REALTOR®’s firm in a reasonable and readily apparent manner either in the advertisement or in electronic advertising via a link to a display with all required disclosures. (Adopted 11/86, Amended 1/16)

- **Standard of Practice 12-6**

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

- **Standard of Practice 12-7**

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

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

- **Standard of Practice 12-8**

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

- **Standard of Practice 12-9**

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

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

- **Standard of Practice 12-10**

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

- 1) engaging in deceptive or unauthorized framing of real estate brokerage websites;
- 2) manipulating (e.g., presenting content developed by others) listing and other content in any way that produces a deceptive or misleading result;
- 3) deceptively using metatags, keywords or other devices/methods to direct, drive, or divert Internet traffic; or
- 4) presenting content developed by others without either attribution or without permission; or
- 5) otherwise misleading consumers, including use of misleading images. (Adopted 1/07, Amended 1/18)

- **Standard of Practice 12-11**

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

- **Standard of Practice 12-12**

REALTORS® shall not:

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

- **Standard of Practice 12-13**

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

Article 13

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

Article 14

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

- **Standard of Practice 14-1**

REALTORS® shall not be subject to disciplinary proceedings in more than one Board of REALTORS® or affiliated institute, society,

or council in which they hold membership with respect to alleged violations of the Code of Ethics relating to the same transaction or event. (Amended 1/95)

- **Standard of Practice 14-2**
REALTORS® shall not make any unauthorized disclosure or dissemination of the allegations, findings, or decision developed in connection with an ethics hearing or appeal or in connection with an arbitration hearing or procedural review. (Amended 1/92)
- **Standard of Practice 14-3**
REALTORS® shall not obstruct the Board's investigative or professional standards proceedings by instituting or threatening to institute actions for libel, slander, or defamation against any party to a professional standards proceeding or their witnesses based on the filing of an arbitration request, an ethics complaint, or testimony given before any tribunal. (Adopted 11/87, Amended 1/99)
- **Standard of Practice 14-4**
REALTORS® shall not intentionally impede the Board's investigative or disciplinary proceedings by filing multiple ethics complaints based on the same event or transaction. (Adopted 11/88)

Duties to REALTORS®

Article 15

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

- **Standard of Practice 15-1**
REALTORS® shall not knowingly or recklessly file false or unfounded ethics complaints. (Adopted 1/00)
- **Standard of Practice 15-2**
The obligation to refrain from making false or misleading statements about other real estate professionals, their businesses, and their business practices includes the duty to not knowingly or recklessly publish, repeat, retransmit, or republish false or misleading statements made by others. This duty applies whether false or misleading statements are repeated in person, in writing, by technological means (e.g., the Internet), or by any other means. (Adopted 1/07, Amended 1/12)
- **Standard of Practice 15-3**
The obligation to refrain from making false or misleading statements about other real estate professionals, their businesses, and their business practices includes the duty to publish a clarification about or to remove statements made by others on electronic media the REALTOR® controls once the REALTOR® knows the statement is false or misleading. (Adopted 1/10, Amended 1/12)

Article 16

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

- **Standard of Practice 16-1**
Article 16 is not intended to prohibit aggressive or innovative business practices which are otherwise ethical and does not prohibit disagreements with other REALTORS® involving commission, fees, compensation or other forms of payment or expenses. (Adopted 1/93, Amended 1/95)
- **Standard of Practice 16-2**
Article 16 does not preclude REALTORS® from making general announcements to prospects describing their services and the terms of their availability even though some recipients may have entered into agency agreements or other exclusive relationships with another REALTOR®. A general telephone canvass, general mailing or distribution addressed to all prospects in a given

geographical area or in a given profession, business, club, or organization, or other classification or group is deemed "general" for purposes of this standard. (Amended 1/04)

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

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

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

- **Standard of Practice 16-3**
Article 16 does not preclude REALTORS® from contacting the client of another broker for the purpose of offering to provide, or entering into a contract to provide, a different type of real estate service unrelated to the type of service currently being provided (e.g., property management as opposed to brokerage) or from offering the same type of service for property not subject to other brokers' exclusive agreements. However, information received through a Multiple Listing Service or any other offer of cooperation may not be used to target clients of other REALTORS® to whom such offers to provide services may be made. (Amended 1/04)
- **Standard of Practice 16-4**
REALTORS® shall not solicit a listing which is currently listed exclusively with another broker. However, if the listing broker, when asked by the REALTOR®, refuses to disclose the expiration date and nature of such listing, i.e., an exclusive right to sell, an exclusive agency, open listing, or other form of contractual agreement between the listing broker and the client, the REALTOR® may contact the owner to secure such information and may discuss the terms upon which the REALTOR® might take a future listing or, alternatively, may take a listing to become effective upon expiration of any existing exclusive listing. (Amended 1/94)
- **Standard of Practice 16-5**
REALTORS® shall not solicit buyer/tenant agreements from buyers/ tenants who are subject to exclusive buyer/tenant agreements. However, if asked by a REALTOR®, the broker refuses to disclose the expiration date of the exclusive buyer/tenant agreement, the REALTOR® may contact the buyer/tenant to secure such information and may discuss the terms upon which the REALTOR® might enter into a future buyer/tenant agreement or, alternatively, may enter into a buyer/tenant agreement to become effective upon the expiration of any existing exclusive buyer/tenant agreement. (Adopted 1/94, Amended 1/98)
- **Standard of Practice 16-6**
When REALTORS® are contacted by the client of another REALTOR® regarding the creation of an exclusive relationship to provide the same type of service, and REALTORS® have not directly or indirectly initiated such discussions, they may discuss the terms upon which they might enter into a future agreement or, alternatively, may enter into an agreement which becomes effective upon expiration of any existing exclusive agreement. (Amended 1/98)
- **Standard of Practice 16-7**
The fact that a prospect has retained a REALTOR® as an exclusive representative or exclusive broker in one or more past transactions does not preclude other REALTORS® from seeking such prospect's future business. (Amended 1/04)
- **Standard of Practice 16-8**
The fact that an exclusive agreement has been entered into with a REALTOR® shall not preclude or inhibit any other REALTOR® from

entering into a similar agreement after the expiration of the prior agreement. (Amended 1/98)

- **Standard of Practice 16-9**

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

- **Standard of Practice 16-10**

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

- **Standard of Practice 16-11**

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

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

- **Standard of Practice 16-12**

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

- **Standard of Practice 16-13**

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

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

- **Standard of Practice 16-14**

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

- **Standard of Practice 16-15**

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

- **Standard of Practice 16-16**

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

- **Standard of Practice 16-17**

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

- **Standard of Practice 16-18**

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

- **Standard of Practice 16-19**

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

- **Standard of Practice 16-20**

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

Article 17

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

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

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

- **Standard of Practice 17-1**

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

- **Standard of Practice 17-2**

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

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

- **Standard of Practice 17-3**

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

- **Standard of Practice 17-4**

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

- 1) Where a listing broker has compensated a cooperating broker and another cooperating broker subsequently claims to be the procuring cause of the sale or lease. In such cases

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

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

- 4) Where two or more listing brokers claim entitlement to compensation pursuant to open listings with a seller or landlord who agrees to participate in arbitration (or who requests arbitration) and who agrees to be bound by the decision. In cases where one of the listing brokers has been compensated by the seller or landlord, the other listing broker, as complainant, may name the first listing broker as respondent and arbitration may proceed between the brokers. (Adopted 1/97)
- 5) Where a buyer or tenant representative is compensated by the seller or landlord, and not by the listing broker, and the listing broker, as a result, reduces the commission owed by the seller or landlord and, subsequent to such actions, claims to be the procuring cause of sale or lease. In such cases arbitration shall be between the listing broker and the buyer or tenant representative and the amount in dispute is limited to the amount of the reduction of commission to which the listing broker agreed. (Adopted 1/05)

• **Standard of Practice 17-5**

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

Explanatory Notes

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

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

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

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

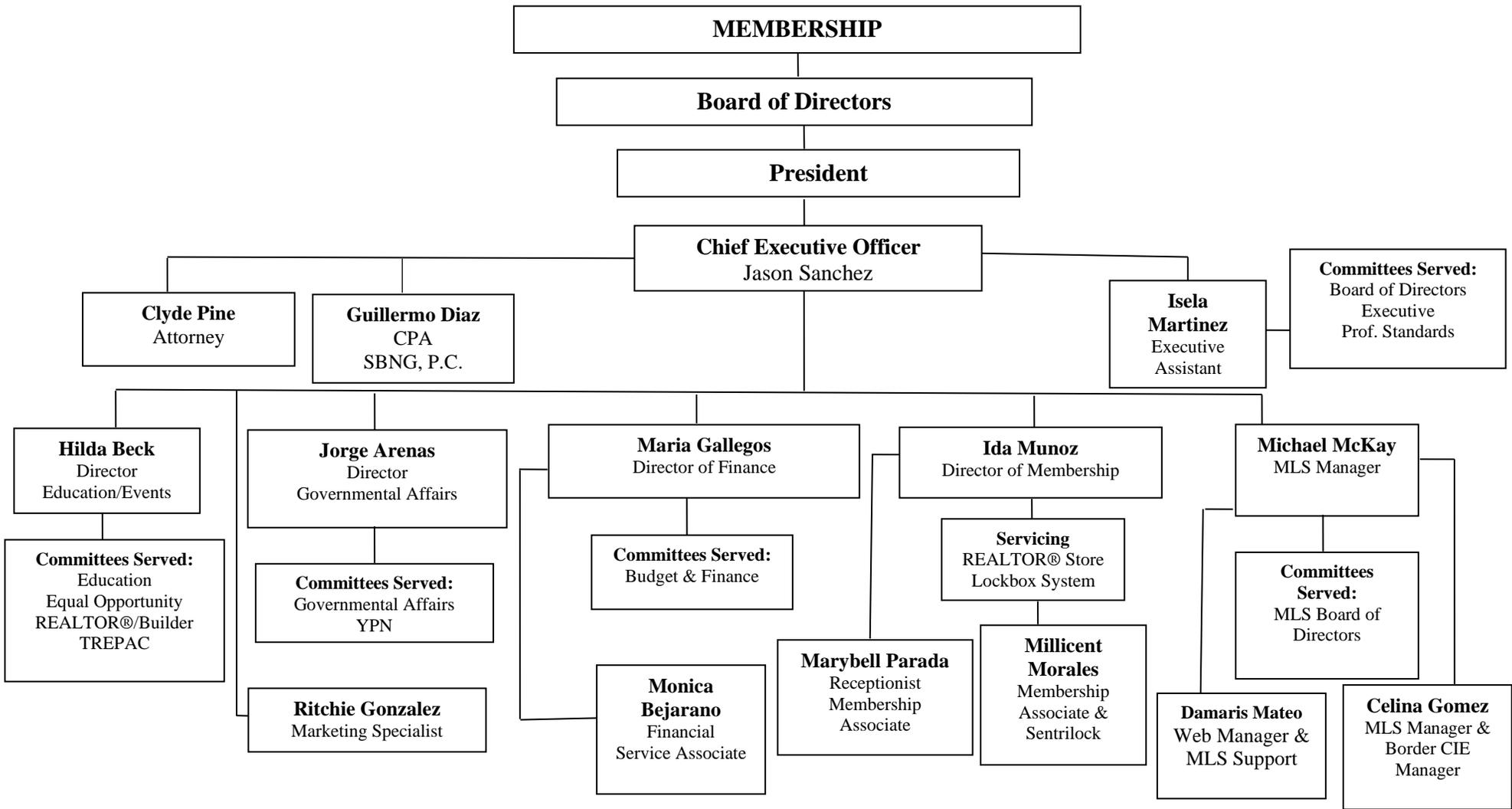


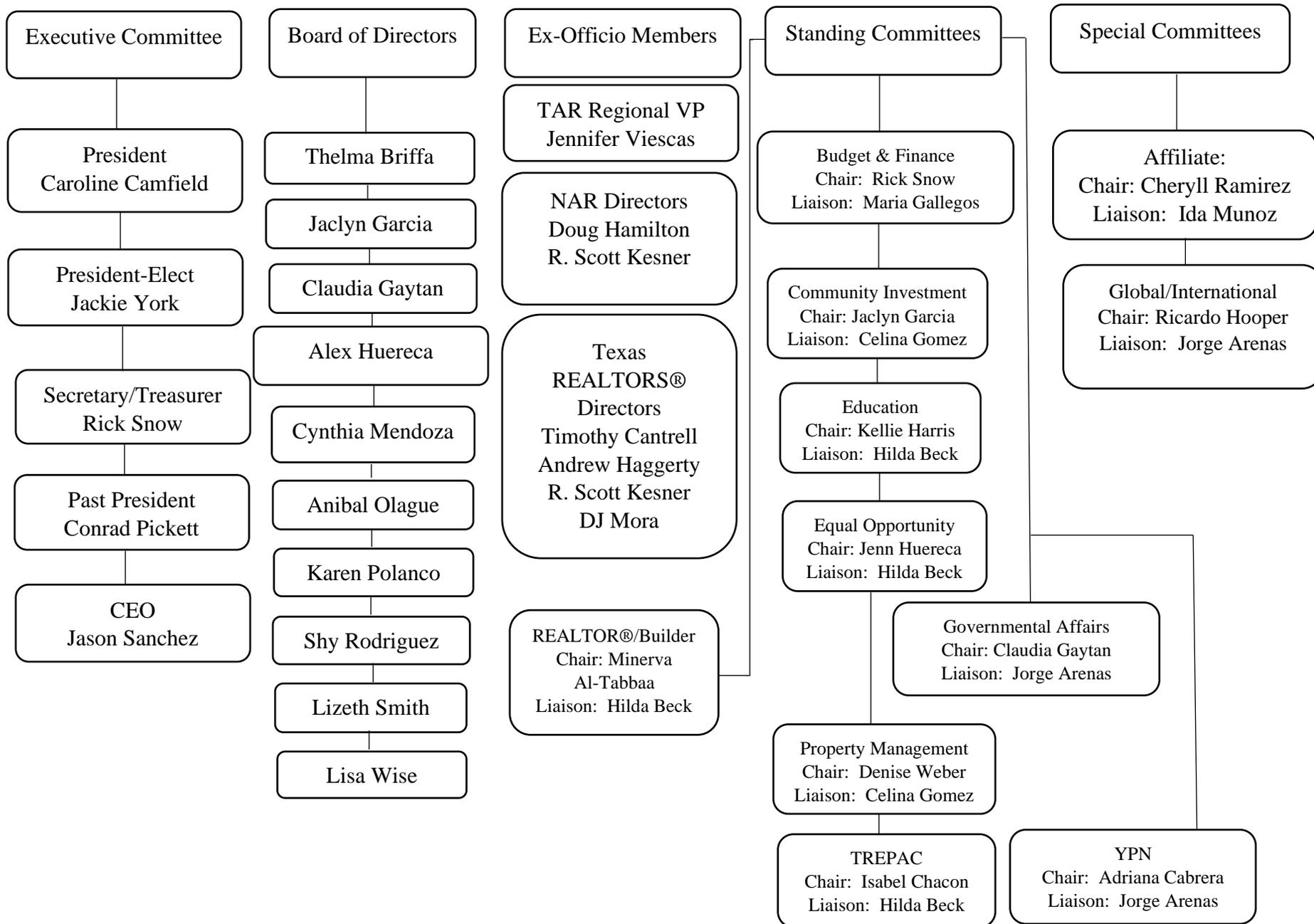
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166-288-21 (01/21 BFC)







Committee & Director Responsibilities

1. Board of Directors

- a. Attend and participate in monthly Board of Directors meetings
- b. Attend El Paso REALTOR® Rally, Education Day, and Installation
- c. Attend and participate in Leadership Training
- d. Attend two (2) TREPAC events
- e. Recommended to be a Fair Share TREPAC Investor
- f. Recruit additional support from members and affiliates to become involved
- g. Join one (1) or more committee
- h. Promote GEPAR events
- i. If possible, attend one (1) TAR Conference or Winter Meeting during the year
- j. If possible, attend one (1) NAR/TAR Hill Visit during the year

2. Ex-Officio Members

- a. Attend and participate in monthly Board of Directors meetings
- b. Attend El Paso REALTOR® Rally, Education Day, and Installation
- c. Attend and participate in Leadership Training
- d. Attend two (2) TREPAC events
- e. Recommended to be a Fair Share TREPAC Investor
- f. Recruit additional support from members and affiliates to become involved
- g. Complete assigned duties for the office you were appointed/elected into
- h. Join one (1) or more committees
- i. Promote GEPAR events
- j. If possible, attend one (1) TAR Conference or Winter Meeting during the year
- k. If possible, attend one (1) NAR/TAR Hill Visit during the year
- l. Must also fulfill the NAR/TAR requirements for position

3. Committee Chairman

- a. Calls meetings
- b. Prepares schedule for committee meetings
- c. Prepares agenda with the assistance of staff liaison
- d. Keeps track of budget for the event you are planning
- e. Assigns tasks to other committee members
- f. Checks to make sure the tasks are completed
- g. Attends Board of Directors meetings as needed
- h. Ask staff liaison to provide:
 - i. One (1) previous years committee roster
 - ii. One (1) previous year's event budgets and promotional material samples
- i. Attend El Paso REALTOR® Rally, Education Day, and Installation
- j. Recommended to be a Fair Share TREPAC Investor
- k. Attend the GEPAR Leadership Orientation
- l. All outgoing committee Chairs shall make a written report on the committee's accomplishments at year's end
- m. Read GEPAR's Policy and Procedure manual for referencing questions

n. In the fall, and in collaboration with the Board's entire incoming leadership team, complete GEPAR's Strategic Plan.

4. Committee Vice-Chairman

- a. Helps Chair as needed
- b. Monitors ticket sales if there are any
- c. The incoming committee Chairman shall recommend to the incoming President possible members to serve on their committee
- d. Attend El Paso REALTOR® Rally, Education Day, and Installation
- e. Recommended to be a Fair Share TREPAC Investor
- f. Read GEPAR's Policy and Procedure manual for referencing questions

5. Both Chairman and Vice-Chairman

- a. Provide support and mentor committee members so that they can succeed with their assigned tasks
- b. Recruit members to form your committees
- c. Work with staff liaison for your committee

6. Committee Members

- a. Provide Chair and Vice-Chair with your current contact information
- b. Attend committee meetings
- c. Complete assigned tasks and report back to Chair
- d. Provide input and discussion for ideas and events presented at meetings
- e. Publicize events and items from the committee
- f. Participate in the promotion of the event and sale of tickets
- g. Attend events held by committee
- h. Recruit additional support from non-members to become involved
- i. Read GEPAR's policy manual for referencing questions

7. Staff Liaison (as pertaining to Committee Responsibilities)

- a. Takes minutes at committee meetings
- b. Sends copies of the minutes to each committee member five (5) days after the meeting
- c. Submit a Profit and Loss report with copies of all receipts to GEPAR Finance Dept.
- d. Attend committee meetings
- e. Check with GEPAR master calendar to make sure events and meetings do not conflict previously planned events or meetings
- f. Complete other committee duties as requested by the Association Executive
- g. Association Executive has complete authority of staff liaison's responsibilities
- h. Prepare agenda with Chairman, produce web advertising and brochures, send out notice of events to members

8. Standing Committees

a. Budget & Finance

- a. Meet with Committee to finalize next year's budget by October 31st of the current year
- b. Meet monthly to review budget and make adjustments as necessary
- c. Provide report to general membership at El Paso REALTOR® Rally

- d. Prepare annual budget with CEO for approval by the Board of Directors
- e. Review budget and actual expenditures with Secretary/Treasurer as needed
- f. Reviews membership changes
- g. Monitors and maintains adequate Association investments
- h. In April, review cash reserves to see if the monies can be better allocated
- i. Maintain six (6) months cash reserves for all standard operating expenses
- j. Secretary/Treasurer is the Chairman for this committee

b. Education

- a. Create and plan 2 events:
 - 1. Education Day
 - 2. El Paso REALTOR® Rally
- b. Get multiple event sponsors to cover the costs of the event
- c. Participate in selection of guest speakers for each event
- d. Provide Bio, photo and speaking topic in their committee report
- e. Provide any slideshow or electronic presentation to the staff liaison before the event
- f. Have speakers and topic lined up 3 months in advance to be ready to publish in the GEPAR newsletter and email blasts
- g. Chairman will introduce the guest speaker
- h. Staff liaison will take care of transportation, accommodations, and other arrangements for guest speaker
- i. Review/plan designation and MCE education programs
- j. Plan education and events that will increase your member's productivity and income
- k. Evaluate programs' impact and success
- l. Inform members of educational opportunities offered by the local board, state association, NAR affiliates, and nearby educational institutions
- m. Attend El Paso REALTOR® Rally, Education Day, and Installation
- n. Promote GEPAR events
- o. If possible, attend 1 TAR Conference or Winter Meeting during the year
- p. If possible, attend 1 NAR/TAR Hill Visit during the year

c. Equal Opportunity

- a. Equal Opportunity presentation during Education Day
- b. Recommend other Equal Opportunity events and presentations for the year
- c. Attend El Paso REALTOR® Rally, Education Day, and Installation
- d. Promote GEPAR events
- e. If possible, attend 1 TAR Conference or Winter Meeting during the year
- f. If possible, attend 1 NAR/TAR Hill Visit during the year

d. Governmental Affairs

- a. Vet the candidates for upcoming elections
- b. Recommend campaign contributions to be decided upon by the BOD
- c. Recommend candidate endorsements to be decided upon by the BOD

- d. Recommend to the Board of Directors a position and course of action on any city or county ordinance or law that affects private property rights or the real estate industry.
- e. Keep up to date with TREPAC Committee and events
- f. Attend TREPAC events
- g. Recommended to be a Fair Share TREPAC Investor
- h. Refrain from any discussion, comments, or questions regarding political affiliation
- i. Attend El Paso REALTOR® Rally, Education Day, and Installation
- j. Promote GEPAR events
- k. If possible, attend 1 TAR Conference or Winter Meeting during the year
- l. If possible, attend 1 NAR/TAR Hill Visit during the year

e. Property Management

- a. Suggest Property Management designation class to the Education Committee
- b. Have monthly meetings
 - 1. Plan and develop programs to be consistent with the needs of members
 - 2. Carry out program plans completing arrangements for speakers, panelists, etc.
 - 3. Evaluate programs' impact and success
 - 4. Get event sponsors to cover the cost of the event
 - 5. Provide Bio, photo, and speaking topic in their committee report
 - 6. Provide any slideshow or electronic presentation to the staff liaison before the event
- c. Have speakers and topics lined up 3 months in advance to be ready to publish in the GEPAR newsletter and email blasts
- d. Chair will introduce the guest speaker
- e. Staff liaison will take care of transportation, accommodations, and other arrangements for guest speaker
- f. Attend El Paso REALTOR® Rally, Education Day, and Installation
- g. Promote GEPAR events
- h. If possible, attend 1 TAR Conference or Winter Meeting during the year
- i. If possible, attend 1 NAR/TAR Hill Visit during the year

f. REALTOR®/Builder

- a. Attend El Paso Builders Association monthly builder board meetings
- b. Attend El Paso Builders Association monthly affiliate board meetings
- c. Create Builder Educational presentations
 - i. Provide meeting information to staff liaison for publishing in GEPAR newsletter and email blasts
- d. Attend El Paso REALTOR® Rally, Education Day, and Installation
- e. Promote GEPAR events
- f. If possible, attend 1 TAR Conference or Winter Meeting during the year
- g. If possible, attend 1 NAR/TAR Hill Visit during the year

g. TREPAC

- a. Be a registered voter
- b. Recommended to be a Fair Share TREPAC Investor
- c. Plan and host fundraising events to raise enough funds to cover GEPAR TREPAC Fundraising quota and goal
- d. Get multiple event sponsors to cover the costs of the event
- e. Work with TREPAC Trustee to fulfill GEPAR fundraising quota and goal
- f. Work with staff liaison to make sure that all PAC regulations are followed
- g. Meet with TREPAC Trustee, staff liaison, and AE to plan GEPAR fundraising goals prior to attending TAR/BOLC meeting in Austin, TX
- h. The Vice Chair will attend TAR/BOLC meeting in the previous year of your committee appointment held in Austin
- i. Ask staff liaison to provide:
 - 1 previous years committee rosters
 - 1 previous year's total TREPAC Investment Contributions
 - 1 previous year's event budgets and promotional material samples
- j. Ask staff liaison to provide monthly TREPAC Contribution lists to Chairman
- k. TREPAC calendar year is October 1st – September 30th
- l. Visit local Broker's offices to speak about the benefits of becoming a TREPAC Investor
- m. Refrain from any discussion, comments, or questions regarding political affiliation
- n. Attend El Paso REALTOR® Rally, Education Day, and Installation
- o. Promote GEPAR events
- p. If possible, attend 1 TAR Conference or Winter Meeting during the year
- q. If possible, attend 1 NAR/TAR Hill Visit during the year

h. YPN

- a. Vice Chair will attend NAR Leadership Academy for all National YPN Leadership Training in Chicago, IL in the year previous to your appointment
- b. Host events for the target market of REALTORS® under 40 years old or 0-5 years in the real estate industry
- c. Get multiple event sponsors to cover the costs of the event
- d. Be involved in community service
- e. Become actively involved in the political interests of the real estate industry
- f. Provide educational opportunities for the YPN group and industry veterans
- g. Partner with professional groups in other industries
- h. Attend El Paso REALTOR® Rally, Education Day, and Installation
- i. Promote GEPAR events
- j. If possible, attend 1 TAR Conference or Winter Meeting during the year
- k. If possible, attend 1 NAR/TAR Hill visit during the year

i. Nominating Committee

- a. Election of Directors and Officers shall take place the week prior to the Annual Meeting.

b. At least sixty (60) days before the annual meeting, the President, with the approval and participation of the Board of Directors, shall appoint seven (7) REALTOR® members of the Association to serve as members of the Nominating Committee which will consist of the following:

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

c. No member of the Nominating Committee may serve more than two (2) consecutive years as a member of the committee.

d. If a member of the Nominating Committee is placed on the ballot, he must resign from the Nominating Committee

e. The President shall invite the membership to submit REALTOR® Member names for consideration by the Committee to serve as Officers and Directors of the Association

f. The Committee shall agree on which candidates, from the membership's submission will be interviewed in order to select a slate of Officers and Directors for the election process

g. The Committee will select one candidate for the President-Elect position and may select more than one candidate for the Secretary/Treasurer position

h. The Committee will then select eight (8) candidates for the five (5) places to be filled on the Board of Directors

i. A report of the Nominating Committee shall be published in the Association's newsletter at least forty (40) days preceding the Annual Meeting and additional candidates for the offices and places to be filled may be placed in nomination by a petition signed by at least ten (10) percent of the REALTOR® Members.

j. Community Investment

a. Work with community leaders to enhance the positive image of REALTORS® and the association's relationship with the community to positively impact sustainable improvement of economic and social conditions.

b. Create and plan at least two events or activities demonstrating the association's involvement and/or investment in the community.

c. Have monthly meetings.

d. Attend El Paso REALTOR® Rally, Education Day and Installation Banquet.

e. Promote GEPAR events.

9. Special Committees

a. Education Luncheon

a. Host monthly luncheons

1. Plan and develop programs to be consistent with the needs of members

2. Carry out program plans completing arrangements for speakers, panelists, etc.

3. Evaluate programs' impact and success
 4. Get multiple event sponsors to cover the cost of the event
 5. Provide Bio, photo, and speaking topic in their committee report
 6. Provide any slideshow or electronic presentation to the staff liaison before the event
- b. Have speakers and topics lined up 3 months in advance to be ready to publish in the GEPAR newsletter and email blasts
 - c. Chairman will introduce the guest speaker
 - d. Staff liaison will take care of transportation, accommodations, and other arrangements for guest speaker
 - e. Inform members of educational opportunities offered by the local board, state association, NAR affiliates, and nearby educational institutions
 - f. Attend El Paso REALTOR® Rally, Education Day, and Installation
 - g. Promote GEPAR events
 - h. If possible, attend 1 TAR Conference or Winter Meeting during the year
 - i. If possible, attend 1 NAR/TAR Hill Visit during the year
- b. Global/International Special Committee**
- a. Create and plan education opportunities for members who are interested in international real estate
 - b. Host NAR and Texas REALTORS® education events and classes
 - c. Host yearly Certified International Property Specialist (CIPS) course in conjunction with Education Director
 - d. Encourage membership to earn "At Home With Diversity" Certification from NAR
 - e. Encourage membership to take the "Commitment to Excellence" online course from NAR
 - f. Promote GEPAR events
 - g. Promote awareness of International research reports
 - h. Promote partnerships with international organizations
 - i. At the end of year evaluate the committee's actions and results in order to better address blindspots
- c. Installation Committee**
- a. Plan and host installation of Officers and Directors event for upcoming year
 - b. Get multiple event sponsors to cover the costs
 - c. Work with staff liaison to make sure that all dignitaries and leadership are attending
 - d. Meet with President-Elect, staff liaison, and committee to plan event
 - e. Ask committee members to sell tickets and complete online ticket sales
 - f. GEPAR Budget provides \$2500 seed money to help with event costs
 - g. Ask staff liaison to provide:
 1. 1 previous year's total Strategic Partners list and contribution levels

2. Promotional material samples, programs, slideshows, and podium manual
3. Staff liaison will give GAD information for installed Officers and Directors, and give him a copy of the announcement for press release

d. Salesman of the Year (SOTY)

- a. The rules for selection shall be according to the Leadership Policy and Procedure
- b. Based on a resume of each nominee, the following should be used to weigh the activities of each nominee against the remaining nominees:
 1. Current year's local association activities 55%
 2. Current year's civic activities 15%
 3. Current year's TAR/NAR activities 15%
 4. Previous year's activities in the above three categories 15%
- c. Members of the selection committee shall be:
 - The two most recent REALTORS® of the Year
 - The two most recent Salesman of the Year
 - One appointee by the Association President
- d. The Chairman of the committee will be the most recent REALTOR® of the Year
- e. This award will be presented at the Installation Banquet by the previous year's Salesman of the Year
- f. Award recipient will be notified prior to the Installation Banquet
- g. The previous Salesman of the Year will announce the new Salesman of the Year
- h. The committee liaison will contact the person who nominated the winner for a short bio or introduction for the Installation Banquet
- i. Plaque orders must be placed with the staff liaison at the end of the winner selection
 1. Cost of the plaque will be included in the Installation Banquet
 2. Each winner may receive up to 2 complimentary Installation tickets for their friends and/or family; this cost will be deducted out of the Installation budget
 3. Staff liaison will place all press releases for award winner and give them a copy of the announcement

e. Affiliate of the Year (AOTY)

- a. The REALTOR®/Salesman of the Year committee will select the Affiliate of the Year based on policy and procedures as approved by the Board of Directors
- b. Affiliate members are the companies, not the people
- c. The company must hold an affiliate membership with GEPAR
- d. Guidelines are:
 1. GEPAR involvement: events, committees
 2. Current professional affiliations

3. Political involvement

e. Staff liaison will order the plaque, pick up and deliver awards to Installation Banquet

f. There will be two plaques initially: an individual plaque for the honoree, and a perpetual plaque to be displayed at GEPAR and updated yearly as more honoree's are named.

f. REALTOR® of the Year

a. The rules of selection shall be according to the Leadership Policy and Procedure

b. Based on a resume of each nominee, the following should be used to weigh the activities of each nominee against the remaining nominees:

- | | |
|---|-----|
| 1. Current year's local association activities | 55% |
| 2. Current year's civic activities | 15% |
| 3. Current year's TAR/NAR activities | 15% |
| 4. Previous year's activities in the above three categories | 15% |

c. Members of the selection committee shall be:

- The two most recent REALTORS® of the Year
- The two most recent Salesman of the Year
- One appointee by the Association President

d. The Chairman of the committee will be the most recent REALTOR® of the Year

e. This award will be presented at the Installation Banquet by the previous year's Salesman of the Year

f. Award recipient will be notified prior to the Installation Banquet

g. The previous Salesman of the Year will announce the new Salesman of the Year

1. The committee liaison will contact the person for a short bio or introduction for the Installation Banquet

h. Plaque orders will be placed by the staff liaison at the end of the winner selection

1. Cost of the plaque will be included in the Installation Banquet
2. Each winner may receive up to 2 complimentary Installation tickets for their friends and/or family; this cost will be deducted out of the Installation budget
3. Staff liaison will place all press releases for award winner and give them a copy of the announcement

AE Job Description

Position Description

The executive vice president serves as chief executive officer of the association.

Responsibilities*

Programs/Tasks

Ensures that the board of directors, executive committee, and officers are fully informed of association conditions and of all important factors influencing them.

Attends all meetings of the board of directors and executive committee.

Plans, formulates, and recommends for the approval of the board of directors basic policies and programs that will further association objectives.

Executes all decisions of the board of directors except when directors specifically make other assignments.

Develops specific administrative policies, procedures, and programs to implement the general policies of the board of directors.

Establishes a sound organizational structure for the headquarters office.

Plans the general administration of the entire association operation.

Represents the association in any and all local government matters affecting the real estate industry.

Directs and coordinates all approved staff programs, projects, and major activities.

Recruits, hires, trains all association personnel including responsibility for promotions, and terminations.

Defines staff duties, establishes performance standards, conducts performance reviews, and maintains competitive salary structure.

Provides the necessary liaison and staff support to committee chairmen to enable committees to properly perform their functions, ensures that committee decisions and recommendations are submitted to the board of directors for approval.

Executes contracts and commitments as authorized by the board of directors or within established policies.

Promotes interest and active participation in association activities to membership and local/chapter groups, and reports association activities through the association communications media.

Maintains effective relationships with other organizations, both public and private, and ensures that association and membership positions are enhanced in accordance with the policies and objectives of the organization.

Ensures that all funds, physical assets, and other association property are appropriately safeguarded and administered; operates within the approved budget.

Plans, coordinates, and conducts public relations programs to enhance public acceptance of the industry.

Serves as supervising editor of the official publication.

Conducts research and related projects on subjects deemed of importance to the membership and prepares and publishes the results.

Develops education programs to advance the professional, technical, and managerial skills of the membership, operating within the budget and program objectives that the board of directors approves.

Plans, organizes and directs membership promotion and retention programs, and evaluates results and recommends policies, procedures, and actions to achieve membership goals.

Collects dues and terminates delinquent memberships.

Plans and coordinates the annual membership meeting.

Exercises control of budget and all arrangements to meet financial objectives.

Maintains official minutes of the board of directors and other official association meetings.

Provides security for all files, legal and historical documents, and membership and mailing lists.

Plans, promotes, and administers all official association meetings.

Plans and executes all communications to membership, including newsletters, general mailings, news releases, and so forth.

Acts as a direct liaison with the state association and the National Association

Acts as association spokesperson when assigned or when association officers are unavailable,

Serves on state and national committees as appointed

Carries out other general responsibilities as officers and board of directors may specify,

Is an ex-officio, non-voting, member of the executive committee and the board of directors

Relationships

Establishes positive working communications of mutual respect with the following:

Leadership of the local or state association,

Executive officers and elected secretaries of other associations.

Association counsel.

Appropriate local government officials

Association staff

Leadership of subordinate or allied groups and organizations.

Performance Standards

Performance standards for this position are attained when the following are completed:

The policies offered for consideration by the association are forward-looking and add to the constructive growth of the association's influence.

Officers, committee chairmen, and other association leaders are fully informed as to the activities and plans in their particular areas.

The headquarters office is efficiently and effectively organized for the maximum benefit of the association.

Programs of the association are well managed through planning, organization, coordination, and control.

Staff members are efficiently and effectively managed to the maximum benefit of the association; the staff is of the highest quality possible.

Committee liaison is supported, timely, and effective.

Association educational programs are forward-looking and add to the needed expertise of the member in various fields.

Association meetings are well planned, organized, and effective.

Communications of the association's purpose, programs, and activities penetrate to the target or level of members planned.

Lobbying activities on behalf of the association are as effective as or more successful than usual.

Contact and support of the association is appropriate and effective.

Speeches on behalf of the association are well received, present the association's story in a positive manner, and are effective.

**These are generally accepted responsibilities of association administration.*

Associations will want to tailor these responsibilities to their needs.



Community Investment Committee

Staff Liaison: Celina Gomez

Work with community leaders to enhance the positive image of REALTORS® and the association's relationship with the community to positively impact sustainable improvement of economic and social conditions. The committee will create and plan at least two events or activities demonstrating the association's involvement and/or investment in the community.



Directors

The Directors shall be REALTOR® members of the Association who are actively engaged in the full time activity of the real estate profession. Attendance at all Board of Directors meetings is an absolute requirement and only those who are willing to devote the necessary time to the administration of the Association's affairs should agree to serve in such capacity. Absence of a Director from more than three (3) regular meetings within a twelve (12) month period shall be construed as resignation therefrom. General duties and responsibilities are as follows:

- Serve as governing body of the Association.
- Become familiar with the Greater El Paso Association of REALTORS® Bylaws, Code of Ethics and Policy.
- Establish policies as required for the effective and efficient conduct of the affairs of the Association.
- Approve the annual budget and act on request for expenditures not included in the budget.
- Take action on committee reports and recommendations as required.
- Approve action taken by the Executive Committee.
- Know the basic benefits of Association membership, promoting the Association at all times.
- Attend as many Association functions and events as possible.
- Is familiar with Professional Standards process and understands the Articles of the Code of Ethics.



Education Committee

Staff Liaison: Hilda Beck

The Committee will plan and promote a number of educational programs for the membership, offer renewal licensing courses, professional designations and several seminars during the year. Education Day and the REALTOR® Convention are the two major fund raising events that fall under this committee.

- “What is an ethical agent,” let the public know what our code means
- Continue Ethics Column in the El Paso REALTOR®
- How to volunteer – Monthly classes on etiquette, safety, organization
- Continually remind all members of the tremendous value and benefits they receive by belonging to GEPAR, TAR and NAR
- Promote professionalism, ethics and products to enhance their abilities



Election Committee

Staff Liaison: Jason Sanchez

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

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



Equal Opportunity Committee

Staff Liaison: Hilda Beck

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



Executive Committee

The purpose of the Executive Committee is to conduct the affairs of the Association in accordance with the policies and instructions of the Board of Directors and to make recommendations concerning any policy changes of the Association to the Board of Directors.

The Executive Committee is responsible for ensuring that the Association's overall goals are met. The Executive Committee's agenda should focus on GEPAR's strategic initiatives and oversight of allocation processes and results.

The Executive Committee shall consist of the President, President-Elect, Secretary/Treasurer, and Immediate Past President. In addition, the Association's Chief Executive Officer shall serve in an ex-officio, non-voting capacity.

Areas of Responsibility:

1. Provide budget oversight of all programs as outlined in the budget policies.
2. Hire the Chief Executive Officer, enter into an employment agreement as appropriate and approve extensions to such agreement as specified in the agreement.
3. Conduct an annual review of the CEO, with input from the Board of Directors, and present their evaluation to the Board of Directors.
4. All personnel issues dealing with the CEO, including the annual review process, shall be conducted by the President, President-Elect, Immediate Past President and Secretary/Treasurer. However, the full Board of Directors shall vote on the hiring and firing of the CEO.



Governmental Affairs Committee

Staff Liaison: Jorge Arenas

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

- Remain involved by attending city meetings and informing the media on our stand for the policy at hand
- Stay abreast and take a pro-active approach when it comes to policy making decisions that affects the REALTOR® community and encourage members and property owners to take an active role within our Government and community, then inform the media on our positions
- Invite young/new REALTORS ® to committee meetings so they understand the importance and get them involved
- Contact Brokers to suggest a leader in their office to get involved in the Association
- Measured in part by Committee growth and attendance
- Host a joint meeting with YPN to have a meeting about government issues and REALTOR ® issues
- Be present in local government activities; create a relationship with local officials
- Build personal relationships with all government officials. Encourage members to attend one government meeting a month
- Will take an active role in local government activities; create a relationship with local officials
- Ensure our members are aware of new technology that enables them to be more involved in the political process
- Have a well versed website to ensure our members are aware of the new technology that enables them to be more involved in the political process
- Communicate up-to-date information affecting our members' business
- Keep members informed whenever an important political meeting affecting private-property rights is open to the community
- Establish link on GEPAR Web site to "find who represents me in government" search



Nominating Committee

Staff Liaison: Jason Sanchez

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

Chairman = Immediate Past President

Three (3) Members = Appointed by President

Three (3) Members = Selected by Board of Directors

No member of the Nominating Committee may serve more than two (2) consecutive years as a member of the Committee. If a member of the Nominating Committee is placed on the ballot, he must resign from the Nominating Committee.

If a member is running for a Board position, he/she cannot be on the Nominating committee.
(Policy: 8/27/2010)



President

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

- Shall be a REALTOR® member of the Association whose dues, fee, and fines have been paid in full.
- Presides at meeting of the Board of Directors and at all Executive Committee meetings. The President shall vote only by written ballot or to break a tie vote.
- Shall be an ex-officio member of all committees.
- Maintains close contact with committee chairs and assists them in setting goals for each committee, offering suggestions and assistance in attaining such goals.
- Maintains close working relationship with the Association Executive.
- Signs checks, as required, for goods and services to the Association.
- Appoints all committee chairs for the approval of the Board of Directors.
- Attends as many committee meetings and association functions as possible.
- Officially welcomes and inducts new members into the Association at the monthly orientation meeting.
- Shall attend NAR, TAR conferences and other such meetings as requested and approved by the Board of Directors. The Association shall reimburse the President for registration, travel, lodging and meals and incidental expenses incurred through attendance at such meetings.



President-Elect

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

- In collaboration with the Boards incoming leadership team, complete the Greater El Paso Association Strategic Plan.
- Shall attend all Executive Committee meetings and all Board of Directors meetings.
- Shall attend TAR BOLC and GEPAR leadership orientation.
- Shall attend NAR, TAR conferences and other such meetings as provided in the budget approved by the Board of Directors. The Association shall reimburse the President-Elect for registration, travel, lodging and meals and incidental expenses incurred through attendance at such meetings.
- Shall attend as many Association functions as possible.



Property Management Committee

Staff Liaison: Celina Gomez

Suggest Property Management designation class to the Education Committee. Plan and develop programs to be consistent with the needs of members. Carry out program plans completing arrangements for speakers, panelists, etc. Evaluate programs' impact and success.



REALTOR®/Builder Committee

Staff Liaison: Hilda Beck

This committee is responsible for creating informational programs and services that will advance the relationship between the real estate industry and the building industry. The Chairman will be asked to attend the monthly meeting of the Builders Association and be able to readily talk about events and news from the Association of REALTORS®.



Secretary/Treasurer

The Secretary/Treasurer shall be the official custodian of Corporate records and of the Seal of the Corporation, shall have general charge of all funds and securities of the Corporation, and shall in general perform all duties incidental to the office or as may be prescribed by the Board of Directors. The Secretary/Treasurer shall serve as Chairman of the Budget and Finance Committee. No person shall be qualified to serve as Secretary/Treasurer of the Association unless and until that person shall have been a REALTOR® Member of this Association for four (4) consecutive years, and served as a Director of the Association for two (2) consecutive calendar years. The Secretary/Treasurer shall have specific duties as follows:

- Become familiar with the Greater El Paso Association of REALTORS® Bylaws, Code of Ethics, Policy, accounting and financial policies and procedures.
- All minutes shall be verified by the President and signed by the Secretary/Treasurer before they are disseminated to the Board of Directors.
- In the fall and in collaboration with the Board's entire incoming leadership team complete the GEPAR Strategic Plan.
- Report to the Board of Directors the monthly financial statement and balance sheet.
- Give the Secretary/Treasurer's Report at the Annual Meeting of Membership.
- Assist in the preparation of the budget.
- Ensure the Board's financial policies are being followed.
- Review financial transactions.
- Attend the Leadership Orientation.
- Attend the Executive Committee and Board of Director's meetings and any special meeting called by the President.
- Attend TAR conferences and other such meetings as provided in the budget approved by the Board of Directors. The Association shall reimburse the Secretary/Treasurer for registration, travel, lodging and meals and incidental expenses incurred through attendance at such meetings.



TREPAC Committee

Staff Liaison: Hilda Beck

This committee educates the members and community on the importance of protecting private property rights. With the assistance of staff, the committee plans profitable events to further the goals of TREPAC to support political candidates and protect private property rights.

- Inform the members of why their TREPAC dollars are going to support candidates and issues



YPN Committee

Staff Liaison: Jorge Arenas

Young Professionals Network (YPN) is a member-driven organization that helps young real estate professionals excel in their careers by giving them the tools and encouragement to become involved in the REALTOR® association.

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

The goal is to cultivate the next generation of leaders, represent all members, and tap new ideas and fresh perspectives.

- Educate younger/newer REALTORS® on the importance of TREPAC
- Host joint meeting with TREPAC for involvement
- Participate as YPN group in TREPAC event



Budget & Finance Committee

Staff Liaison: Maria Gallegos

This committee oversees the treasury of the organization, as well as its financial instruments, budgets, controls and reports. It is chaired by the elected treasurer. It should submit a proposed annual budget for board approval, and may undertake fund raising projects.

BOARD EVALUATION

Board evaluation is an approach to improving *governance* --- with the intent to maintain a high performing board. The chief elected officer (not staff) leads the process. Input will be treated with confidence.

Indicate your understanding of and offer recommendations for these governance aspects.	Very Comfortable	Somewhat Comfortable	Somewhat Uncomfortable	Very Uncomfortable	Not Sure N/A
Mission and Strategic Direction					
1. Board efforts advance the mission, vision, values and goals.					
2. The strategic plan portrays an image of the organization in 3, 5 or 10 years.					
3. Meetings and agendas are organized to achieve the mission and goals (and avoid operating matters.)					
Comments:					
Governing Documents					
4. Board understands and upholds all governing documents.					
5. Policies are adopted and followed to guide current and future leaders.					
Comments:					
Leadership, Succession and Transparency¹					
6. Board selection process is transparent and ensures leadership succession.					
7. Board orientation and self-assessment is sufficient.					
8. New ideas and people are respected.					
Comments:					
Budgeting, Finances and Infrastructure					
9. Board adopts annual budget and is engaged in monitoring finances.					
10. Reserves/savings and investment strategies are appropriate.					
11. Financial reports are clear, accurate and timely.					
12. Annual audit and auditor's recommendations are reviewed.					

¹ Organizational transparency promotes awareness of governance, initiatives and structure amongst members and stakeholders.

Indicate your understanding of and offer recommendations for these governance aspects.	Very Comfortable	Somewhat Comfortable	Somewhat Uncomfortable	Very Uncomfortable	Not Sure N/A
Comments:					
Professional Staffing and Structure					
13. Board delegates authority, policies and resources for CEO to manage organization.					
14. CEO performance is assessed.					
15. Staff relations are professional and collegial.					
16. Structure of organization is highly effective.					
Comments:					
Risk Management – Protection					
17. Fiduciary duties are understood, including duties of care, obedience and loyalty.					
18. Perceived and real conflicts of interest are disclosed.					
19. Antitrust violations are strictly avoided.					
20. Discussions and documents are treated with confidentiality.					
21. It is clear who speaks for the organization and that only those persons can delegate authority.					
22. Insurance and risk management measures adequately protect the organization.					
Comments:					
Committees, Counsels and Task Forces					
23. Committee structure benefits board productivity and advances strategic goals.					
24. Board does not conduct committee work at board meetings.					
Comments:					
Benefits, Programs and Services					
25. Board is familiar with majority of association programs and services.					
26. Programs and services are periodically reviewed to ensure relevance to members.					
Comments:					
Overall					
27. Serving on the board is a gratifying experience.					
Comments:					



This Greater El Paso Association of REALTORS® Code of Conduct and Anti-Harassment Policy (Policy) applies to all Greater El Paso Association of REALTORS®-related meetings or events, whether held in public or private facilities, including meetings or events sponsored by organizations other than the Greater El Paso Association of REALTORS® and held in conjunction with the Greater El Paso Association of REALTORS® meetings or events, and any Greater El Paso Association of REALTORS® member communications related to the Greater El Paso Association of REALTORS® business or with the Greater El Paso Association of REALTORS® staff.

Greater El Paso Association of REALTORS® Commitment:

The Greater El Paso Association of REALTORS® is committed to providing a productive and welcoming environment that is free from discrimination and harassment. Members are expected to act with courtesy and mutual respect toward each other, the Greater El Paso Association of REALTORS® staff, service providers, speakers and event participants.

Harassment:

Harassment in any form is strictly prohibited. Harassment includes inappropriate conduct, comment, display, action, or gesture based on another person's sex, color, race, religion, national origin, age, disability, sexual orientation, gender identity, and any other protected characteristic. Examples of harassment include, but are not limited to: epithets, slurs or negative stereotyping; threatening, intimidating or hostile acts; denigrating jokes; and the display or circulation of written or graphic material that denigrates or shows hostility toward an individual or group based on a protected characteristic.

Sexual Harassment:

Sexual harassment is one form of harassment. Sexual harassment may involve individuals of the same or different gender. Like all harassment, sexual harassment is strictly prohibited.

Sexual harassment can be:

- Verbal: Sexual innuendoes, suggestive comments, jokes of a sexual nature, sexual propositions, or threats.
- Non-Verbal: Sexually suggestive objects or pictures, graphic commentaries, suggestive or insulting sounds, leering, whistling, or obscene gestures.
- Physical: Unwanted physical contact, including touching, pinching, coerced sexual intercourse, or assault.

How to Report Incidents of Harassment or Inappropriate Behavior:

Any member who believes they experienced or witnessed harassment or other inappropriate behavior in violation of this Policy should promptly report the incident to one of the following individuals: the Greater El Paso Association of REALTORS® CEO, the Greater El Paso Association of REALTORS® President, or the Greater El Paso Association of REALTORS® President-Elect.

Investigation and Discipline

Upon receipt of a member's report of possible harassment or inappropriate behavior in violation of this Policy, the Greater El Paso Association of REALTORS® will promptly conduct an investigation at the direction of the Greater El Paso Association of REALTORS® General Counsel. During the investigation, the Greater El Paso Association of REALTORS® will involve only those deemed necessary to the investigation, and disclosures will only be made on an as-needed basis. If it is determined that the investigation substantiates that a violation of this Policy has occurred, the Greater El Paso Association of REALTORS® President, President-Elect, and one Board of Director, selected by the President, in consultation with the Greater El Paso Association of REALTORS® General Counsel, will determine any disciplinary action. If one or more of the foregoing officers are named in the complaint of harassment or inappropriate behavior, the Greater El Paso Association of REALTORS® General Counsel will identify a substitute to be selected from the Executive Committee.

The Greater El Paso Association of REALTORS® reserves the right to take any necessary and appropriate action against a member who engages in any form of harassment or inappropriate behavior in violation of this Policy. Such actions may include, but are not limited to, prohibition from attendance at future Greater El Paso Association of REALTORS® meetings or events, removal from a committee appointment, expulsion from membership or any other action deemed appropriate by the Greater El Paso Association of REALTORS®.

I acknowledge that I have received a copy of the Policy and have read its terms very carefully.

Signature: _____

Printed Name: _____

Date: _____



GREATER
El Paso **ASSOCIATION OF REALTORS®**

Social Media Policy

Adopted: July 27, 2018

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SOCIAL MEDIA PURPOSE

The Greater El Paso Association of REALTORS®(GEPAR) recognizes that the Internet provides a variety of unique opportunities to participate in interactive discussions, promote and share information topics using a various social media outlets. However, use of social media can pose risks to GEPAR's confidential and proprietary information, reputation and brands, and can also jeopardize the Association's compliance with its Bylaws and Policy Manual, as well as adhering to THE NATIONAL ASSOCIATION OF REALTORS® (NAR) Code of Ethics.

This policy applies to GEPAR Board of Directors, Multiple Listing Service (MLS) Board of Directors, contractors, volunteers, members of the Association or any third party who participates in social media activities with or on behalf of the Association.

Currently GEPAR actively participates in the following social media applications:

- Facebook
- Twitter
- Instagram
- LinkedIn

SOCIAL MEDIA POLICY FOR THE GEPAR REPRESENTATIVES OF THE ASSOCIATION

These are the official guidelines for social media at GEPAR. If you're a member, contractor, or volunteer of GEPAR or NAR creating or contributing to blogs, wikis, social networks, virtual worlds, or any other kind of social media both on and off GEPAR's and NAR's websites, these guidelines are for you. We expect all who participate in social media on behalf of GEPAR to understand and to follow these guidelines. These guidelines will continually evolve as new technologies and social networking tools emerge—so check back occasionally to make sure you're up to date.

As a member of GEPAR and/or representative keep the following principles in mind:

1. Be professional. Remember that you are an ambassador for our organization both on and off the job. Wherever possible, disclose your position as a representative of GEPAR. Be responsible and honest at all times.
2. Be credible, accurate, fair, and thorough.
3. Post meaningful, respectful comments. In other words, no spam and no remarks that are off-topic or offensive. Respect proprietary information and confidentiality of our members and of our internal operations.
4. When disagreeing with others' opinions, be objective and respectful.
5. Always remember that your online comments are permanently available to all, and may be republished in other media.
6. Stay within the legal framework and be aware that anti-trust, libel, copyright and data protection laws apply.
7. Don't plagiarize.
8. Don't disclose sensitive or confidential information, make commitments or engage in activities on behalf of GEPAR unless you are authorized to do so. If you are in doubt, avoid any contribution until you have received express permission from the AE

(Association Executive). In other words, "If in doubt, leave it out."

9. Even in your private communications, don't forget your day job and or alliance with GEPAR.
10. You are a representative of GEPAR.

No expectation of privacy. All contents of GEPAR IT (Information Technologies) resources and communications systems are the property of the Association. Therefore, representatives should have no expectation of privacy whatsoever in any message, file, data, document, facsimile, social media post, or any other kind of information or communication transmitted, received, printed, stored or recorded on the Association's electronic information and communications systems.

Be honest and transparent. Social Media is no place to hide. Use your real name if you are commenting about the Association or its programs and identify yourself.

Make a mistake? If you make a mistake, admit it. Be upfront and be quick with your correction. For example, if you're posting to a blog, you may choose to modify an earlier post, just make it clear that you have done so.

Be fair. There can be a fine line between healthy debate and hysterical reaction. Do not badmouth ours or other Associations and, even more importantly, other staff, our leaders, members, and their profession in general. See if you can invite differing points of view without inflaming others. Remember that once your words are online, you can't recall them. And once an inflammatory discussion gets going, it's hard to stop.

Add value. There's lots of traffic on today's social media. The best way to get yours read is to contribute subjects or information your readers will value. Social communication from GEPAR should help our members and co-workers. It should be thought-provoking and build a sense of community. If it helps people improve knowledge or skills, build their businesses or solve problems, or if it helps them understand our Association better, then it's adding value. If you are tempted to post about your breakfast cereal or your new haircut... don't.

Be conversational. Social media is conversational, so talk to your readers like you would talk to people in professional situations. Encourage comments. You can also broaden the conversation by citing other experts in your blogs, or by "reTweeting" others' comments.

Write what you know. Make sure you write and post about your areas of expertise. Use the first person. If you publish to a website outside GEPAR, please use a disclaimer something like this:

"The postings on this site are my own and don't necessarily represent GEPAR's positions, strategies or opinions." Also, please respect brand, REALTOR® trademark, copyright, fair use, confidentiality and financial disclosure laws. If you have any questions about these, see your AE. Remember, you are personally responsible for your content.

Protocol. Any representatives with a personal Social Media page(s) AND with "friends" that are members of GEPAR must abide by this protocol.

FACEBOOK FAN PAGE POSTING GUIDELINES

The GEPAR Social Media outlets are provided for the REALTOR®, Affiliate and Sponsor community by the GEPAR Board of Directors, its AE and Public Awareness/Marketing Chair. We will make updates as often as possible to share as much as we can about GEPAR and the achievements of our members and staff as well as other relevant community information, education and events.

All comments posted to GEPAR's fan page are subject to review and removal by the page administrator at his or her discretion.

The intent of this policy is not to keep any negative or critical information from being posted, but to protect the privacy and rights of GEPAR staff and members. Discussing employees or members in a negative way will not be allowed. The page administrators will review all postings to ensure they do not run afoul of the rules nor of GEPAR's Acceptable Use Guidelines regarding Internet access and practices.

We welcome your thoughts and comments and look forward to what you have to say. GEPAR aims to publish all user-submitted content unless it:

- Contains language that GEPAR, in its sole discretion, considers offensive or inappropriate. This includes remarks that are racist, homophobic and/or sexist as well as those that contain obscenities or are sexually explicit.
- Infringes on the trademarks or copyrights of the Association or any third parties.
- Breaks the law or encourages others to do so. This includes respecting copyright and fair use laws. If you are talking about somebody else's work, reference that work or the person, and where possible include a link.
- Easily identifies members and/or staff of GEPAR or the Association in defamatory, abusive, or negative terms. Derogatory, vulgar or offensive comments and statements that are targeted at other organizations or individuals are also prohibited.
- Does not show proper consideration for others' privacy or are considered likely to offend or provoke.
- Is not relevant to the site or a post that is being responded to.
- Is a commercial endorsement, including spam.

The page administrator reserves the right to:

- Keep discussion comments positive and productive.
- Remove comments at any time, for any reason.
- Acknowledge criticism that is legitimate and respond respectfully.
- Reproduce postings from members in other media.
- Post pictures and videos from Association events.

Photo / Video Disclaimer

GEPAR reserves the right to use any photograph or video taken at any event sponsored by GEPAR without the express written permission of those included within the photograph or video. GEPAR may use the photograph/video in publications or other media material produced, used or contracted by GEPAR including, but not limited to: brochures, invitations, books, newspapers, magazines, television, websites, etc.

Any person desiring not to have their photo taken or distributed must contact GEPAR, in writing, of his/her intentions and include a photograph (so you can easily be identified – GEPAR will use the photo for identification purposes and will hold it in confidence).

Inappropriate Comments

If you have a comment or would like to report an inappropriate comment for us to review, send an email to the GEPAR AE at the email address given.

THE NATIONAL ASSOCIATION OF REALTORS®

GEPAR maintains compliance with THE NATIONAL ASSOCIATION OF REALTORS'® (“NAR”) guidelines. For more information on NAR’s social media policy guidelines, please visit NAR's Social Media Guidelines for Associations.

http://www.realtor.org/letterlw.nsf/pages/0510rm_socialmedia

SOCIAL MEDIA POSTING GUIDELINES FOR COMMITTEES & REPRESENTATIVES

Use of the GEPAR logo (or name) is expressly prohibited without written authorization from the G E P A R Board of Directors. If you are contacted for comment about the Association for publication including in any social media outlet, direct the inquiry to the Board President or AE. GEPAR policy states that the President of the Board of Directors and AE are the official spokespeople for the Association.

APPROVAL REQUIRED BEFORE USE

If your job responsibilities require you to speak on behalf of the Association in a social media environment, you must still seek such approval for communications from the AE or GEPAR Board of Directors.

ROGUE PAGES

Board Members, AE, Staff, Committee and Representatives that find an unauthorized page depicting, using or containing GEPAR information or its brand should immediately report the page to GEPAR’s AE. The AE will contact the party and request the immediate removal of G E P A R’s information or brand utilizing the pre-approved template/letter.

NEGATIVE POSTINGS

Paraphrased from <http://www.mfauscette.com/>

Although negative comments can provide an opportunity to discuss and respond to issues, it is very important to develop response guidelines and policies to deal with negative comments that are unproductive.

In general, negative comments fall in two categories:

1. Constructive criticism. If the comment is constructive criticism, then you should respond as follows:

- Establish whether the problem or complaint is legitimate.
- Acknowledge the problem.
- Assure the Poster that they have been heard.
- Your response to the negative Poster should be positive and respectful and maintain a friendly voice of authority.
- Once you respond publicly, take the conversation to a private channel such as email, IM (Instant Message) or phone.

2. Unwarranted attack, commonly referred to as trolling or spam. If the comment is trolling or spam, then you should respond as follows:

- In many cases, it is best to ignore the Poster. But, if a response is warranted, then politely and respectfully respond to the Poster and then leave it alone.
- For sustained attacks, especially unwarranted attacks, often other community members will step in, making your response unnecessary.
- In response to unwarranted attacks, it is often most effective to ignore the Commenter, which takes away the fuel for their fire.
- More often than not deleting negative comments is not a good practice and will risk creating a larger backlash. We can make an exception for obviously abusive, obscene or socially unacceptable comments (which will be clearly stated in our terms of service on the fan page).

ACKNOWLEDGEMENT OF RECEIPT AND REVIEW

By signing below, I am confirming that I not only have received and read the Social Media Policy but that I also understand its contents. I understand that GEPAR expressly reserves the right to change, modify, update or delete its provisions without immediate notice.

[PRINTED]

Board Member, Representative participating in GEPAR's Social Media outlets.

[Signature]

[Date] _



Greater El Paso Association of REALTORS®
Confidentiality Policy

Purpose

This Confidentiality Policy (Policy) is adopted in order to ensure matters which are to remain known only to certain persons affiliated with the Association are kept that way. Association members are frequently involved in proceedings or actions that involve information that should be kept private. The purpose of this Policy is to define and set forth what information that is and to inform members and staff of procedures to be followed to ensure confidentiality.

Scope

This Policy is applicable to all members of the Association who serve in voluntary governance positions. Voluntary governance positions include all members of the Association Leadership Team, Executive Board, Board of Directors, Committees and Task Forces.

Confidential Information

Confidential Information includes but is not limited to any information pertaining to The Association's current or anticipated operations, procedures, 3rd party relationships and agreements, work product, and personal identification information. Some examples of Confidential Information are:

- Identifying personal or financial information related to any Association employee or member (e.g. driver's license number, address, phone number, credit card number, etc.)
- Information related to any previous, current, or anticipated Professional Standards proceedings (including the Ombudsman, Mediation, Ethics, and Arbitration programs)
- Information related to Professional Development programs and the creation of such programs that is specifically identified as confidential
- Information related to the development and creation of any artwork, marketing material, graphic design, and other printed material to be used by the Association, its staff and members
- Information concerning the process used to create and publish the Association magazine, newsletters, podcasts and any other communications tool utilized by the Association
- Information related to vendor contracts and any proprietary information learned by the Association in obtaining and fulfilling its obligations pursuant to vendor contracts

- Any information related to Governmental Affairs meetings of the Association not otherwise required to be made public (e.g. process used to determine campaign contributions, discussions surrounding decisions for campaign contributions and endorsements, and membership data, etc.)
- Information pertaining to the process used to create and publish the Association Forms Library that is specifically identified as confidential
- Information related to personnel decisions (e.g. hiring, firing, promotion, reprimand, salary increases, etc.)
- Information obtained pursuant to closed meetings of Association committees, Board of Directors, Executive Board or Leadership Team
- Any other information not generally known that if disseminated could be reasonably expected to adversely affect the Association

General Non-Disclosure of Confidential Information

At no time shall an Association member disclose Confidential Information unless expressly permitted to do so at the discretion or direction of the CEO of the Association. Further, unless expressly permitted to do so, at no time shall an Association member make copies of Confidential Information except as may be required in the performance of the person's job duties or voluntary governance position duties.

Association Governance

From time to time, it may be necessary or required for meetings of Association leadership (i.e. certain committees, Association Leadership Team, etc.) to be held in executive session. The proceedings of these meetings are confidential in nature and shall not be disclosed to individuals who are not members of the Board of Directors or its Executive Board.

Any information discussed at a meeting held in executive session or documents that are disseminated are to remain confidential and may not be shared with anyone not in attendance.

Member Information

Members of the Association frequently provide information to the Association related to their membership requirements, contributions to the Texas Real Estate Political Action Committee, or other reasons. Any information provided to the Association for these limited purposes shall be deemed confidential and may not be shared with any other member of the Association or with Association staff holding positions to which the information would not be relevant.

Acknowledgment

By agreeing to serve in an Association voluntary governance position, each Applicable Person agrees to abide by the terms in this Policy. Applicable Persons also acknowledge that Confidential

Information learned or discovered during the course of the person's affiliation with the Association is the sole property of the Association and further agrees to leave any hard copies containing Confidential Information in the possession of the Association upon either the end of the Applicable Person's affiliation with the Association or the end of the person's service in a voluntary governance position.

**Greater El Paso Association of REALTORS®
Confidentiality Policy Acknowledgment**

By agreeing to serve in an Association voluntary governance position, I agree to abide by the terms in this Policy. I also acknowledge that Confidential Information learned or discovered during the course of my affiliation with the Association is the sole property of the Association and further agree to leave any hard copies containing Confidential Information in the possession of the Association upon the end of my service in a voluntary governance position.

I, _____, agree to abide by the terms and conditions stipulated in the Confidentiality Policy. I acknowledge that I have received a copy of the Policy and have read its terms very carefully. I understand that my failure to abide by the terms of the Policy may result in my immediate dismissal from my volunteer governance position with the Association pending review by the Greater El Paso Association of REALTORS® Association Executive, President, President-Elect, and one Board of Director, selected by the President, in consultation with the Greater El Paso Association of REALTORS® General Counsel.

Signature: _____

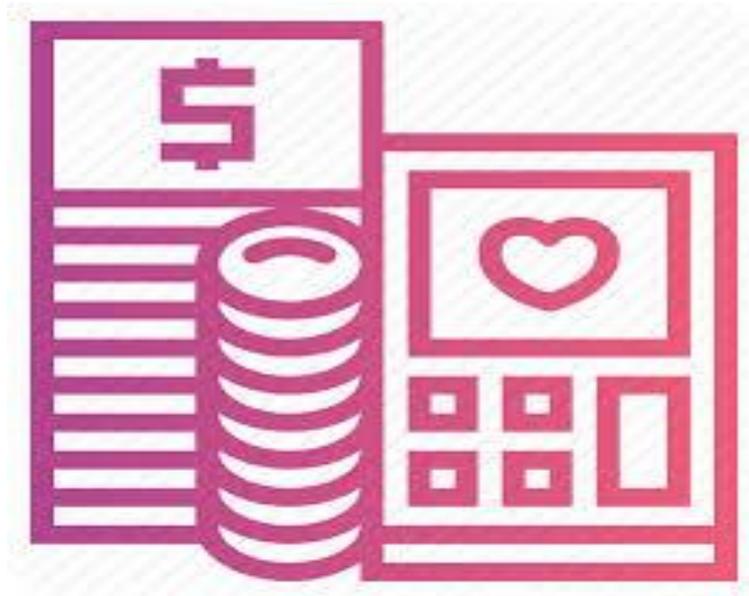
Printed Name: _____

Date: _____



GEPAR

GREATER EL PASO ASSOCIATION *of* REALTORS®



2021 BUDGET



2021 BUDGET ASSUMPTIONS

1. The budget is based on the Memorandum of Understanding “MOU” with the Multiple Listing Service as of June 1, 2007. The MOU will expire on June 30, 2025.
2. Membership is based on a 7% drop from active members for 2020. Beginning the year with 2,267 paid members for 2021 and with 30 new members per month. The year will end with 2,627 REALTOR® members joining at monthly prorated amounts. Local dues are \$84.00, NAR dues are \$185.00 and TR dues are \$152.00.
3. Depreciation will be booked monthly and will be adjusted at audit.

2021 PROJECTED REVENUE

ADMINISTRATION DEPARTMENT

		<u>2020 APPROVED REVENUE</u>	<u>2021 PROJECTED REVENUE</u>	<u>DESCRIPTION</u>
4005	RENT - MLS	144,000.00	144,000.00	\$12,000 X 12 from MLS
4030	REALTOR® STORE	8,300.00	2,000.00	Estimated
				Based on current income
4050	RCA DUES	3,600.00	3,600.00	\$60 x 60 Members
				Currently have 58 RCA members
				Budgeting for 60 members including 2 new members
4045	RCA ENTRANCE FEES	50.00	50.00	\$25 x 2 Members
				2 new members
TOTAL REVENUE		155,950.00	149,650.00	

2021 PROJECTED EXPENSE

ADMINISTRATION DEPARTMENT

	<u>2020 APPROVED</u> <u>EXPENSE</u>	<u>2021 PROJECTED</u> <u>EXPENSE</u>	<u>DESCRIPTION</u>
5030 REALTOR® STORE This is used to buy supplies such as Riders, Open House Signs etc. to sell to our members. Reduced based on current expense	6,000.00	1,000.00	Administration
5065 INSTALLATION BANQUET Incoming President will get Sponsors for their Banquet. The Association will assist with this amount.	2,500.00	2,500.00	Administration
5050 RCA EXPENSE Expecting to have 60 RCA members @ \$60.00 including Entrance fee for 2 new members.	3,650.00	3,650.00	Equals Revenue
6020 OFFICE EXPENSE	3,000.00	3,000.00	GAD & CEO Auto & Cell
7005 BOARD OF DIRECTORS Regional Meeting - \$3,000.00 for Dinner Officers Leadership Training - \$2,000.00 for lunch Trainer and Officers. Pastries for BOD Meetings - \$350.00 Gift for out going President -\$1,000.00 21 BOD Gifts x \$50.00 - \$1,050.00 December Breakfast - \$1,000.00 Supplies, name badges, USB drives - \$800.00 Misc Business Relations expenses - \$1,000.00 Will be used for lunches or dinners for out of town dignitaries from NAR or TR	10,200.00	10,200.00	Estimated
7010 ELECTION/NOMINATION COMMITTEE	2,100.00	2,100.00	Online Voting
5070 TREPAC	500.00	500.00	Postage & Misc.
6055 ORIENTATION Instructor \$75.00 x 12/mo - \$900.00 Supplies - \$1,600.00	2,500.00	2,500.00	Estimated
7020 STRATEGIC PLANNING Breakfast, Lunch and Supplies, certified Instructor, travel & hotel	4,000.00	4,000.00	Estimated
7055 EQUAL OPPORTUNITY Speakers, classes etc. Increased as part of Strategic Plan	200.00	1,000.00	Administration
6045 STAFF DEVELOPMENT Used for Professional Development classes or out of town training	3,000.00	3,000.00	Training/Travel
5051 PUBLIC RELATIONS / SOCIAL MEDIA To purchase online advertisements	3,000.00	3,000.00	Estimated

5052	PUBLIC RELATIONS / SOCIAL MEDIA 2020 Contract extended until April of 2021 due to Covid	15,000.00	5,000.00	Contract
7035	GOVERNMENT AFFAIRS COMMITTEE Will be having quarterly luncheons to educate our members on Federal Entities Lunch/Candidate Interviews for School Board, City Candidates, Public Relations and Quarterly Luncheons	2,000.00	2,000.00	Estimated
7050	REALTOR/BUILDER COMMITTEE	50.00	50.00	Estimated
7060	YOUNG PROFESSIONALS NETWORK Becoming more active and hosting more events.	1,500.00	1,500.00	Estimated
7065	AFFILIATE SPECIAL COMMITTEE For events to recruit additional Affiliate members	1,000.00	1,000.00	
7070	PROPERTY MANAGEMENT COMMITTEE	600.00	600.00	Bring TR Rep for Education
7080	TX REALTOR LEADERSHIP TRAINING	1,600.00	1,600.00	Instructor's Fee
7080	COMMITTEE CHAIRS & CO CHAIRS QUARTERLY MEETING For the quarterly meeting with Committee Chairs and Co-Chairs.	1,500.00	1,500.00	
7095	SAFETY CLASS CORE STANDARD Mandatory Class to meet NAR core standards	1,000.00	1,000.00	Instructor's Fee
7075	TEXT MESSAGING PROGRAM Program to keep members informed	-	5,000.00	
TOTAL EXPENSE		64,900.00	55,700.00	

2021 PROJECTED REVENUE

MEMBERSHIP SERVICE/FINANCE DEPARTMENT

	<u>2020 APPROVED</u> <u>REVENUE</u>	<u>2021 PROJECTED</u> <u>REVENUE</u>	<u>DESCRIPTION</u>
4005 AFFILIATE DUES Reduced to current members	15,655.00	13,563.00	49 Members Current Affiliate members is 45. Prorated Monthly Budgeting for 40 renewing and 9 joining at prorated amounts
4010 APPLICATION FEES Reduced bases on current new members	69,300.00	63,000.00	360 Members x \$175 Based on current membership, average is 35 per month, estimating 30 per month
4020 INTEREST INCOME Opened a Money Market acct	2,300.00	3,500.00	Various Rates
4025 MEMBERSHIP DUES	1,042,261.00	1,048,052.00	2627 Members Prorated Monthly and estimating 30 new member per month Reduced by 7% drop of current membership
4035 NON-MEMBER DUES	25,260.00	25,260.00	60 Non-members Non-Members fees equal to REALTOR dues
4030 ROSTERS/LABELS	1,000.00	500.00	Estimated Based on current sales
4050 INSTITUTE AFFILIATE DUES/NAR COLLECTS	385.00	350.00	10 Members x \$35 Based on current members
4040 TRANSFER FEES	8,000.00	6,600.00	330 x \$20 Reduced based on current revenue
4060 LOCKBOX FEES & PRODUCTS	587,987.00	620,933.00	Monthly fees & Lockbox leases Based on lockbox leases and key holders plus new members
4061 SENTRILOCK ISSUANCE FEES	23,000.00	15,000.00	Issuance Fee 25 new members per month
4015 MISC INCOME	2,400.00	2,400.00	Estimated RCA payment for conference room
4016 CREDIT CARD PROCESSING FEES	8,000.00	6,600.00	Estimated Based on current revenue
4055 LATE FEES	8,800.00	10,000.00	Estimated Based on current revenue
4056 RECONNECT SERVICE FEES	25,000.00	15,000.00	150 x 4 x 25 Reduced based on current income
TOTAL REVENUE	1,819,348.00	1,830,758.00	

2021 PROJECTED EXPENSE

MEMBERSHIP SERVICE/FINANCE DEPARTMENT

	<u>2020 APPROVED EXPENSE</u>	<u>2021 PROJECTED EXPENSE</u>	<u>DESCRIPTION</u>
5005 TR AFFILIATE DUES Based on current members Budgeting for 40 renewing and 9 joining at prorated amounts	5,909.00	5,119.00	49 Members Prorated Monthly Current Affiliate members is 45.
5010 TR DUES Calculated at a 7% drop Starting the year with 2,267 renewing members. This is anticipating we have 30 new members per month at prorated amounts. The 60 non-members are at full dues.	378,069.00	387,019.00	2627 Members 60 Non-members Prorated Monthly
5015 NAR DUES Calculated at a 7% drop Starting the year with 2,267 renewing members. This is anticipating we have 30 new members per month at prorated amounts. The 60 non-members are at full dues.	458,700.00	470,245.00	2627 Members 60 Non-members Prorated Monthly
5060 SENTRILOCK LEASE EXPENSES Monthly Fees = \$229,626.00 / Jan-May @ \$8.31 per user / Jun-Dec @ \$8.39 per user (Jun-Dec 1% increase) Contracts & forms = \$2,500.00 New card = \$4,800.00 / For new members, to replace lost or broken = 600 cards Keyboxes = \$67,900 / 700 Additional keyboxes for new leases for 2020 Shipping & handling = \$2,500.00	287,670.00	307,326.00	Sentrilock Contract/Supplies
6042 MEM. SOFTWARE MAINTENANCE Maintenance for MMSI - membership & billing software	16,080.00	16,080.00	MMSI Contract
5016 CREDIT CARD PROCESSING FEES Increased based on current expense	26,000.00	26,000.00	Estimated
TOTAL EXPENSE	1,172,428.00	1,211,789.00	

2021 PROJECTED REVENUE

EDUCATION DEPARTMENT

		<u>2020 APPROVED REVENUE</u>	<u>2021 PROJECTED REVENUE</u>	<u>DESCRIPTION</u>
4085	MCE	30,294.00	21,384.00	12 Students x \$162 x 11mo.
		Based on current revenue		
4035	EDUCATION DAY	20,500.00	20,500.00	Estimated
4050	REALTOR RALLY	45,000.00	45,000.00	Estimated
TOTAL REVENUE		95,794.00	86,884.00	

2021 PROJECTED EXPENSE

EDUCATION DEPARTMENT

		<u>2020 APPROVED EXPENSE</u>	<u>2021 PROJECTED EXPENSE</u>	<u>DESCRIPTION</u>
5085	MCE Instructors, books, Providers fee coffee & donuts	13,350.00	12,565.00	Estimated Based on current expenses
5035	EDUCATION DAY Rent, food, speaker, Advertiser Signs, & printing.	15,200.00	15,200.00	Estimated
5050	REALTOR RALLY	40,000.00	40,000.00	Estimated
7030	EDUCATION COMMITTEE	200.00	200.00	Monthly Meetings & Misc.
TOTAL EXPENSE		68,750.00	67,965.00	

2021 PROJECTED OPERATING EXPENSE

GENERAL OPERATING EXPENSE

	<u>2020 APPROVED EXPENSE</u>	<u>2021 PROJECTED EXPENSE</u>	<u>DESCRIPTION</u>
6060 DUES/SUBSCRIPTIONS	2,100.00	2,100.00	Estimated
El Paso Builder's Association	\$360.00		
Costco	\$110.00		
Gtr EP Chamber of Commerce	\$270.00		
El Paso Inc.	\$60.00		
City of El Paso (Alarm Permit)	\$50.00		
Elevator License	\$30.00		
Women's Council of REALTORS	\$290.00		
	(2) MEMBERSHIPS		
El Paso Hispanic Chamber	\$330.00		
NAHREP	\$30.00		
CCIM	\$200.00		
New Affinity Groups	\$370.00		
6065 INSURANCE GROUP	37,500.00	42,000.00	Estimated
	Yearly market increase		
6070 INSURANCE OTHER	6,000.00	7,000.00	Estimated
Building Insurance	Yearly market increase		
E&O Insurance			
6080 LEGAL EXPENSE	5,000.00	5,000.00	Estimated
6020 OFFICE EXPENSE	13,350.00	13,350.00	Estimated
Matrix (Alarms monitoring)	\$800.00		
Water	\$900.00		
Message on Hold	\$600.00		
Dust Tex Rental	\$450.00		
Pro Graphics (Business cards)	\$450.00		
Payroll Processing Fee	\$1,500.00		
Costco (coffee, cups etc.)	\$2,600.00		
Funerals, B-days, staff appreciation	\$2,500.00		
Bank-Client Analysis	\$3,000.00		
Shredding Service	\$550.00		
6025 OFFICE SUPPLIES	6,000.00	6,000.00	Estimated
Toner, labels, envelopes etc.			
6030 POSTAGE	2,000.00	2,000.00	Estimated

6105	RENTAL & LEASE Postage Machine	1,620.00	1,620.00	Contract
6110	REPAIR & MAINTENANCE Pest Control Landscaping Elevator Maintenance El Paso Disposal Carpet Cleaning Phone line repairs Elevator Annual Test Backflow Test Window Cleaning Fire Alarm Annual Inspection A/C Repairs Fire sprinkler system repairs Alarms repair Misc. repairs; windows, plumbing elevator, etc.	28,140.00 \$850.00 \$1,950.00 \$600.00 \$2,520.00 \$2,000.00 \$500.00 \$200.00 \$320.00 \$700.00 \$500.00 \$5,000.00 \$1,500.00 \$1,500.00 \$10,000.00	28,140.00	Estimated
6005	SALARIES This includes bonuses to be distributed at CEO's discretion	321,950.00	321,950.00	Administration
6125	TAXES/PAYROLL Social Security, Unemployment	25,000.00	25,000.00	Estimated
6130	TAXES/OTHER Pitney Bowes - Postage machine	200.00 Based on current expense	200.00	Estimated
6135	TELEPHONE Time Warner (Phone & Internet) AT&T (Alarm Lines)	14,580.00 \$12,660.00 \$1,920.00 Based on current expense	14,580.00	Estimated
6036	COPIER Based on current expense	3,420.00	3,420.00	Estimated
6037	PAPER EXPENSE	1,000.00	1,000.00	Estimated
6140	UTILITIES Water, Gas & Electric	20,800.00	20,800.00	Estimated
6155	PENSION PLAN	21,376.00	21,376.00	Estimated
6165	SALES TAX	500.00	500.00	Estimated

6170	JANITORIAL SERVICE	22,400.00	22,400.00	Estimated
6175	COMPUTER MAINTENANCE Misc. repairs on printers or computers	500.00	500.00	Estimated
6180	NAR & TR TRAVEL Legislative Year -Added TR Hill Visits and reduced back to \$600 from \$1,100	121,425.00	128,225.00	Estimated
6150	BAD DEBT	1,000.00	1,000.00	Estimated
6090	PUBLIC RELATION WCR, Builders Association Luncheons, Installation Banquets, State of the Military, City, County and Congress. For Executive Committee and CEO. WCR Strategic Partnership \$2,500.00	6,000.00	6,000.00	Estimated
6015	AUDIT FEE Based on current expense	10,000.00	10,000.00	Estimated
6191	GOOGLE BUSINESS SOFTWARE Gmail Account \$2,050.00 Carbonite Backup Subscription \$450.00 ZOOM Software \$600.00 Mail Chimp \$780.00 Misc Office Production software \$500.00	3,000.00	4,400.00	Estimated
TOTAL EXPENSE		674,861.00	688,561.00	



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GREATER EL PASO ASSOCIATION *of* REALTORS®



2021

TRAVEL POLICY SUMMARY, BUDGET AMOUNTS & SCHEDULE



GEPAR

GREATER EL PASO ASSOCIATION *of* REALTORS®

TRAVEL POLICY SUMMARY

This policy is put into place for the purpose of helping those members who have agreed to give of their time and effort to represent the Greater El Paso Association of REALTORS® at TR and NAR meetings. Since the Greater El Paso Association of REALTORS® desires to keep the cost to membership at the lowest level possible; there will be no exceptions to the following guidelines unless preapproved by the Budget and Finance Committee along with the Executive Committee.

If an individual falls into more than one of the above categories, they will be reimbursed at the highest level but will never receive overlapping reimbursements. All travel will be real estate related and the Association will require a travel voucher with receipts before the individual may be reimbursed. A written report from any Director attending a conference must accompany the travel expense before reimbursement can be made. It is understood that the Association only prepares checks on the last working day of the month and on the 15th of each month. In order to be reimbursed on a timely manner, expense reports with receipts must be turned in to the CEO no later than the 12th or three days before the last day of the month.

Only elected officials and staff members will be included in the Travel Policy.

NOTE: FOR COMPLETE TRAVEL POLICY, PLEASE REFER TO YOUR POLICY MANUAL



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GREATER EL PASO ASSOCIATION *of* REALTORS®

2021 TRAVEL EXPENSE

				TOTAL
CHIEF EXECUTIVE OFFICER	2 Trips NAR \$1,750 each	2 Trips TR \$1,250 each	TR/BOLC \$825	
	NAR CEO Institute \$2,000	TR CEO Seminar \$1,300	PAC/GA \$1,150	
	NAR Leadership \$1,100	TR Hill Visits \$300		12,675.00
PRESIDENT	2 Trip NAR \$3,000	2 Trips TR \$2,000 each	TR Hill Visits \$600.00	
	TR/BOLC \$1,150			11,750.00
PRESIDENT-ELECT	2 Trips NAR \$3,000 each	2 Trips TR \$2,000 each	TR/BOLC \$1,150	
	1 NAR Leadership \$1,700	TR Hill Visits \$600		13,450.00
SECRETARY/TREASURER	2 Trips TR \$2,000 each	TR Hill Visits \$600	PAC/GA \$1,150	5,750.00
NAR DIRECTOR (2)	2 Trips NAR \$3,000 each			12,000.00
TR DIRECTOR (4)	2 Trips TR \$2,000 each x 4	TR Hill Visits \$600 each x 4		18,400.00
REGIONAL VICE-PRESIDENT	2 Trips TR \$1,250 each	TR Hill Visits \$600		3,100.00
TREPAC PAST CHAIR	1 Trip TR \$1,700			1,700.00
TREPAC/PROFESSIONAL DEVELOPMENT DIRECTOR	PAC/GA \$1,150			1,150.00



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GREATER EL PASO ASSOCIATION *of* REALTORS®

2021 TRAVEL EXPENSE

				TOTAL
TREPAC INCOMING CHAIR	PAC/GA \$1,150			1,150.00
GOV. AFFAIRS DIR.	2 Trips NAR \$3,000	GAD Institute \$2,800	PAC/GA \$1,150	
	2 Trips TR \$2,000	TR Hill Visits \$600	TX Legislative Session \$1,100	15,650.00
NOMINATING COM	2 Trips TR \$1,700			3,400.00
YPN VICE-CHAIR	NAR/LEADERSHIP \$1,300			1,300.00
GOVERNMENTAL AFFAIRS CHAIR	2 Trips TR \$2,000	PAC/GA \$1,150	TR Hill Visits \$600	5,750.00
POLITICAL INVOLVEMENT COMMITTEE REP	2 Trips TR \$2,000			4,000.00
ADMINISTIVE EXEC ASSISTANT	1 Trips TR \$2,000	NAR AE Institute \$3,000	NAR Trip \$3,000	8,000.00
STAFF DEVELOPMENT (2)	NAR AE Institute			6,000.00
SCHOLARSHIP RECIPIENT	NAR LEGISLATIVE MEETING \$3,000			3,000.00
TOTAL BUDGET				\$ 128,225.00

2021 ASSOCIATION TRAVEL

1. TR Winter Meeting Austin, TX

February 12 - 16

Attending: CEO
President
President-Elect
Secretary/Treasurer
TR Directors (4)
Nominating Committee
TREPAC Past Chair
Regional Vice President
GAD
Political Involvement Committee Rep
Governmental Affairs Chair

Objective: Communication and decision making of Association business on State level.

2. NAR AE Institute Houston, TX

March 19 – March 22

Attending: CEO
Executive Assistant
Staff / At CEO's discretion (2)

Objective: Communication and decision making of Association business on National Level. Being proactive in political legislative, legal and Public policy issues that affect the real estate industry and private Property owner rights.

3. TR Legislative Hill Visits Austin, TX

April 11 - 13

Attending: CEO
President
President-Elect
Secretary/Treasurer
TR Directors (4)
GAD
Governmental Affairs Chair
Regional Vice-President

4. NAR REALTOR Legislative Meetings Washington, D.C.

May 10 - 13

Attending: CEO
President
President-Elect
NAR Director
GAD
Scholarship Recipient

Objective: Communication and decision making of Association business on a National Level. Being proactive in political legislative, legal and Public policy issues that affect the real estate industry and private Property owner rights.

5. TR AE Seminar Austin, TX

June

Attending: CEO

Objective: To obtain updates, training and enhancement of skills as it relates to the state administration, education, public relation, legal, Political and communications areas of Association management.

6. Government Affairs Director (GAD) Institute Denver, CO

July 20 – 22

Attending: GAD

Objective: Communication and decision making of Association business on a National Level. Being proactive in political legislative, legal and public Policy issues that affect the real estate industry and private property owner Rights.

7. NAR Leadership Conference Chicago, IL

August 23 – 24

Attending: CEO
President-Elect
YPN Vice-Chair

Objective: To obtain updates, training and enhancement of skills as it relates to the state administration, education, public relation, legal, Political and communications areas of Association management.

8. TR Annual Conference Houston, TX

Sept 9 - 12

Attending: CEO
President
President-Elect
Secretary/Treasurer
TR Directors (4)
Nominating Committee
Regional Vice-President
GAD
Governmental Affairs Chair
Executive Assistant
Political Involvement Committee Rep

Objective: Communication and decision making of Association business on a State Level.

9. TREPAC/Govt. Affairs Austin, TX

October 5 - 7

Attending: CEO
Secretary/Treasurer
GAD
TREPAC/Professional Development Director
TREPAC Incoming Chair
Governmental Affairs Chair

Objective: Training for TREPAC fundraising.

10. TR BOLC Austin, TX

October 7 - 8

Attending: CEO
President
President-Elect

Objective: Training for leadership.

11. NAR Annual Governance Meeting

San Diego, CA

November 10 - 15

Attending: CEO
President
President-Elect
NAR Director
GAD
Executive Assistant

Objective: Communication and decision making of Association business on a National Level.

Return of Organization Exempt From Income Tax
Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)
▶ Do not enter social security numbers on this form as it may be made public.
▶ Go to www.irs.gov/Form990 for instructions and the latest information.

A For the 2019 calendar year, or tax year beginning and ending

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Final return/terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	C Name of organization GREATER EL PASO ASSOCIATION OF REALTORS Doing business as		D Employer identification number 74-1305915
	Number and street (or P.O. box if mail is not delivered to street address) Room/suite 6400 GATEWAY EAST	E Telephone number 915-779-3521	
	City or town, state or province, country, and ZIP or foreign postal code EL PASO, TX 79905		G Gross receipts \$ 1,341,000.
	F Name and address of principal officer: JASON SANCHEZ SAME AS C ABOVE		H(a) Is this a group return for subordinates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all subordinates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list. (see instructions) H(c) Group exemption number ▶
I Tax-exempt status: <input type="checkbox"/> 501(c)(3) <input checked="" type="checkbox"/> 501(c) (6) ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527			
J Website: ▶ HTTP://WWW.ELPASOREALTOR.COM/			
K Form of organization: <input type="checkbox"/> Corporation <input type="checkbox"/> Trust <input checked="" type="checkbox"/> Association <input type="checkbox"/> Other ▶			L Year of formation: 1993
M State of legal domicile: TX			

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: THE GREATER EL PASO ASSOCIATION OF REALTORS DEFENDS AND PROTECTS PROPERTY RIGHTS, INFLUENCE THE			
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.			
	3	Number of voting members of the governing body (Part VI, line 1a)	19	
	4	Number of independent voting members of the governing body (Part VI, line 1b)	19	
	5	Total number of individuals employed in calendar year 2019 (Part V, line 2a)	13	
	6	Total number of volunteers (estimate if necessary)	0	
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	0.	
7b	Net unrelated business taxable income from Form 990-T, line 39	0.		
Revenue	8	Contributions and grants (Part VIII, line 1h)	347,193.	355,751.
	9	Program service revenue (Part VIII, line 2g)	139,440.	134,672.
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	3,310.	2,399.
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	589,195.	614,560.
	12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	1,079,138.	1,107,382.
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0.	0.
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	337,546.	373,155.
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶	0.	
	17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	472,910.	472,303.
18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	810,456.	845,458.	
19	Revenue less expenses. Subtract line 18 from line 12	268,682.	261,924.	
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	3,271,514.	3,319,630.
	21	Total liabilities (Part X, line 26)	906,308.	692,500.
	22	Net assets or fund balances. Subtract line 21 from line 20	2,365,206.	2,627,130.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here	Signature of officer JASON SANCHEZ, CHIEF EXECUTIVE OFFICER	Date			
	Type or print name and title				
Paid Preparer Use Only	Print/Type preparer's name JOANNE NUGENT	Preparer's signature	Date 08/19/20	Check if self-employed <input type="checkbox"/>	PTIN P01213361
	Firm's name ▶ SBNG, P.C.	Firm's EIN ▶ 26-1483953		Phone no. (915) 544-6770	
Firm's address ▶ 221 N KANSAS, SUITE 1300 EL PASO, TX 79901					

May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response or note to any line in this Part III

Input box for Schedule O reference

1 Briefly describe the organization's mission:

THE GREATER EL PASO ASSOCIATION OF REALTORS DEFENDS AND PROTECTS PROPERTY RIGHTS, INFLUENCES THE LOCAL POLITICAL DIRECTION IN FAVOR OF ITS MEMBERS AND PROPERTY OWNERS, FACILITATES POSITIVE PUBLIC PERCEPTION, AND PROVIDES EDUCATION TO ITS MEMBERS.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

Yes No (X) No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services?

Yes No (X) No

If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ 507,435. including grants of \$) (Revenue \$ 749,232.)

THE GREATER EL PASO ASSOCIATION OF REALTORS PROVIDES ITS MEMBERS WITH THE EDUCATION THEY NEED TO ACHIEVE THE HIGHEST DEGREE OF PROFESSIONALISM IN THEIR FIELDS. REALTORS KEEP THEMSELVES INFORMED ON MATTERS AFFECTING REAL ESTATE IN THEIR COMMUNITY, STATE AND NATION SO THAT THEY CAN CONTRIBUTE RESPONSIBLY TO PUBLIC POLICY. THE GREATER EL PASO ASSOCIATION OF REALTORS MONITORS THE LEGISLATION AND PUBLIC POLICY AFFECTING THE REAL ESTATE INDUSTRY.

4b (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4c (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4d Other program services (Describe on Schedule O.) (Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses 507,435.

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>		X
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ?		X
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>		
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i>	X	
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		X
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>		X
10 Did the organization, directly or through a related organization, hold assets in donor-restricted endowments or in quasi endowments? <i>If "Yes," complete Schedule D, Part V</i>		X
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>	X	
b Did the organization report an amount for investments - other securities in Part X, line 12, that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>		X
c Did the organization report an amount for investments - program related in Part X, line 13, that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>		X
d Did the organization report an amount for other assets in Part X, line 15, that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>	X	
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>	X	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i>		X
12a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>		X
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i>	X	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		X
14a Did the organization maintain an office, employees, or agents outside of the United States?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i>		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV</i>		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV</i>		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i>		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>		X
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X
20a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>		X
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?		
21 Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>		X

Part IV Checklist of Required Schedules (continued)

	Yes	No
22 Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? If "Yes," complete Schedule I, Parts I and III		X
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If "Yes," complete Schedule J		X
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a		X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
25a Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If "Yes," complete Schedule L, Part I		
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I		
26 Did the organization report any amount on Part X, line 5 or 22, for receivables from or payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons? If "Yes," complete Schedule L, Part II		X
27 Did the organization provide a grant or other assistance to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity (including an employee thereof) or family member of any of these persons? If "Yes," complete Schedule L, Part III		X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions, for applicable filing thresholds, conditions, and exceptions):		
a A current or former officer, director, trustee, key employee, creator or founder, or substantial contributor? If "Yes," complete Schedule L, Part IV		X
b A family member of any individual described in line 28a? If "Yes," complete Schedule L, Part IV		X
c A 35% controlled entity of one or more individuals and/or organizations described in lines 28a or 28b? If "Yes," complete Schedule L, Part IV		X
29 Did the organization receive more than \$25,000 in non-cash contributions? If "Yes," complete Schedule M		X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If "Yes," complete Schedule M		X
31 Did the organization liquidate, terminate, or dissolve and cease operations? If "Yes," complete Schedule N, Part I		X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If "Yes," complete Schedule N, Part II		X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Schedule R, Part I		X
34 Was the organization related to any tax-exempt or taxable entity? If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1	X	
35a Did the organization have a controlled entity within the meaning of section 512(b)(13)?	X	
b If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Schedule R, Part V, line 2	X	
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If "Yes," complete Schedule R, Part V, line 2		
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If "Yes," complete Schedule R, Part VI		X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19?	X	

Note: All Form 990 filers are required to complete Schedule O

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V

	Yes	No
1a Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable		
b Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable		
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance (continued)

Table with columns for question number, question text, and Yes/No response boxes. Includes questions 2a through 16 regarding employee counts, tax filings, and charitable contributions.

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes on Schedule O. See instructions.

Check if Schedule O contains a response or note to any line in this Part VI

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain on Schedule O.		
1a	19		
b	Enter the number of voting members included on line 1a, above, who are independent		
1b	19		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, trustees, or key employees to a management company or other person?		X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		X
6	Did the organization have members or stockholders?		X
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?		X
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?		X
7b			
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a	The governing body?	X	
8a			
b	Each committee with authority to act on behalf of the governing body?	X	
8b			
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses on Schedule O		X
9			

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
10a	Did the organization have local chapters, branches, or affiliates?		X
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?		
10b			
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	X	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
11a			
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	X	
12a			
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
12b			
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	X	
12c			
13	Did the organization have a written whistleblower policy?		X
13			
14	Did the organization have a written document retention and destruction policy?	X	
14			
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a	The organization's CEO, Executive Director, or top management official	X	
15a			
b	Other officers or key employees of the organization		X
15b			
	If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions).		
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
16a			
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?		
16b			

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed **NONE**
- 18 Section 6104 requires an organization to make its Forms 1023 (1024 or 1024-A, if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
 Own website Another's website Upon request Other (explain on Schedule O)
- 19 Describe on Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
- 20 State the name, address, and telephone number of the person who possesses the organization's books and records **JASON SANCHEZ - 915-779-3521**
6400 GATEWAY EAST, EL PASO, TX 79905

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response or note to any line in this Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
 - List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
 - List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
 - List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
 - List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.
- See instructions for the order in which to list the persons above.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) LINDA BASTRAW DIRECTOR	2.00	X					0.	0.	0.	
(2) STEVE CARVALHO DIRECTOR	2.00	X					0.	0.	0.	
(3) ALEJANDRO CONTRERAS PRESIDENT	3.00	X		X			0.	0.	0.	
(4) TOM TORRES IMMEDIATE PAST PRESIDENT	3.00	X		X			0.	0.	0.	
(5) D.J. MORA DIRECTOR	2.00	X					0.	0.	0.	
(6) SCOTT R. KESNER DIRECTOR	2.00	X					0.	0.	0.	
(7) IRMA CASTRO DIRECTOR	2.00	X					0.	0.	0.	
(8) DOUGLAS HAMILTON DIRECTOR	2.00	X					0.	0.	0.	
(9) GERALDINE KRIEGBAUM DIRECTOR	2.00	X					0.	0.	0.	
(10) JACKIE S. YORK DIRECTOR	2.00	X					0.	0.	0.	
(11) LIZBETH SMITH DIRECTOR	2.00	X					0.	0.	0.	
(12) JENNIFER VIASCAS DIRECTOR	2.00	X					0.	0.	0.	
(13) PAUL BUMGARDNER DIRECTOR	2.00	X					0.	0.	0.	
(14) CAROLINE CAMFIELD SECRETARY/ TREASURER	2.00	X		X			0.	0.	0.	
(15) CONRAD PICKETT VICE PRESIDENT	3.00	X		X			0.	0.	0.	
(16) KARLA RAYOS DIRECTOR	2.00	X					0.	0.	0.	
(17) SHY RODRIGUEZ DIRECTOR	2.00	X					0.	0.	0.	

Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII

				(A)	(B)	(C)	(D)	
				Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512 - 514	
Contributions, Gifts, Grants and Other Similar Amounts	1 a	Federated campaigns	1a					
	b	Membership dues	1b	355,751.				
	c	Fundraising events	1c					
	d	Related organizations	1d					
	e	Government grants (contributions)	1e					
	f	All other contributions, gifts, grants, and similar amounts not included above	1f					
	g	Noncash contributions included in lines 1a-1f	1g \$					
	h Total. Add lines 1a-1f				355,751.			
Program Service Revenue				Business Code				
	2 a	MANDATORY EDUCATION CL		900099	58,098.	58,098.		
	b	REALTOR RALLY		900099	47,530.	47,530.		
	c	TREPAC EVENTS		900099	20,444.	20,444.		
	d	INSTALLATION BANQUET		900099	8,600.	8,600.		
	e							
	f	All other program service revenue						
g Total. Add lines 2a-2f				134,672.				
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)			2,399.		2,399.	
	4	Income from investment of tax-exempt bond proceeds						
	5	Royalties						
	6 a	Gross rents	(i) Real		(ii) Personal			
			6a	144,000.	596,090.			
			6b	0.	227,758.			
	c	Rental income or (loss)	6c	144,000.	368,332.			
	d Net rental income or (loss)				512,332.	512,332.		
	7 a	Gross amount from sales of assets other than inventory	(i) Securities		(ii) Other			
			7a					
			7b					
	c	Gain or (loss)	7c					
	d Net gain or (loss)							
	8 a	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18						
8a								
b	Less: direct expenses	8b						
c Net income or (loss) from fundraising events								
9 a	Gross income from gaming activities. See Part IV, line 19							
		9a						
b	Less: direct expenses	9b						
c Net income or (loss) from gaming activities								
10 a	Gross sales of inventory, less returns and allowances							
		10a	7,024.					
		10b	5,860.					
c Net income or (loss) from sales of inventory				1,164.	1,164.			
Miscellaneous Revenue				Business Code				
	11 a	MISCELLANEOUS & CREDIT		900099	29,595.	29,595.		
	b	SUBSIDIARY INCOME		900099	25,724.	25,724.		
	c	RECONNECT SERVICE FEES		900099	25,225.	25,225.		
	d	All other revenue		900099	20,520.	20,520.		
e Total. Add lines 11a-11d				101,064.				
12 Total revenue. See instructions				1,107,382.	749,232.	0.	2,399.	

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21				
2 Grants and other assistance to domestic individuals. See Part IV, line 22				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees				
6 Compensation not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	75,013.	75,013.		
7 Other salaries and wages	219,732.	219,732.		
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	20,495.		20,495.	
9 Other employee benefits	33,014.		33,014.	
10 Payroll taxes	24,901.		24,901.	
11 Fees for services (nonemployees):				
a Management	3,626.		3,626.	
b Legal	8,902.		8,902.	
c Accounting				
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)				
12 Advertising and promotion	24,025.	3,000.	21,025.	
13 Office expenses	33,484.	29,309.	4,175.	
14 Information technology				
15 Royalties				
16 Occupancy	47,614.		47,614.	
17 Travel				
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	76,105.		76,105.	
20 Interest	6,464.		6,464.	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	55,816.		55,816.	
23 Insurance	5,749.		5,749.	
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses on line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a REALTOR RALLY	51,456.	51,456.		
b MANDATORY CONTINUING ED	36,534.	36,534.		
c REPAIRS AND MAINTENANCE	30,137.		30,137.	
d CREDIT CARD PROCESSING	26,258.	26,258.		
e All other expenses	66,133.	66,133.		
25 Total functional expenses. Add lines 1 through 24e	845,458.	507,435.	338,023.	0.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Check here if following SOP 98-2 (ASC 958-720)

Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part X

		(A) Beginning of year		(B) End of year
Assets	1	Cash - non-interest-bearing	808,361.	1 886,919.
	2	Savings and temporary cash investments	111,440.	2 113,621.
	3	Pledges and grants receivable, net		3
	4	Accounts receivable, net	120,297.	4 103,586.
	5	Loans and other receivables from any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		5
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), and persons described in section 4958(c)(3)(B)		6
	7	Notes and loans receivable, net		7
	8	Inventories for sale or use	1,029.	8 1,029.
	9	Prepaid expenses and deferred charges		9
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 2,433,353.	
	10b	Less: accumulated depreciation	10b 730,889.	
			1,756,116.	10c 1,702,464.
	11	Investments - publicly traded securities		11
	12	Investments - other securities. See Part IV, line 11		12
	13	Investments - program-related. See Part IV, line 11		13
	14	Intangible assets		14
15	Other assets. See Part IV, line 11	474,271.	15 512,011.	
16	Total assets. Add lines 1 through 15 (must equal line 33)	3,271,514.	16 3,319,630.	
Liabilities	17	Accounts payable and accrued expenses	47,172.	17 48,550.
	18	Grants payable		18
	19	Deferred revenue	445,227.	19 492,106.
	20	Tax-exempt bond liabilities		20
	21	Escrow or custodial account liability. Complete Part IV of Schedule D		21
	22	Loans and other payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons		22
	23	Secured mortgages and notes payable to unrelated third parties	274,081.	23
	24	Unsecured notes and loans payable to unrelated third parties		24
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	139,828.	25 151,844.
	26	Total liabilities. Add lines 17 through 25	906,308.	26 692,500.
Net Assets or Fund Balances	Organizations that follow FASB ASC 958, check here <input checked="" type="checkbox"/> and complete lines 27, 28, 32, and 33.			
	27	Net assets without donor restrictions	2,365,206.	27 2,627,130.
	28	Net assets with donor restrictions		28
	Organizations that do not follow FASB ASC 958, check here <input type="checkbox"/> and complete lines 29 through 33.			
	29	Capital stock or trust principal, or current funds		29
	30	Paid-in or capital surplus, or land, building, or equipment fund		30
	31	Retained earnings, endowment, accumulated income, or other funds		31
32	Total net assets or fund balances	2,365,206.	32 2,627,130.	
33	Total liabilities and net assets/fund balances	3,271,514.	33 3,319,630.	

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	1,107,382.
2	Total expenses (must equal Part IX, column (A), line 25)	2	845,458.
3	Revenue less expenses. Subtract line 2 from line 1	3	261,924.
4	Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A))	4	2,365,206.
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain on Schedule O)	9	0.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B))	10	2,627,130.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII

		Yes	No
1	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other		
If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		X
If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both:			
<input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis			
2b	Were the organization's financial statements audited by an independent accountant?	X	
If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both:			
<input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis			
2c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	X	
If the organization changed either its oversight process or selection process during the tax year, explain on Schedule O.			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		X
3b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why on Schedule O and describe any steps taken to undergo such audits		

Form 990 (2019)

**ASSOCIATION PROFESSIONAL LIABILITY
INSURANCE POLICY**

(Association Directors' and Officers' and Errors and Omissions Coverage)

**NATIONAL ASSOCIATION
OF REALTORS®**

(A National Professional Trade Association herein called "Named Insured")



**NATIONAL
ASSOCIATION *of*
REALTORS®**

CHUBB®

THIS IS A CLAIMS MADE POLICY. PLEASE REVIEW THE POLICY CAREFULLY. THE POLICY IS LIMITED FOR ONLY THOSE CLAIMS THAT ARE FIRST MADE AGAINST THE INSUREDS AND REPORTED TO THE COMPANY DURING THE POLICY PERIOD UNLESS, AND TO THE EXTENT, THE EXTENDED REPORTING PERIOD OPTION APPLIES.

Master APLI Policy

Duplicate copy of Master APLI Policy MPB G23658240 016 issued to the National Association of REALTORS® in Illinois, the original of which is on file and available for inspection at the headquarters office of the National Association of REALTORS®, 430 N. Michigan Avenue, Chicago, Illinois

POLICY EFFECTIVE 12:01 AM JANUARY 1, 2023 – 12:01 AM JANUARY 1, 2024.



Employers today face a dizzying array of employment laws, regulations and ongoing employment issues. Whether it involves employee discipline or termination, wage and hour, disability accommodation, or even the new frontier of social media, failure to comply with the ever-changing legal requirements can have a devastating impact on employee morale and the company's bottom line. CHUBB recognizes the unique burdens faced by employers today, and is pleased to announce that it has partnered with the nation's foremost employment and labor law firm, Littler Mendelson (Littler), to create a cutting edge employment practices risk management tool for CHUBB insureds, called EPL

Assist™. With over 975 attorneys in 56 offices, Littler has both the expertise and the capacity to handle any employment matter, big or small. Through EPL Assist™, insureds have an unlimited ability to seek out expert advice and counsel as a benefit of the program.

What is EPL Assist™?

EPL Assist™ is a cutting edge risk management program providing policyholders with a wide variety of legal content, forms and analysis, combined with the ability to interface directly with Littler lawyers dedicated to assisting CHUBB insureds in navigating what has become an employment law minefield. Through a secure web portal containing essential employment law resources and tools, as well as a toll free hotline service, CHUBB insureds with primary EPL coverage policies now have access to the content and advice necessary to compete in today's challenging legal environment.

Insureds are provided:

- No cost, online and live access to the legal experts at Littler, the largest employment and labor firm in the U.S.
- Employment law updates, newsletters and related publications
- A compendium of online employment law resources through a secure website, including unlimited access to such content as:
 - Employment policies and practices
 - Human Resources forms library
 - Sample employee handbooks, including supplement information for all 50 states
 - State and national employment law summaries and reference materials
 - 50 state surveys on various employment law essentials, including such things as minimum wage and overtime requirements, protected classifications, new hire reporting requirements, meal and rest break requirements, and voting rights requirements
- Free harassment training webinars for up to 10 supervisors or managers
- Complimentary registration to Littler's nationwide breakfast briefing series
- Complimentary access to Littler's webinars and podcasts
- Discounted rates for various Littler events

How do I access EPL Assist™?

To learn more about EPL Assist™, please contact your broker or visit www.EPLAssist.com.

Littler Mendelson P.C. is an independent law firm that is not an agent nor an affiliate of the CHUBB Group of Companies ("CHUBB Group"), and Littler Mendelson P.C. is solely responsible for the advice and guidance provided directly, or through the EPL Assist website. CHUBB Group and Littler Mendelson P.C. cannot guarantee that there will be fewer or less serious claims as a result of using the program. Littler Mendelson P.C. directly, or through the EPL Assist website may help an insured with risk assessment and improvement but it is not intended to supplant any duty to provide a workplace that is safe and complies with the law. CHUBB Group does not engage in giving legal advice and therefore encourages policyholders to seek the advice from their own legal counsel when implementing any and all employment practices. Please note that communication with Littler Mendelson P.C., either directly, or through the EPL Assist website is not notice to the CHUBB Group issuing company of a claim or an act or situation that may give rise to a claim. Nothing herein alters or amends in any way the insurance policy contract between the underwriting company and the policyholder.



Illinois Union Insurance Company

National Association of REALTORS[®] Professional Liability Policy Declarations

This Policy is issued by the stock insurance company listed above.

THIS POLICY IS A CLAIMS MADE POLICY. EXCEPT AS OTHERWISE PROVIDED HEREIN, THIS POLICY COVERS ONLY CLAIMS FIRST MADE AGAINST THE INSUREDS DURING THE POLICY PERIOD. PLEASE READ THIS POLICY CAREFULLY.

THE LIMITS OF LIABILITY AVAILABLE TO PAY INSURED DAMAGES SHALL BE REDUCED BY AMOUNTS INCURRED FOR CLAIMS EXPENSES. FURTHER NOTE THAT AMOUNTS INCURRED FOR DAMAGES AND CLAIMS EXPENSES SHALL ALSO BE APPLIED AGAINST THE DEDUCTIBLE AMOUNT. TERMS THAT APPEAR IN BOLD FACE TYPE HAVE SPECIAL MEANING. PLEASE REFER TO SECTION II, DEFINITIONS.

Policy No. MPB G23658240 014			
Item 1.	Named Insured	National Association of Realtors[®]	
	Principal Address:	430 North Michigan Avenue Chicago, IL 60611-4087	
Item 2.	Policy Period:	From 12:01 a.m. 01/01/2021 To 12:01 a.m. 01/01/2022 (Local time at the address shown in Item 1)	
Item 3.	Limit of Liability (including Claims Expense)		
1.	Limit of Liability for Insuring Clauses:	<u>Each Claim</u>	<u>Aggregate</u>
IA.	Wrongful Act (including, \$1,000,000 Sexual Harassment Liability, Discrimination Liability), Personal Injury, Publisher's Liability, Cyber Liability	\$1,000,000	Per Policy
	Employment Practices Liability, which is a sublimit of liability that is part of, and not in addition to, the otherwise applicable Each Claim and Aggregate Limits of Liability.	\$500,000	
	Payment Card Loss	\$100,000 each Claim	
	Regulatory Fines & Proceedings	\$100,000 each Claim	
IB.	Lockbox, Antitrust, Dispute Resolution System, Breach of Contract, Association Endorsement of Products Or Affinity Programs, Operation of a Legal Hotline	\$1,000,000	Per Policy

	<u>Each Cyber Incident</u>
IC. Association Cyber Response Coverage	\$1,000,000
Cyber Incident Response Expenses	\$100,000 each claim
ID. Basic Crime Coverage:	<u>Each Loss</u> <u>Agg All Losses</u>
Each Loss Limit	\$10,000
Program aggregate Limit for any and all Crime coverages together, for any and all Insureds .	\$250,000
2. Maximum Policy Aggregate Limit of Liability for any and all coverages together	\$10,000,000
3. Crime Coverage Deductible:	<u>Each Loss</u>
(all other Applicable deductibles appear in policy section III.D below.)	\$3,000

Producer: Aon Risk Services
200 East Randolph 12th Floor
Chicago, Illinois 60601

IN WITNESS WHEREOF, the **Company** has caused this Policy to be countersigned by a duly authorized representative of the **Company**.

DATE: 12/22/2020



JOHN J. LUPICA, President



Illinois Union Insurance Company

National Association of REALTORS[®] Professional Liability Policy

I. INSURING CLAUSES

In consideration of the payment of the premium and subject to all of the terms of this Policy, the **Company** agrees with the **Insured** that if during the **Policy Period** any **Claim** or **Claims** are first made against the **Insured**:

A. WRONGFUL ACT (INCLUDING, EMPLOYMENT PRACTICES LIABILITY, SEXUAL HARASSMENT LIABILITY, DISCRIMINATION LIABILITY), PERSONAL INJURY, PUBLISHER'S LIABILITY, CYBER LIABILITY

The **Company** will pay on behalf of the **Insured** all **Loss** on account of any covered **Claim** for a **Wrongful Act, Personal Injury, Publisher's Liability, or Cyber Liability**, and shall pay all **Claims Expense** resulting therefrom, excess of the applicable deductibles noted in Section III, up to the Limit of Liability noted on the Declarations page for Insuring Clause IA. The **Company** shall not be obligated to defend any **Claim** or pay any **Loss** or **Claims Expense** after the applicable limit of the **Company's** liability has been exhausted.

With respect to **Claims** brought within the United States, its territories or Canada, the **Company** shall have the right and duty to defend any covered **Claim** on account of any **Wrongful Act, Personal Injury, or Publisher's Liability, or Cyber Liability**.

With respect to **Claims** brought outside the United States, its territories or Canada, the **Company** shall have the right, but not the duty, to defend any covered **Claim** on account of any **Wrongful Act, Personal Injury or Publisher's Liability, or Cyber Liability**.

The **Company** shall not be obligated to defend any **Claim** or pay any **Loss** or **Claims Expense** after the applicable limit of the **Company's** liability has been exhausted.

B. LOCKBOX, ANTITRUST, DISPUTE RESOLUTION SYSTEM, BREACH OF CONTRACT, ASSOCIATION ENDORSEMENT OF PRODUCTS OR AFFINITY PROGRAMS, OPERATION OF A LEGAL HOTLINE

The **Company** shall have the right and duty to defend any **Claim** against the **Insured** for any of the coverages enumerated in 1 through 6 of this Insuring Clause IB and pay solely **Claims Expense** resulting from such a **Claim**, excess of the applicable deductibles noted in Section III Deductibles, up to the Limit of Liability noted on the Declarations Page for Insuring Clause IB. The IB Limit of Liability is part of and not in addition to the aggregate Limit of Liability noted on the Declarations Page. If more than one of the following enumerated coverages is applicable in a single **Claim**, only one Limit of Liability will apply. If more than one **Insured** is named as a defendant in a single **Claim**, only one Limit of Liability will apply. The amount is listed on the Declarations Page as the IB Limit of Liability.

With respect to **Claims** brought outside the United States, its territories or Canada, the **Company** shall have the right, but not the duty, to defend any **Claim** against the **Insured** and pay solely **Claims Expense** resulting from such **Claim**, excess of the applicable deductibles noted in Section III, up to the Limit of Liability noted on the Declarations Page for Insuring Clause IB. The IB Limit of Liability is part of and not in addition to the aggregate Limit of Liability noted on the Declarations Page. If more than one of the following enumerated coverages is applicable in a single **Claim**, only one Limit of Liability will apply. If more than one **Insured** is named as defendant in a single **Claim**, only one Limit of Liability will apply. The amount is listed on the Declarations Page as IB Limit of Liability.

1. LOCKBOX. On account of any **Claim** arising from the distribution, maintenance, operation or use of a lockbox on property not owned or occupied by or leased to the **Insured**.

2. ANTITRUST. On account of any **Claim** based upon or arising from restraint of trade, price-fixing, or violation of any anti-trust law.

3. DISPUTE RESOLUTION SYSTEM. On account of any **Claim** based upon or arising out of the NAR Dispute Resolution System or the Counselors of Real Estate Dispute Resolution System in the event an **Insured** Board functions as a mediation/arbitration service provider rather than referring cases to third party mediation/arbitration providers.

4. BREACH OF CONTRACT. On account of any **Claim** based upon or arising out of **Wrongful Acts** resulting in a breach of contract.

5. **ASSOCIATION ENDORSEMENT OF PRODUCTS OR AFFINITY PROGRAMS.** On account of any **Claim** arising from the **Association's** endorsement of a product or affinity program (except any insurance program referenced in Section IV, Exclusions, exclusion J as being specifically exempt from such exclusion) that is made available to its members through an exclusive arrangement between the **Association** and a third party provider of such products or affinity programs.

6. OPERATION OF A LEGAL HOTLINE: On account of any **Claim** arising out of a Legal Hotline established solely for the benefit of the **Association's** membership and operated solely by an **Insured** and the **Insured's** in-house counsel that provides legal consulting services to **Association** members. This shall include Legal Hotline services provided to any member of another **Association**. Coverage under this section does not apply to any services rendered pursuant to an attorney–client relationship.

C. ASSOCIATION CYBER RESPONSE COVERAGE:

The **Company** will pay **Cyber Incident Response Expenses** incurred by an **Insured** in response to a **Cyber Incident** first discovered during the **Policy Period**.

The **Company** will pay the **Digital Data Recovery Costs** incurred by an **Insured** resulting directly from a **Cyber Incident** first discovered during the **Policy Period**.

The **Company** will reimburse **Extortion Expenses** incurred by an **Insured** in response to a **Cyber Incident** first discovered during the **Policy Period**.

D. CRIME COVERAGE (LOSS SUSTAINED) – as set forth in separate Crime Coverage Part, where applicable.

PROVIDED ALWAYS THAT THE COVERAGE PROVIDED BY THIS POLICY SHALL ONLY APPLY TO THOSE **INSUREDS** WHICH:

A. Maintain their **Governing Documents** in full compliance with the:

1. Constitution and Bylaws of the **Named Insured**;
2. Policies adopted by the Board of Directors of the **Named Insured**; and

B. Adhere to and follow in their day-to-day activities the:

1. Constitution and Bylaws of the **Named Insured**;
2. Policies adopted by the Board of Directors of the **Named Insured**;
3. Procedures and requirements of their Governing Documents; and
4. Policies of the **Named Insured** enumerated from time to time, including but not limited to:
 - a. The MLS Antitrust Compliance Policy;
 - b. The lock box security requirements; and
 - c. Employer-Employee Guidelines.

II. DEFINITIONS

- A. **Act of Cyber-Terrorism** means any act, including force or violence, or the threat thereof expressly directed against the **Insured's Computer System** by an individual or group(s) of individuals, whether acting alone, on behalf of or in connection with any organization(s) or government(s), to cause unauthorized access to, unauthorized use of, or a targeted denial of service attack or transmission of unauthorized, corrupting or harmful software code to the **Insured's Computer System** for the purpose of furthering social, ideological, religious, economic or political objectives, intimidating or coercing government or the civilian population thereof, or disrupting any segment of the economy.
- B. **Alliance** means an organization, cooperative, committee, or entity that is controlled by, and organized, established, or formed by, two or more of the following: State Associations, Local Boards, Local Associations, or local chapters of Affiliates of the **Named Insured**, or for the creation of a **Foundation**.
- C. **Asbestos** shall mean, including but not limited to, asbestos or other mineral wools; asbestos or other mineral wool products, fibers or dust; asbestos or other wools contained in products or materials.
- D. **Association** means:
1. The **Named Insured**, its Political Action Committee, together with its unincorporated Institutes, Societies and Councils and their respective chapters;
 2. Each separately incorporated Institute, Society or Council of the **Named Insured** (i.e., the Institute of Real Estate Management (IREM), the Council of Residential Specialists (CRS), the Council of Real Estate Brokerage Managers (CRB), the CCIM Institute (CCIM) and CCIM TECHNOLOGIES, the Counselors of Real Estate (CRE), the Society of Industrial and Office REALTORS[®] (SIOR), REALTORS[®] Land Institute (RLI), Women's Council of REALTORS[®] (WCR)), so long as it shall remain affiliated with the **Named Insured** as provided in Article XIII of the **Named Insured's** Constitution; and any **Subsidiary** (i.e., the REALTORS[®] Information Network, Sentrilock Finance Corporation, Center for Specialized Real Estate Education (CSRE), Second Century Ventures, and REALTOR[®] University); however, notwithstanding the foregoing, **Association** shall not include Sentrilock, LLC or Realtors[®] Property Resource[™].
 3. Each State Association of the **Named Insured**, as defined in Article III, Section 1(B)(2) of the **Named Insured's** Constitution, in combination with its Political Action Committee, its Management Association, any **Subsidiary**, its Multiple Listing Service (whether or not separately incorporated and whether or not owned and operated separately or jointly with one or more other entity included herein), its Real Estate School (whether or not separately incorporated), its Association Store and state chapters of Affiliates;
 4. Each Commercial Overlay Board or Commercial Information Exchange of the **Named Insured**, in combination with its Political Action Committee and its Multiple Listing Service (whether or not separately incorporated and whether or not owned and operated separately or jointly with one or more other entity included herein);
 5. Each Local Board or Local Association of the **Named Insured** as defined in Article III, Section 1(B)(1) of the **Named Insured's** Constitution, in combination with its Political Action Committee, its Management Association, any **Subsidiary**, its Multiple Listing Service (whether or not separately incorporated and whether or not owned and operated separately or jointly with one or more other entity included herein), its Real Estate School (whether or not separately incorporated), its Association Store and local chapters and networks of Affiliates;
 6. NAR State or Regional entities (which includes NAR and existing State Associations) and **Insured Persons** that provide management and member services directly or in a consulting

capacity to Local Boards/ Associations;

7. Each separate multiple listing service wholly or jointly owned and operated by two (2) or more entities or serving as the primary multiple listing service for more than one association; provided that each entity is an **Insured** hereunder;

8. Each separate MLS data warehouse aggregator which is wholly owned and operated by two or more entities, provided that such entities otherwise qualify as **Insureds** hereunder.

9. Any entity which formerly qualified in Section II D. 1 - 8 above, but solely for **Wrongful Acts** (including **Employment Practices Liability, Sexual Harassment Liability, Discrimination Liability**), **Personal Injury, Publisher's Liability, or Cyber Liability** which occurred while such entity was affiliated with the **Named Insured** and otherwise covered under this Policy;

10. Any **Foundation** of the entities listed in 1, 2, 3, 5 & 6 above; and

11. Any **Alliance** of the entities listed in paragraphs 3 and 5 above.

Association shall not include any entity owned or controlled by an **Insured** that offers a class of membership to licensed real estate professionals that does not include membership in the **Named Insured** and a state association.

E. **Bodily Injury** means injury to the body, sickness, disease or illness, or death. **Bodily Injury** also means mental injury, mental anguish, mental tension, emotional distress, pain and suffering, or shock, whether or not resulting from injury to the body, sickness, disease or illness, or death of any person.

F. **Claim** means:

1. a written demand against any **Insured** for monetary damages or non-monetary or injunctive relief;
2. a written demand served upon the board of directors or the management board of the **Association** to bring a civil proceeding against any of the directors and officers on behalf of the **Association**;
3. a civil proceeding against any **Insured** seeking monetary damages or non-monetary or injunctive relief, commenced by the service of a complaint or similar pleading;
4. a criminal proceeding against any **Insured**, commenced by a return of an indictment or similar document, or receipt or filing of a notice of charges;
5. an arbitration proceeding against any **Insured** seeking monetary damages or non-monetary or injunctive relief commenced by the receipt of a written demand or service of a complaint or similar proceeding;
6. a civil, administrative or **Regulatory Proceeding** against any **Insured** commenced by the filing of a notice of charges or similar document, or any other proceeding requiring a response from an **Insured**;
7. a civil, criminal, administrative, regulatory investigation, or other proceeding requiring a response from an **Insured** (except any of the foregoing initiated by a taxing authority regarding actual or alleged unpaid taxes) commenced by:
 - (i) the service upon or other receipt by any natural person **Insured** of a written notice, investigative order, or subpoena; or
 - (ii) the service upon or other receipt by any **Association** of a written notice or investigative order;

from the investigating authority identifying such natural person **Insured** as an individual, or such **Association** as an entity, respectively, against whom a proceeding described in paragraphs 3, 4 or 6 immediately above may be commenced; or

8. a written request of the **Insured** to toll or waive a statute of limitations relating to a **Claim**

described in paragraphs 1 through 7 immediately above.

- G. **Claims Expense** means the expense of investigation and legal defense of a covered **Claim**, including but not limited to **Claims** for injunctive or declaratory relief, federal or state civil investigative demands, agency investigations from local Fair Housing organizations, Attorney General inquiries, State and local Human Rights commissions and the EEOC; **Claims** expense shall include court costs, appeals, and the cost of any necessary appeal bond, attachment bond, or other similar bond.

Claims Expenses shall not include wages, salaries or other compensation of directors, officers, similar executive, or **Employees** of any **Insured**.

- H. **Company** shall mean the insurance company providing this insurance.

- I. **Computer System** shall mean computer hardware, software, firmware, and the data stored thereon, as well as associated input and output devices, data storage devices, networking equipment and storage area network or other electronic data backup facilities.

- J. **Cyber Incident** means:

1. with respect to **Cyber Incident Response Expenses**,
 - a. any actual or reasonably suspected **Network Security Failure**;
 - b. any actual or reasonably suspected failure by an **Insured**, or any independent contractor for whom or which an **Insured** is legally responsible, to properly handle, manage, store, destroy, protect, use or otherwise control **Protected Information**;
 - c. any unintentional violation by an **Insured** of any **Privacy or Cyber Laws**,
 - d. any reasonably suspected **Network Extortion Threat**;
2. with respect to **Digital Data Recovery**, an actual **Network Security Failure** resulting in **Digital Data Recovery Costs**;
3. with respect to **Network Extortion**, an actual **Network Extortion Threat**.

- K. **Cyber Incident Response Expenses** means those reasonable and necessary expenses paid or incurred by an **Insured** as a result of a **Cyber Incident**. Such expenses are as follows:
1. retaining the services of a public relations firm for the purposes of protecting or restoring the reputation of, or mitigating financial harm to an **Insured**;
 2. retaining the services of a law firm for consultative and pre-litigation legal services and to determine the applicability of and actions necessary to comply with **Privacy or Cyber Laws**;
 3. retaining the services of a third party computer forensic firm to determine the cause and scope of a **Cyber Incident**,
 4. expenses required to comply with **Privacy or Cyber Laws**; and, with the **Company's** prior consent, expenses not required to comply with **Privacy or Cyber Laws**; including:
 - a. drafting notification letters,
 - b. retaining call center and other related services for notification as require by law; or
 - c. providing credit monitoring, credit freezing or credit thawing.

Cyber Incident Response Expenses shall not include:

1. costs or expenses incurred to update or improve privacy or network security controls, policies or procedures, or compliance with **Privacy or Cyber Laws**, to a level beyond that which existed prior to the applicable **Cyber Incident**;
2. taxes, fines, penalties, amounts for injunctive relief, or sanctions;
3. the **Insured's** money or any money in the **Insured's** care, custody, or control; or
4. wages, salaries, and other compensation of directors, officers, similar executives, or **Employees** of an **Insured**, or internal operating costs, expenses, or fees of any **Insured**.

- L. **Cyber Liability** means **Loss** and **Claims Expenses** by reason of a **Claim** first made against an **Insured** during the **Policy Period** for a **Cyber Incident** which first occurs prior to the end of the **Policy Period**.

- M. **Digital Data** means software or other information in electronic form which is stored on an **Insured's**

Computer System or Shared Computer System. Digital Data shall include the capacity of an **Insured's Computer System or Shared Computer System** to store information, process information, and transmit information over the Internet. **Digital Data** shall not include or be considered tangible property.

- N. **Digital Data Recovery Costs** means the reasonable and necessary costs incurred by an **Insured** to replace, restore, recreate, re-collect or recover **Digital Data** from written records or from partially or fully matching electronic records due to their corruption, theft, or destruction, caused by a **Network Security Failure**, including disaster recovery or computer forensic investigation efforts. However, in the event that it is determined that the **Digital Data** cannot be replaced, restored recreated, re-collected, or recovered, **Digital Data Recovery Costs** shall be limited to the reasonable and necessary costs incurred to reach such determination.

Digital Data Recovery Costs shall not include:

- a. costs or expenses incurred to update, replace, restore, recreate or improve **Digital Data** to a level beyond that which existed prior to the applicable **Cyber Incident**;
 - b. costs or expenses incurred to identify or remediate software program errors or vulnerabilities, or costs to update, replace, restore, upgrade, maintain, or improve a **Computer System**;
 - c. costs incurred to research and develop **Digital Data**, including trade secrets;
 - d. the economic or market value of **Digital Data**, including trade secrets; or
 - e. any other consequential loss or damages.
- O. **Discrimination Liability** means liability of the **Association** or of **Insured Persons**, other than **Employment Practices Liability**, on account of discrimination on the basis of age, sex, race, religion, color, marital status, national origin, sexual preference, handicap or familial status, or any violation of any municipal, State or Federal fair housing or civil rights law, regulation or ordinance (including Title III of the Americans with Disabilities Act) relating thereto by any **Insured**, including **Personal Injury** resulting therefrom.
- P. **Employee** means, solely with respect to Insuring Clauses IA, IB, and IC, any person who was, now is or shall become:
1. a full-time or part-time **Employee** of the **Association**, including voluntary, seasonal, and temporary **Employees** (whether salaried or not);
 2. any individual who applies for employment with the **Association**, but only as respects Employment Practices Liability Coverage afforded under Insuring Clause I.A. (**Employment Practices Liability**);
 3. any natural person who is a leased **Employee** or is contracted to perform work for the Association, or is an independent contractor for the **Association**, but only to the extent such individual performs work or services for or on behalf of the **Association**.
- Q. **Employee Benefit Plan** means any welfare or pension benefit plan which is subject to the Employee Retirement Income Security Act of 1974 (ERISA) and any amendments thereto, or any similar employee benefit law.
- R. **Employment Practices Liability** means any actual or alleged:
1. violation of any common or statutory federal, state, or local law prohibiting any kind of employment related discrimination;
 2. employment-related harassment, other than **Sexual Harassment Liability**, including any type of gender, racial, religious, sexual orientation, pregnancy, disability, age, or national origin-based harassment, or unlawful workplace harassment, including workplace harassment by any non-employee;
 3. abusive or hostile work environment;
 4. wrongful dismissal or discharge or termination of employment, whether actual or constructive;

5. breach of an actual or implied employment contract;
 6. wrongful deprivation of a career opportunity, wrongful failure or refusal to employ, promote, or grant tenure, or wrongful demotion;
 7. employment-related defamation, libel, slander, disparagement, false imprisonment, misrepresentation, malicious prosecution, or invasion of privacy, or the giving of negative or defamatory statements in connection with an **Employee** reference;
 8. wrongful failure or refusal to adopt or enforce workplace or employment practices, policies or procedures;
 9. wrongful discipline;
 10. employment-related wrongful infliction of emotional distress, mental anguish, or humiliation;
 11. **Retaliation**;
 12. negligent evaluation; or
 13. negligent hiring, supervision, retention or training of others, but only if employment-related and Claimed by or on behalf of any **Employee** and only if committed or allegedly committed by any of the **Insureds** in their capacity as such.
- S. **Extortion Expenses** means reasonable and necessary expenses incurred by an **Insured** resulting directly from a **Network Extortion Threat**, including money, cryptocurrencies (including Bitcoin), or other consideration surrendered as payment by an **Insured** to a natural person or group believed to be responsible for a **Network Extortion Threat**. **Extortion Expenses** shall also include reasonable and necessary expenses incurred to mitigate or reduce any of the forgoing expenses.
- T. **Foundation** means a charitable trust or corporation which is a foundation established for charitable, educational, or research purposes that qualifies as an exempt organization under section 501(c)(3) or 501(c)(4) of the Internal Revenue Code.
- U. **Governing Documents** means the **Insured's** Articles of Incorporation, Bylaws, written Ethics and Arbitration Procedures and related standard forms, MLS Bylaws, Rules and Regulations and all operational policies, practices or procedures adopted by and adhered to by the **Insured**.
- V. **Insured** means, solely with respect to Insuring Clauses IA, IB, and IC, the **Named Insured**, the **Association**, and **Insured Persons**. **Insured** means, solely with respect to the Crime Coverage Part (if elected), any **Association**.
- W. **Insured's Computer System** means a **Computer System** leased, owned or operated by an **Insured** or operated solely for the benefit of an **Insured** by a third party under written contract with an **Insured**.
- X. **Insured Person** means:
1. Any persons who were, now are, or shall be Directors or Officers of the **Association**, including Executives, Board Members, Committee Members, (whether salaried or not), and trustees, if the **Association** is governed by a Board of Trustees in lieu of a Board of Directors;
 2. The estates, heirs, legal representatives, or assigns of deceased persons who were **Insured Persons** of the **Association**;
 3. The legal representatives or assigns of **Insured Persons** of the **Association** in the event of their incompetency, insolvency, or bankruptcy;

4. Any other persons acting on behalf of the **Association** at the direction of an Officer or Board of Directors of the **Association** provided such person is not rendering services on a fee basis;
 5. Any **Employee**; and
 6. Mediators, arbitrators, or **Ombudspersons**, including in-house counsel or **Association** members holding a law license (not practicing law), in their capacity solely as a mediator, arbitrator or **Ombudsperson** and acting on behalf of and at the direction of the **Association**.
- Y. **Internet** means the worldwide public network of computers commonly known as the internet, as it currently exists or may be manifested in the future.
- Z. **Interrelated Wrongful Acts** means all **Wrongful Acts** or **Cyber Incidents** that have as a common nexus a fact, circumstance, situation, event, transaction, cause or series of related facts, circumstances, situations, events, transactions or causes.
- AA. **Loss** means any amount which the **Association** or **Insured Persons** are legally obligated by judgment or settlement to pay for **Wrongful Acts**, **Personal Injury**, **Publisher's Liability** or **Cyber Liability** provided always that **Loss** as herein defined shall not include:
1. punitive or exemplary damages;
 2. two-thirds of any treble damages award;
 3. judgment, or settlement or any other non-compensatory portion of any damages award, judgment, or settlement;
 4. taxes, fines or penalties except for **Payment Card Loss** or **Regulatory Fines**;
 5. the cost to an **Insured** to comply with any injunctive, remedial, preventative, or other non-monetary relief or, with respect to **Cyber Liability**, **Cyber Incident Response Expenses**, **Digital Data Recovery Expenses** and **Extortion Expenses**, declaratory relief, including specific performance, or any agreement to provide such relief,
 6. or any amount which may be deemed uninsurable under the law pursuant to which this Policy shall be construed.
- BB. **Named Insured** means the entity listed in Item 1 of the Declarations Page.
- CC. **Network Extortion Threat** means any credible threat or series of related threats directed at an **Insured** to:
1. release, divulge, disseminate, destroy or use **Protected Information** or confidential corporate information of an **Insured** taken from an **Insured** as a result of the unauthorized access to or unauthorized use of an **Insured's Computer System** or **Shared Computer System**;
 2. cause a **Network Security Failure**;
 3. alter, corrupt, damage, manipulate, misappropriate, delete or destroy **Digital Data**; or
 4. restrict or inhibit access to an **Insured's Computer System** or **Shared Computer System**;
- where the **Insured** makes a payment or a series of payments, or otherwise meets a demand, in exchange for the mitigation or removal of such threat or series of related threats.
- DD. **Network Security** means those activities performed by an **Insured**, or by others on behalf of an **Insured**, to protect an **Insured's Computer System** or **Shared Computer System**.
- EE. **Network Security Failure** means a failure in **Network Security**.
- FF. **Ombudsperson** means an individual designated by an **Insured** to which members of that **Insured's** association may consult, solely (with respect to insurance coverage afforded hereunder) about the **Insured's** ethics hearing, arbitration, and the NAR Dispute Resolution System processes.

- GG. **Payment Card** means an authorized account, or evidence of an account, for a credit card, debit card, charge card, fleet card or stored value card between the **Payment Card Brand** and its customer.
- HH. **Payment Card Brand** means any payment provider whose payment method is accepted for processing, including but not limited to Visa Inc. International, MasterCard Worldwide, Discover Financial Services, American Express Company, and JCB International.
- II. **Payment Card Industry Data Security Standards** means the rules, regulations, standards or guidelines adopted or required by the **Payment Card Brand** or the Payment Card Industry Data Security Standards Council relating to data security and the safeguarding, disclosure and handling of **Protected Information**.
- JJ. **Payment Card Loss** means monetary assessments, fines, penalties, chargebacks, reimbursements, and fraud recoveries which an **Insured** becomes legally obligated to pay as a result of an **Association** or the **Named Insured's** actual or alleged failure:
1. of **Network Security**; or
 2. to properly protect, handle, manage, store, destroy, or otherwise control **Payment Card** data, including **Protected Information**,
- where such amount is determined pursuant to a payment card processing agreement between an **Insured** and a **Payment Card Brand**, or a merchant agreement between an **Insured** and a payment services provider, including for mobile payment services, or demanded in writing from an issuing or acquiring bank that processes **Payment Card** transactions, due to an **Insured's** actual or alleged non-compliance with applicable **Payment Card Industry Data Security Standards**, EMV specifications, or mobile payment security requirements. **Payment Card Loss** shall not include:
1. subsequent fines or assessments for continued non-compliance with the **Payment Card Industry Data Security Standards**, EMV Specifications, or a mobile payment services merchant agreement; or
 2. costs or expenses incurred to update or improve privacy or network security controls, policies or procedures to a level beyond that which existed prior to the applicable **Cyber Incident** or to be compliant with applicable **Payment Card Industry Data Security Standards**, EMV Specifications, or a mobile payment services merchant agreement.
- KK. **Personal Injury** means injury sustained by any person or organization arising out of one or more of the following offenses committed by the **Association** or by **Insured Persons** in the discharge of their duties:
1. Slander, excepting utterances in the course of, or related to, advertising, broadcasting, or telecasting activities conducted by or on behalf of the **Association**;
 2. False arrest, wrongful detention or imprisonment, or malicious prosecution;
 3. Wrongful entry or eviction, or other invasion of the right of private occupancy.
- LL. **Policy Period** means that period from the effective date of this Policy to the expiration date as set forth in Item 2 of the Declarations, or its earlier termination, if any.
- MM. **Privacy or Cyber Laws** means any local, state, federal, and foreign identity theft and privacy protection laws, legislation, statutes, or regulations that require commercial entities that collect **Protected Information** to post privacy policies, adopt specific privacy or security controls, or notify individuals in the event that **Protected Information** has potentially been compromised.
- NN. **Protected Information** means the following, in any format:

1. a natural person's name, e-mail address, social security number, medical or healthcare data, other protected health information, driver's license number, state identification number, credit card number, debit card number, address, unpublished telephone number, account number, account histories, personally identifiable photos, personally identifiable videos, Internet browsing history, biometric records, passwords or other non-public personal information as defined in any **Privacy or Cyber Laws**; or
 2. any other third party confidential or proprietary information:
 - a. provided to an **Insured** and protected under a nondisclosure agreement or similar contract; or
 - b. which an **Insured** is legally responsible to maintain in confidence.
- OO. **Premises** means the interior of that portion of any building the **Insured** occupies in conducting the **Insured's** business.
- PP. **Property Damage** means physical injury to, or destruction of, tangible property, including the resulting loss of use thereof.
- QQ. **Publisher's Liability** (including Trademark and Copyright Infringement of Multiple Listing Services and Realtor®) shall mean liability of the **Association** or of **Insured Persons** on account of any publication, dissemination, or utterance constituting the offenses of libel, defamation, disparagement, invasion of privacy, plagiarism, piracy, trademark infringement or copyright infringement, including but not limited to publications, disseminations or utterances in the course of, or related to, advertising, broadcasting, **Web Log**, social networking or telecasting activities conducted by or on behalf of the **Association**.
- Publisher's Liability** shall also include any **Claim** based upon or arising out of trademark or copyright infringement of the REALTOR® trademarks, including any **Claim** based upon or arising out of the validity or invalidity of the REALTOR® trademarks.
- Publisher's Liability** shall also include any **Claim** based upon or arising out of trademark or copyright infringement of any Multiple Listing Service System(s), including any **Claim** based upon or arising out of the validity or invalidity of any Multiple Listing Service System(s) trademarks.
- RR. **Regulatory Fines** means any civil monetary fine or penalty imposed by a federal, state, local or foreign governmental entity in such entity's regulatory or official capacity as a result of a **Regulatory Proceeding**. **Regulatory Fines** shall not include any civil monetary fines or penalties that are not insurable by law, criminal fines, disgorgement, or the multiple portion of any multiplied damage award.
- SS. **Regulatory Proceeding** means a suit, civil investigation or civil proceeding by or on behalf of a government agency, government licensing entity, or regulatory authority, commenced by the service of a complaint or similar pleading based on an alleged or potential violation of **Privacy or Cyber Laws** as a result of a **Cyber Incident**, and which may reasonably be expected to give rise to a **Claim** under **Cyber Liability**.
- TT. **Retaliation** means retaliatory treatment on account of:
1. the actual or attempted exercise by an **Employee** of any rights of such an **Employee** under law, including workers' compensation laws, the Family and Medical Leave Act, and the Americans with Disabilities Act;
 2. the filing of any **Claim** under any statute, rule or regulation to protect an employee from discrimination by his or her employer if such employee discloses or threatens to disclose to a superior or a governmental agency, or if such employee gives testimony relating to, any activity within such employer's operations which may be in violation of a statute, rule or regulation or any professional codes of ethics, including the Federal False **Claims Act**;
 3. the disclosure or threat of disclosure by an **Employee** of the **Association** to a superior or to any governmental agency of any act by an **Insured** which act is alleged to be a violation of any

federal, state, local or foreign law, common or statutory, or any rule or regulation promulgated thereunder;

4. an **Employee** assisting, cooperating or testifying in any proceeding or investigation into whether an **Insured** violated any federal, state, local or foreign law, common or statutory, or any rule or regulation promulgated thereunder; or
5. any strike of any **Employee** of the **Association**.

UU. **Shared Computer System** means a **Computer System**, other than an **Insured's Computer System**, operated for the benefit of an **Insured** by a third party under written contract with an **Insured**, including data hosting, cloud services or computing, co-location, data back-up, data storage, data processing, platforms, software, and infrastructure-as-a-service.

VV. **Sexual Harassment Liability** means liability of the **Association** or of **Insured Persons**, other than **Employment Practices Liability**, on account of:

1. Sexual harassment by an **Insured** or any employee of the **Insured**, or any volunteer or other person performing services for any **Insured**, whether such sexual harassment is committed intentionally, negligently, inadvertently, or with the belief by such **Insured**, employee, volunteer or other person, erroneous or otherwise, that the victim is consenting to sexual activity and has the legal and mental capacity to consent thereto;
2. The employment or supervision of any person who engages in such sexual harassment; or
3. The failure to protect any person from such sexual harassment.

WW. **Subsidiary** means:

1. any entity while more than fifty percent (50%) of the outstanding securities representing the present right to vote for election of or to appoint directors, trustees, managers, members of the Board of Managers, or equivalent positions of such entity, are owned or controlled by any **Insured** (other than an **Insured Person**), directly or through one or more **Subsidiaries**; or
2. any entity formed as a partnership while more than fifty percent (50%) of the ownership interests representing the present right to vote for election of or to appoint the management or executive committee members or equivalent positions of such entity are owned or controlled by any **Insured** (other than an **Insured Person**), directly or through one or more **Subsidiaries**.

XX. **Web Log** means any diary, commentary or observation published on an **Internet** site.

YY. **Wrongful Act** means any negligent act, error, omission, misstatement, misleading statement or breach of fiduciary duty by the **Association** or **Insured Persons** in the discharge of their duties, including, but not limited to, the services by an **Insured** on or in connection with any Professional Standards Committee, Arbitration Panel or Grievance Committee or other committee or activity of the **Insured**, including without limitation: (1) the providing of multiple listing services, information dissemination services and political and/or legislative action services; and (2) actions by an **Insured** on behalf of the **Association** for or in connection with the providing of membership services or for or in connection with the screening of new members or the maintenance or discipline of existing membership and/or termination of membership. **Wrongful Act** shall also include any negligent act, error, omission, misstatements, misleading statement or breach of fiduciary duty as described above, which results in a, **Employment Practices Liability**, **Sexual Harassment Liability**, or **Discrimination Liability**.

III. DEDUCTIBLE AND LIMITS OF LIABILITY

Solely with respect to Insuring Clauses IA, IB, and IC:

- A. The **Company** shall pay one hundred percent (100%) of any **Loss, Claims Expense, Cyber Incident Response Expenses, Digital Data Recovery Costs, or Extortion Expenses** in excess of the

deductible stated in Section III.D., below, up to the applicable Limit of Liability stated in Item 3 of the Declarations. **Loss, Claims Expense, Cyber Incident Response Expenses, Digital Data Recovery Costs, and Extortion Expenses** are to be used to satisfy the deductible. A separate deductible must be satisfied for each **Claim**.

B. The **Company's** maximum aggregate liability for the **Policy Period** shall be the Limit of Liability stated in Item 3.2 of the Declarations. **Loss, Claims Expense, Cyber Incident Response Expenses, Digital Data Recovery Costs, and Extortion Expenses**, including such loss and expense arising from **Interrelated Wrongful Acts**, shall apply against such Limit of Liability. Such maximum or aggregate liability shall be with respect to all **Claims** made or **Cyber Incidents** in: (1) the **Policy Period**; and (2) the Discovery Period of Section VII.I., if applicable. Such extension of insurance by a Discovery Period shall be included within and subject to the Limit of Liability provided by the **Policy Period**; it shall not increase the available Limit of Liability, if any. In no event shall the **Company** be obligated to pay the sum of **Loss, Claim Expense, Cyber Incident Response Expenses, Digital Data Recovery Costs, and Extortion Expenses** (in any combination thereof) exceeding the Maximum Policy Aggregate Limit of Liability stated in Item 3.2 of the Declarations, irrespective of the number of **Claims**, claimants, **Insureds**, or allegations of **Wrongful Acts, Personal Injury, Publisher's Liability, Cyber Liability**, errors, omissions, or losses. For purposes of this Section III.B., a **Claim** shall be deemed made at the date that notice is given to the **Company** and a **Cyber Incident** shall be deemed made when first discovered. Further, all **Claims** arising out of the same **Wrongful Act** (including **Employment Practices Liability, Sexual Harassment Liability, and Discrimination Liability**), **Personal Injury, Publisher's Liability** (including Trademark and Copyright Infringement of Multiple Listing Services and Realtor®), or **Cyber Liability** and all **Interrelated Wrongful Acts**, or similar, interrelated or a series of similar or related **Personal Injury, Publisher's Liability** (including Trademark and Copyright Infringement of Multiple Listing Services and Realtor®) or **Cyber Liability** of the **Insureds** shall be deemed to be one **Claim**, and such **Claim** shall be deemed to be first made on the date the earliest of such **Claims** is first made.

C. Subject to Section III.B. above, the **Company's** maximum liability for each **Claim** under Insuring Clause IA. shall be the "Each **Claim**" Limit of Liability stated in Item 3.1,IA. of the Declarations. Both **Loss and Claims Expense, including Loss and Claims Expense arising from Interrelated Wrongful Acts**, shall apply against such Limit of Liability. Further, coverage for **Employment Practices Liability, Regulatory Fines and Payment Card Loss** is subject to the sublimit of liability stated in item 3.1,IA of the Declarations, which is part of, and not in addition to, the otherwise applicable Each **Claim** and Aggregate Limits of Liability.

Subject to Section III.B. above, the **Company's** maximum liability for each **Claim** under Insuring Clause IB. shall be the "Each **Claim**" Limit of Liability stated in Item 3.1,IB. of the Declarations. **Claims Expense** shall apply against such Limit of Liability. If more than one coverage is applicable in a single **Claim**, only one Limit of Liability will apply. If more than one **Insured** is named as a defendant in a single **Claim**, only one Limit of Liability will apply.

Subject to Section III.B. above, the **Company's** maximum liability for each **Claim** under Insuring Clause IC. shall be the "Each **Cyber Incident**" Limit of Liability stated in Item 3.1,IC. of the Declarations. All **Cyber Incident Response Expenses, Digital Data Recovery Costs, and Extortion Expenses** covered under **Association Cyber Response Coverage** shall apply against such Limit of Liability. Further, coverage for **Cyber Incident Response Expenses** is subject to the sublimit of liability stated in item 3.1, IC of the Declarations, which is part of, and not in addition to, the otherwise applicable Each **Claim** and Aggregate Limits of Liability.

All **Claims** arising out of the same **Wrongful Act or Cyber Incident** and all **Interrelated Wrongful Acts** of the **Insureds** shall be deemed one **Claim** or **Cyber Incident** which is deemed first made on the date the earliest of such **Claims** is first made, regardless of whether such date is before or during the **Policy Period** or such **Cyber Incident** is first discovered.

D. Deductible Provision: For **Claims** covered under the Insuring Clauses A, B and C:

Crime Coverage Deductible:	<u>Each Loss</u> \$3,000
Antitrust Coverage Deductible	
a. 0 to 3,000 members/subscribers	\$3,000
b. 3,000 to 10,000 members/subscribers	\$7,500
c. over 10,000 members/subscribers	\$15,000
d. Named Insured	\$50,000

IV. EXCLUSIONS

Solely with respect to Insuring Clauses IA, IB, and IC, this Policy does not apply to:

- A. Any **Claim** alleging, based upon, arising out of, or attributable to any **Wrongful Act, Personal Injury, Publisher's Liability** (including Trademark and Copyright Infringement of Multiple Listing Services and Realtor®) and/or **Cyber Liability by Insured Persons** while acting in any capacity outside the scope of their duties on behalf of the **Association**;
- B. Any **Claim** alleging, based upon, arising out of, or attributable to any fraudulent, criminal, dishonest, malicious, or intentional act, error or omission, or any intentional or knowing violation of the law by the **Association** or any **Insured Person**; however, this exclusion shall not apply to **Claims Expense** or the **Company's** duty to defend any such **Claim**, until there is a final, non-appealable adjudication against the **Association** or **Insured Person** as to such conduct or violation, at which time the **Insured** shall reimburse the **Company** for any **Claims Expense** paid by the **Company**. The **Company** shall not be required to appeal a judgment or final adjudication adverse to the **Insured**;

Solely with respect to Insuring Clauses IA and IB, it is agreed that any fact pertaining to any **Association** or any **Insured Person** shall not be imputed to any other **Insured** for the purpose of determining the application of this exclusion.

- C. Any **Claim**:
 - 1. with respect solely to Insuring Clauses A and B, for any **Bodily Injury** or the loss of society, consortium, or services of any person resulting from such **Bodily Injury**, or any **Property Damage**. However, this exclusion shall not apply to mental injury, mental anguish, mental tension, emotional distress, pain and suffering, or shock resulting from **Employment Practices Liability, Sexual Harassment Liability, or Discrimination Liability**, or resulting from a covered defamation **Claim** under **Personal Injury** or **Publisher's Liability**; and
 - 2. with respect solely to **Cyber Liability, Cyber Incident Response Expenses** and Insuring Clause C, alleging, based upon, arising out of, or attributable to **Bodily Injury** or the loss of society, consortium, or services of any person resulting from such **Bodily Injury**, or any **Property Damage**, including any damage to or reduction in financial value of any tangible property;
- D. Any **Claim** alleging, based upon, arising out of, or attributable to any Worker's Compensation Law,

Unemployment Compensation Law, Employers Liability Law, Disability Benefits Law, or any similar Federal, State, or Local law; except as provided under the coverage for **Employment Practices Liability, Sexual Harassment Liability, and Discrimination Liability**;

- E. Any **Claim** alleging, based upon, arising out of, or attributable to the gaining in fact of any profit, remuneration, or financial advantage to which any **Association** or **Insured Person** was not legally entitled; however, this exclusion shall not apply to **Claims Expense** or the **Company's** duty to defend any such **Claim**, until there is a final, non-appealable adjudication against the **Insured** as to such conduct or violation, at which time the **Insured** shall reimburse the **Company** for any **Claims Expense** paid by the **Company**. The **Company** shall not be required to appeal a judgment or final adjudication adverse to the **Insured**;

Solely with respect to Insuring Clauses IA and IB, it is agreed that any fact pertaining to any **Association** or any **Insured Person** shall not be imputed to any other **Insured** for the purpose of determining the application of this exclusion.

- F. Any **Claim** alleging, based upon, arising out of, or attributable to the administration of, participation in, contributions to, or payments from any pension or benefits plan or trust fund, including but not limited to any **Claim** based upon the (1) the Employee Retirement Income Security Act of 1974, Public Law 93-406, commonly referred to as Pension Reform Act of 1974; the Occupational Safety and Health Act and amendments thereto, or similar provisions of any Federal, State, or Local statutory law or common law. However, this exclusion shall not apply to that part of any **Claim** for **Retaliation**;
- G. Any **Claim** for wages, salaries, commissions, fees, bonuses, promotions, profit sharing, pensions or other employee benefits earned in the normal course of employment;

- H. Any **Claim** when:

1. On or prior to the effective date of coverage, one or more **Insured Persons**, with authority to act on behalf of the **Association** in the particular subject area, had knowledge of the **Wrongful Act** and its consequences, the **Personal Injury**, the injury relating to **Publisher's Liability** (including Trademark and Copyright Infringement of Multiple Listing Services and Realtor®), or the **Cyber Incident** or had reason to believe that a **Claim** may be made; or

2. Any part of either the **Wrongful Act** or the offense giving rise to **Personal Injury** or **Publisher's Liability** (including Trademark and Copyright Infringement of Multiple Listing Services and Realtor®) or **Cyber Incident** occurred prior to the effective date of coverage and there is other insurance available to the **Association** or to **Insured Persons**;

- I. Any **Claim** for Breach of Contract, oral or written, expressed or implied; however, this exclusion shall not apply to:

1. solely with respect to Insuring Clause IB, **Claims Expense** incurred by the **Insured** as a result thereof, and subject to the limits specified in Section I.B.;
2. solely with respect to **Cyber Liability, Payment Card Loss**;
3. solely with respect to **Cyber Liability** and **Cyber Incident Response Expenses**, an **Insured's** contractual obligation to maintain the confidentiality or security of third party personal or corporate information; or
4. solely with respect to **Employment Practices Liability**, breach of an actual or implied employment contract.

- J. Any **Claim** alleging, based upon, arising out of, or attributable to any failure or omission on the part of the **Association** or any **Insured Persons** to effect and maintain insurance or a bond on their behalf or on the behalf of any other person or entity, or to the endorsement, sponsorship, approval or ratification of any program of professional liability, medical, life or any other insurance by the **Insured**;

However, this exclusion shall not apply to the endorsement, sponsorship, approval or ratification of any program of professional liability, medical, life or any other insurance by the **Named Insured** or by any other **Insured**:

1. if such endorsement, sponsorship, approval or ratification is made pursuant to guidelines established by the **Named Insured**, the National Association's Home Seller/Home Buyer Dispute Resolution System or the Counselors of Real Estate Dispute Resolution System, or
 2. the following criteria with respect to such program have been met:
 - a. The sponsored program is fully insured, and not self-funded, in whole or in part, by the endorsing Board or **Association**.
 - b. The insurer of such program: (a) is rated "A" or better by A.M. Best Company; and (b) provides the endorsing Board or **Association** with a written indemnification agreement, agreeing to indemnify and hold the sponsoring Board or **Association** harmless from and against any and all loss, cost or expense, including but not limited to liability and reasonable attorney fees incurred as a result of **Claims** based upon or resulting from Board or **Association** endorsements of such sponsored program. If the plan is organized as a managed care organization, it must carry a positive evaluation from Dun & Bradstreet.
 - c. The members who participate in the sponsored program: (a) do so voluntarily; and (b) are advised that the Board or **Association** has no control over coverage or premium.
 - d. The terms and conditions of the Board or **Association** endorsements are set forth in a written agreement to which such insurer is bound as a party, and which has a term of five (5) years or less, and a ninety (90) day or less cancellation provision.
- K. Any **Claim** alleging, based upon, arising out of, or attributable to any restraint of trade, price-fixing, or violation of any anti-trust law, however, this exclusion does not apply to **Claims Expense** incurred by the **Insured** as a result of and to the limits specified in Section I.B.2.;
- L. Any **Claim** alleging, based upon, arising out of, or attributable to any discrimination on the basis of age, sex, race, color, religion, marital status, national origin, sexual preference, handicap or familial status, or any violation of any municipal, State or Federal fair housing or civil rights law, regulation or ordinance, relating thereto, by any **Insured**, including **Personal Injury** resulting therefrom, however, this exclusion does not apply to **Employment Practices Liability, Sexual Harassment Liability, and Discrimination Liability**;
- M. Any **Claim** alleging, based upon, arising out of, or attributable to:
1. Sexual activity, molestation, assault, harassment, or abuse by an **Insured** or any employee of any **Insured**, or any volunteer or other person performing services for any **Insured**, whether such sexual activity, molestation, assault, harassment or abuse is committed intentionally, negligently, inadvertently, or with the belief by such **Insured**, employee, volunteer or other person, erroneous or otherwise, that the victim is consenting to sexual activity and has the legal and mental capacity to consent thereto; or
 2. The employment or supervision of any person who engages in such sexual activity, molestation, assault, harassment or abuse; or
 3. The failure to protect any person from such sexual activity, molestation, assault, harassment or abuse.

However, the foregoing exclusions (M 1-3) do not apply to **Sexual Harassment Liability**;

- N. Any **Claim** alleging, based upon, arising out of, or attributable to providing legal advice, counsel or legal opinions; provided, however, that this exclusion shall not apply to **Claims** arising out of: 1) the provision of legal consulting services as provided under Insuring Clause I.B.6, or 2) an **Insured's** in-house counsel providing legal advice to the **Insured** by whom she is employed;

- O. Any **Claim**:
1. alleging, based upon, arising out of, or attributable to the pollution, seepage, contamination, environmental impairment, discharge, dispersal, disposal, threat of release, release, or escape of noise, smoke, vapors, radiation, soot, fumes, radon gas, acids, alkalis, toxic chemicals, toxic matter, any virus, pathogen, or other infectious agent, waste materials, other irritant, oil or other petroleum substance or derivative (including any oil refuse or oil mixed with waste), contaminants, pollutants, hazardous wastes, or hazardous substances directly or indirectly into or upon the land, the environment, the atmosphere or any water course or body of water or underground water or water table supplies; however, this exclusion shall not apply to that part of any **Claim** for **Retaliation**;
 2. for loss, under any circumstances, due to contamination, nuclear reaction, or radiation regardless of cause; or
 3. resulting from other **Loss** or **Claims Expense** based upon, arising out of, or attributable to **Asbestos**;
- P. Any **Claim** alleging, based upon, arising out of, or attributable to:
1. Any prior and/or pending litigation, **Claim**, demand, arbitration, administrative or regulatory proceeding as of the inception of this insurance, or the effective date of the earliest Policy issued by the **Company** of which this Policy is a renewal, whichever is earlier; or
 2. Any other **Cyber Incident** whenever occurring which, together with a **Cyber Incident** underlying or alleged in any pending or prior litigation, **Claim**, demand, arbitration, administrative or regulatory proceeding, would constitute **Interrelated Wrongful Acts**;
- Q. Any **Claim** brought by one **Insured** under the policy against another **Insured** under the policy; provided, however, this exclusion shall not apply to any otherwise covered **Claim**:
1. made by any past, present or future employee of the **Named Insured** or **Association** for an employee-related invasion of privacy or employee-related wrongful infliction of emotional distress in the event such **Claim** arises out of the loss of **Protected Information** resulting from a **Cyber Incident**
 2. brought by one **Insured** against another **Insured** alleging **Employment Practices Liability**;
 3. brought by one **Insured** against the **Named Insured** or its **Insured Persons**; or
 4. brought by an **Insured Person** against an **Association** and/or MLS.
- R. Any **Claim** alleging, based upon, arising out of, or attributable to:
1. solely with respect to Insuring Clauses A and B, any violation or infringement of any patent or trade secret(s);
 2. solely with respect to Insuring Clause C, any misappropriation of any trade secret by, or with active cooperation, participation, or assistance of, any **Insured**, any **Insured's** former employees, subsidiaries, directors, officers, partners, trustees, or any **Insured's** successors or assignees;
- S. Any **Claim** alleging, based upon, arising out of, or attributable to any professional certification and/or designation not specifically endorsed by the **Named Insured**;
- T. Any **Claim** alleging, based upon, arising out of, or attributable to any **Association Wrongful Acts** committed by mediators, arbitrators, or **Ombudspersons**: 1) who are licensed attorneys; or 2) that does not involve an **Insured's** ethics hearing, arbitration, or the DRS process.

The following additional exclusions apply solely to Insuring Clause IA – Cyber Liability and Insuring Clause C, **Association Cyber Response Coverage**:

- U. Any **Claim** alleging, based upon, arising out of, or attributable to any of the following:
 1. fire, smoke, explosion, lightning, wind, water, flood, earthquake, volcanic eruption, tidal wave, landslide, hail, an act of God or any other physical event, however caused; or
 2. strikes or similar labor action, war, invasion, act of foreign enemy, hostilities or warlike operations (whether declared or not), civil war, mutiny, civil commotion assuming the proportions of or amounting to a popular rising, military rising, insurrection, rebellion, revolution, military or usurped power, committed by a person or persons whether acting on their own behalf or on behalf of or in connection with any organization, or any action taken to hinder or defend against these actions;

- V. Any **Claim** alleging, based upon, arising out of, or attributable to any strikes or similar labor action, war, invasion, act of foreign enemy, hostilities or warlike operations (whether declared or not), civil war, mutiny, civil commotion assuming the proportions of or amounting to a popular rising, military rising, insurrection, rebellion, revolution, military or usurped power, committed by a person or persons whether acting on their own behalf or on behalf of or in connection with any organization, or any action taken to hinder or defend against these actions; provided, however, this exclusion shall not apply to an **Act of Cyber-Terrorism** that results in a **Claim**;

- W. Any **Claim** alleging, based upon, arising out of, or attributable to any seizure, confiscation, nationalization, or destruction of an **Insured's Computer System** or **Shared Computer System Insured's Digital Data** by order of any governmental or public authority;

- X. Any **Claim** alleging, based upon, arising out of, or attributable to any electrical or mechanical failure or interruption, electrical disturbance, surge, spike, brownout, blackout, or outages to electricity, gas, water, Internet access service provided by the Internet service provider that hosts an **Insured's** website, telecommunications or other infrastructure. However, this exclusion shall not apply to failures, interruptions, disturbances or outages of telephone, cable, networks or infrastructure:
 - a. under an **Insured's** operational control which are a result of a **Network Security Failure**;
 - b. solely with respect to Insuring Clause E, which are the result of a **Cyber Incident**.

- Y. Any **Claim** alleging, based upon, arising out of, or attributable to any violation by an **Insured** of the Truth in Lending Act, Fair Debt Collection Practices Act, or the Fair Credit Reporting Act or any amendments thereto or any rules or regulations promulgated thereunder, including the Fair and Accurate Credit Transactions Act, and any amendments thereto or any rules or regulations promulgated thereunder, amendments thereof, or any similar federal, state or common law. However, solely with respect to **Cyber Liability**, this exclusion shall not apply to a **Claim** arising out of the actual or alleged disclosure or theft of **Protected Information** resulting from a **Cyber Incident**.

- Z. Any **Claim** alleging, based upon, arising out of, or attributable to any unsolicited dissemination of faxes, e-mails, or other communications, including actions brought under the Telephone Consumer Protection Act, any federal or state anti-spam statutes, or any other federal or state statute, law, rule, regulation, or common law anywhere in the world relating to a person's or entity's right of seclusion. However, solely with respect to **Cyber Liability**, this exclusion shall not apply to a **Claim** resulting from a **Cyber Incident** as defined under subparagraphs 1(a) or 1(c) of such definition;

- AA. Any **Claim** alleging, based upon, arising out of, or attributable to the unlawful use or collection of **Protected Information**, or the failure to provide adequate notice that such information is being collected or used, by an **Insured**.

- BB. Any **Claim** alleging, based upon, arising out of, or attributable to an **Insured's** intentional failure to disclose the loss of **Protected Information** in violation of any law or regulation.

- CC. Any **Claim** alleging, based upon, arising out of, or attributable to:
 - a. any fees, expenses, or costs paid to or charged by an **Insured**; or
 - b. chargebacks, chargeback fees, interchange fees or rates, transfer fees, transaction fees, discount fees, merchant service fees, or prospective service fees.

However, solely with respect to **Cyber Liability**, this exclusion shall not apply to **Payment Card Loss**.

V. NOTICE OF CLAIM

Solely with respect to Insuring Clauses IA, IB, and IC,

A. If during the **Policy Period** or Discovery Period, the **Association** or the **Insured Persons** shall receive written or oral notice from any party of a **Claim** or **Cyber Incident** that it is the intention of such party to hold the **Association** or the **Insured Persons** responsible for an **Wrongful Act, Personal Injury, Publisher's Liability, Cyber Liability**, Anti-Trust, Lockbox, Trademark And Copyright Infringement of a Multiple Listing Service (MLS) System, Dispute Resolution System, **Association** Endorsement Of Products Or Affinity Programs, or Operation of a Legal Hotline, an **Insured** must notify the **Company** in writing of such **Claim** as soon as practicable before coverage will apply under this policy.

B. If during the **Policy Period** or Discovery Period, the **Association** or the **Insured Persons** shall become aware of any fact, circumstance, or situation which may subsequently give rise to a **Claim** being made against the **Association** or the **Insured Persons**, for an **Wrongful Act, Personal Injury, Publisher's Liability, Cyber Liability**, Anti-Trust, Lockbox, Trademark or Copyright Infringement of a Multiple Listing Service (MLS) System, Dispute Resolution System, **Association** Endorsement Of Products Or Affinity Programs, or Operation of a Legal Hotline; and shall in either case during such period give written notice as soon as practicable to the **Company** of the receipt of such written or oral notice under Clause (1) or such fact, circumstance, or situation under Clause (2), then any **Claim** which may subsequently be made against the **Association** or the **Insured Persons**, arising out of such causes of action shall, for the purpose of this Policy, be treated as a **Claim** made during the **Policy Period** in which such notice was given, or, if given during the Discovery Period, as a **Claim** during the preceding **Policy Period**.

C. If, during the **Policy Period**, any **Insured** first becomes aware of any specific **Cyber Incident** which may reasonably give rise to a future **Claim** under this **Policy**, and written notice is given to the **Company** during the **Policy Period**, of the:

1. nature of the **Cyber Incident**;
2. identity of the **Insureds** allegedly involved;
3. circumstances by which the **Insureds** first became aware of the **Cyber Incident**;
4. identity of the actual or potential claimants;
5. foreseeable consequences of the **Cyber Incident**; and
6. nature of the potential **Loss**;

then any **Claim** which arises out of such **Cyber Incident** shall be deemed to have been first made at the time such written notice was received by the **Company**. The **Company** will not pay for **Loss** or **Claims Expenses** incurred prior to the time such **Cyber Incident** results in a **Claim**.

D. Notice to the **Company** provided for in this Paragraph V shall be given to the **Company**:

Director of Claims,
Chubb
P.O. Box 5105
Scranton, PA 18505-0518

and the Legal Affairs Department, NATIONAL ASSOCIATION OF REALTORS®, 430 N. Michigan Avenue, Chicago, Illinois 60611-4087. Notwithstanding anything in this section to the contrary, written **Claim** notices may also be transmitted via email to the following address:

ChubbClaimsFirstNotice@Chubb.com

Solely with respect to Insuring Clause ID, Crime Coverage (if elected):

After the **Insured Discovers** a loss or a situation that may result in loss of or damage to **Money, Securities** or **Other Property** the **Insured** must:

A. Notify the **Company** as soon as possible. If the **Insured** has reason to believe that any loss (except for loss covered under Crime Coverage (Loss Sustained) Insuring Clauses 1, **Employee** Theft, or 2, **Forgery** or Alteration) involves a violation of law, the **Insured** must also notify the local law enforcement authorities.

- B. Submit to examination under oath at the **Company's** request and give the **Company** a signed statement of the **Insured's** answers.
- C. Produce for the **Company's** examination all pertinent records.
- D. Give the **Company** a detailed, sworn proof of loss within 120 days.
- E. Cooperate with the **Company** in the investigation and settlement of any **Claim**.

VI. DEFENSE AND SETTLEMENT

A. Choice Of Counsel

With respect to the defense of any **Claim**, the **Named Insured or Association**, at the **Named Insured's** option, and in coordination with the **Company**, shall select and assign defense counsel.

B. Defense and Settlement

Except with respect to **Claims** brought outside the United States, its territories or Canada and as provided in subsection B.1 of this Section VI the **Company** shall have the right and duty to defend any claim. With respect to **Claims** brought outside the United States, its territories or Canada, the **Company** shall have the right, but not the duty, to defend any **Claim**. In the event the **Company** does not assume the defense of the **Insured**, the **Company** shall, nevertheless, have the right to effectively associate with the **Insured** in the investigation, defense and settlement of any claim that appears likely to involve the **Company**, including but not limited to effectively associating in the negotiation of a settlement.

1. The **Company** shall have the right, but not the duty, to defend and **Regulatory Proceeding**. For such **Claims**, the **Insured** shall select defense counsel from the **Company's** list of approved law firms, and the **Company** reserves the right to associate in the defense of such **Claims**.

The **Company** shall not commit the **Association**, or any of the **Insured Persons** to any settlement without their consent or the consent of the **Named Insured**. If the **Association** or any **Insured Persons** refuse to consent to any settlement recommended in writing by the **Company** and elect to contest the **Claim** or continue any legal proceedings in connection with such **Claim**, then the **Company** shall be relieved of any further duty to defend the **Claim**, and the liability of the **Company** for **Loss** shall not exceed the amount for which the **Claim** could have been settled and the **Claims Expense** incurred by the **Company** with the **Company's** consent up to the date of such refusal. Further, the **Association, Insured Persons** shall cooperate with the **Company** and, upon the **Company's** request, assist in making settlements and in the conduct of any **Claim**. Furthermore, the **Association, Insured Persons** shall not assume any obligations, incur any costs, charges, or expenses or enter into any settlement without the **Company's** written consent.

If a judgment or settlement is rendered in a foreign currency the amount paid shall be in the equivalent amount of United States Dollars at the prevailing exchange rate on the date the settlement is signed or judgment entered.

VII. GENERAL CONDITIONS

A. ASSOCIATION AUTHORIZATION. By acceptance of this Policy, the **Named Insured** listed in Item 1. of the Declarations Page agrees to act on behalf of all other **Insureds** with respect to the giving and receiving of all notices to the **Company** required herein, and the receiving of any return premiums that may become due under this Policy and the **Insureds** agree that the **Named Insured** shall act on their behalf.

B. POLICY CHANGES. The terms of the Policy shall not be waived or changed by any means other than by endorsement issued to form a part of this Policy.

C. TERRITORIAL CLAUSE. Solely with respect to Insuring Clauses IA, IB, and IC, this Policy shall apply to **Claims** arising from any **Wrongful Act** (including **Employment Practices Liability, Sexual Harassment Liability, Discrimination Liability, Personal Injury, Publisher's Liability, Cyber Liability, Anti-Trust, Lockbox, Trademark or Copyright Infringement of a Multiple Listing Service (MLS) System, Dispute Resolution System, Association Endorsement of Products Or Affinity Programs, or Operation of a Legal Hotline, wherever**

occurring. Solely with respect to the Crime Coverage Part (if elected), this Policy covers loss that the **Insured** sustains resulting directly from an **Occurrence** taking place within the United States of America (including its territories and possessions), Puerto Rico and Canada.

D. ACTION AGAINST THE **COMPANY**.

Solely with respect to Insuring Clauses IA, IB, and IC, the following provisions apply. No action shall lie against the **Company** unless, as a condition precedent thereto, the **Association** and **Insured Persons** shall have complied fully with all terms of this Policy, and until the amount they shall be obligated to pay shall have been finally determined either by final judgment against them after actual trial and all appeals, if any, or by written agreement of the **Association** and **Insured Persons**, the claimant and the **Company**.

Any person, organization, or the legal representative thereof who has secured such judgment or written agreement, shall thereafter be entitled to recovery under this Policy in the same manner and to the same extent as the **Association** and **Insured Persons**. Nothing contained in this Policy shall give any person or organization any right to join the **Company** as a co-defendant in any action against the **Association** or any **Insured Persons** to determine the liability of the **Association** and any **Insured Persons**. Bankruptcy or insolvency of the **Association** or any **Insured Persons**, or of their estates, shall not relieve the **Company** of any of its obligations under this Policy.

Solely with respect to the Crime Coverage part (if elected), the **Insured** may not bring any legal action against the **Company** involving loss:

1. Unless the **Insured** has complied with all the terms of this insurance; and
2. Until 90 days after the **Insured** has filed proof of loss with the **Company**; and
3. Unless brought within 2 years from the date the **Insured Discovered** the loss. But the **Company** will extend this 2-year period by the number of days between the date proof of loss is filed and the date the **Claim** is denied in whole or in part.

E. SUBROGATION. Solely with respect to Insuring Clauses IA, IB, and IC, in the event of any payment under this Policy, the **Company** shall be subrogated to the extent of such payment to all rights of recovery therefore, and the **Insureds** shall execute all papers required and shall do everything that may be necessary to secure such rights including the execution of such documents necessary to enable the **Company** effectively to bring suit in the name of the **Association** or any **Insured Persons**.

Solely with respect to the Crime Coverage part (if elected), the **Insured** must transfer to the **Company** all the **Insured's** rights of recovery against any person or organization for any loss the **Insured** sustained and for which the **Company** has paid or settled. The **Insured** must also do everything necessary to secure those rights and do nothing after loss to impair them.

F. OTHER INSURANCE. Solely with respect to Insuring Clauses IA, IB, and IC, subject to Section IV, Exclusions, part H.2., if there is other valid insurance (whether primary, excess, or contingent, including any extended reporting or discovery period coverage from previous insurance) against a **Claim** covered by this Policy, the insurance provided hereunder shall be deemed excess insurance over and above the applicable limit of all other insurance. When this insurance is excess, the **Company** shall have no duty under this Policy to defend any **Claim** that any other insurer has a duty to defend. If such other insurer refuses to defend, the **Company** shall be entitled to the **Insured's** rights against all other insurers for any **Claims Expense** incurred by the **Company**, should the **Company** agree to provide a defense.

When both this insurance and other insurance apply to the **Claim** on the same basis, whether primary, excess or contingent, the **Company** shall not be liable under the Policy for a greater proportion of the **Loss** and/or **Claims Expense** than the applicable Limit of Liability under this Policy for which such payments bear to the total applicable Limit of Liability of all valid and collectible insurance against such **Claims**.

Solely with respect to the Crime Coverage part (if elected), if other valid and collectible insurance is available to the **Insured** for loss covered under this Policy, and:

1. Such other insurance is subject to the same terms and conditions as this Policy, the **Company** will pay the **Company's** share of the covered loss. The **Company's** share is the proportion that the applicable Limit of Insurance shown in the Declarations bears to the total limit of all insurance covering the same loss.
2. Such other insurance covers the same loss other than that described in Paragraph 1, the **Company** will only pay for the amount of loss that exceeds:
 - a. The Limit of Insurance and Deductible Amount of that other insurance, whether the **Insured** can collect on it or not; or
 - b. The Deductible Amount shown in the Declarations;whichever is greater. The **Company's** payment for loss is subject to the terms and conditions of this Policy.

G. CANCELLATION. This Policy may be cancelled by the **Named Insured** listed in Item I. of the Declarations Page by surrender thereof to the **Company** or any of its authorized agents, or by mailing to the **Company** written notice stating when thereafter the cancellation shall be effective. This Policy may be cancelled by the **Company** by mailing to the **Named Insured**, at the last mailing address known to the **Company**, written notice stating when, not less than ninety (90) days thereafter, or ten (10) days with respect to cancellation for non-payment of premium, such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The time of the surrender or the effective date and hour of cancellation stated in the notice shall become the end of the **Policy Period**. If the **Named Insured** cancels, the earned premium shall be computed in accordance with the customary short rate tables and procedure. If the **Company** cancels, the earned premium shall be computed pro rata. Premium adjustment may be made at the time cancellation becomes effective. The **Company's** check or the check of its representative mailed or delivered as aforesaid shall be sufficient tender of any refund or premium due to the **Named Insured**.

H. DISCOVERY PERIOD.

Discovery Period Applicable To Insuring Clauses A & B:

Solely with respect to Insuring Clauses A & B, If the **Company** shall cancel or refuse to renew this Policy other than for non-payment of premium, the **Named Insured** listed in Item I. of the Declarations Page shall have the right, upon payment of an additional premium (as specified below), to an extension of the coverage granted by this Policy, subject otherwise to all of its terms, limits, exclusions and conditions, to apply to any **Claim** or **Claims** made against the **Association** or **Insured Persons** during the period (as specified) after the effective date of such cancellation or non-renewal, herein called the Discovery Period, but only in respect of any **Wrongful Act** (including **Employment Practices Liability, Sexual Harassment Liability, Discrimination Liability, Personal Injury, Publisher's Liability, Cyber Liability, Anti-Trust, Lockbox, Trademark or Copyright Infringement of a Multiple Listing Service (MLS) System, Dispute Resolution System, Association Endorsement of Products Or Affinity Programs, and Operation of a Legal Hotline**) committed or alleged to have been committed before the effective date of such cancellation or nonrenewal and otherwise covered by the Policy. This right shall terminate, however, unless written notice of such election together with payment of the additional premium is received by the **Company** within thirty (30) days after the effective date of cancellation or non-renewal. The Discovery Period options, subject to all stated terms and conditions, are as follows:

1. Ninety (90) day extension for the additional premium of 50% of the annual premium; or
2. Twelve (12) month extension for the additional premium of 90% of the annual premium; or
3. Twenty-four (24) month extension for the additional premium of 180% of the annual premium.

At the commencement of the Discovery Period, the entire premium therefore shall be deemed earned, and in the event the **Insured** terminated the Discovery Period before its term for any reason, the **Company** shall not be liable to return to the **Insured** any portion of the premium for the Discovery Period. The fact that the period during which **Claims** must be first made against the **Insured** under this Policy is extended by virtue of the Discovery Period shall not in any way increase the Limit of Liability of this Policy.

The Limit of Liability available under any Discovery Period shall be part of, and not in addition to, the Limit of Liability available under the last Policy issued to the **Insured**.

Discovery Period Applicable To Insuring Clause C:

Solely with respect to Insuring Clause C, if the **Company** or the **Named Insured** shall cancel this Policy or refuse to replace this Policy, the **Insured** shall have up to one (1) year following the effective date of such cancellation or refusal to replace and report any covered **Cyber Incident** first discovered during the **Policy Period**.

Discovery Period Applicable To The Crime Coverage Part (if elected)

The **Company** will pay for loss that the **Insured** sustained prior to the effective date of cancellation of this Policy, which is **Discovered** by the **Insured** no later than 1 year from the date of that cancellation. However, this extended period to **Discover** loss terminates immediately upon the effective date of any other insurance obtained by the **Insured**, whether from the **Company** or another insurer, replacing in whole or in part the coverage afforded under this Policy, whether or not such other insurance provides coverage for loss sustained prior to its effective date

I. ADDITIONAL CONDITIONS APPLICABLE SOLELY TO INSURING CLAUSE C.

Solely with respect to Insuring Clause C, the following additional provisions apply:

Requests for payment or reimbursement of **Cyber Incident Response Expenses, Digital Data Recovery Costs** and **Extortion Expenses** incurred by an **Insured** shall be accompanied by a proof of loss with full particulars as to the computation of such costs. Such proof of loss will include in detail how the costs were calculated, and what assumptions have been made, and shall include documentary evidence, including any applicable reports, books of accounts, bills, invoices and other vouchers or proofs of payment made by an **Insured** in relation to such **Cyber Incident Response Expenses, Digital Data Recovery Costs** and **Extortion Expenses**. Furthermore, the **Insureds** shall cooperate with, and provide any additional information reasonably requested by, the **Company** in its review of costs, including the right to investigate and audit the proof of loss and inspect the records of an **Insured**.

VIII. MATERIAL CHANGES IN CONDITIONS

A. Acquisition or Creation of Another Organization or Other **Association**

1. If, during the **Policy Period**, an **Association** acquires voting securities in, creates, merges, or consolidates with another organization, then, subject to the terms and conditions of this **Policy**, such organization shall be covered under this **Policy** as part of the acquiring **Association** but only with respect to covered **Claims** taking place after such acquisition, creation, merger, or consolidation.
2. If, during the **Policy Period**, an **Association** acquires any other **Association** by merger into or consolidation with such **Association**, then coverage will be provided to the newly formed or expanded entity subject to the terms and conditions of this **Policy**, and subject to consideration of additional premium in the event that excess coverage was elected by the **Association** for this **Policy Period**.

B. Termination of an **Association**

1. If, before or during the **Policy Period**, an organization ceases to be an **Association**, coverage with respect to the **Association** shall continue until termination of this **Policy** but only with respect to covered **Claims** taking place prior to the date such organization ceased to be an **Association**.

2. If, before or during the **Policy Period**, an **Association** is dissolved through merger or consolidation of assets with any other **Association**, coverage with respect to the dissolved **Association** for covered **Claims** shall continue under the newly formed entity for acts prior to dissolution.

IN WITNESS WHEREOF, the **Company** has caused this Policy to be signed by its President and Secretary, but this Policy shall not be valid unless the declarations are countersigned by a duly authorized representative of the **Company**.



National Association of REALTORS® Crime Coverage Part

Illinois Union Insurance Company

The provisions of this Crime Coverage part apply solely to coverage afforded by policy Insuring Clause ID. In addition, all remaining Policy terms and conditions in the base Policy apply to the Crime Coverage afforded by this coverage part as noted in the Policy.

I. INSURING CLAUSE

D. CRIME COVERAGE (LOSS SUSTAINED)

Coverage is provided under the following Insuring Clauses and applies to loss that the **Insured** sustains resulting directly from an **Occurrence** taking place during the **Policy Period**, except as provided in Section VII, General Conditions, subsection I, Conditions Applicable Only To Insuring Clause D, Crime Coverage, Conditions 7 and 8 Applicable To Crime Coverage (Loss Sustained), All Insuring Clauses, which is **Discovered** by the **Insured** during the **Policy Period** or during the period of time provided in Section VII, General Conditions, subsection I, Discovery Period, Discovery Period Applicable To Insuring Clause D, Crime Coverage:

1. **Employee Theft**

The **Company** will pay for loss of or damage to **Money, Securities** and **Other Property** resulting directly from **Theft**

committed by an **Employee**, whether identified or not, acting alone or in collusion with other persons.

For the purposes of this Insuring Clause, **Theft** shall also include forgery.

2. **Forgery** or Alteration

a. The **Company** will pay for loss resulting directly from **Forgery** or alteration of checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in **Money** that are:

- i. Made or drawn by or drawn upon the **Insured**; or
 - ii. Made or drawn by one acting as the **Insured's** agent;
- Or that are purported to have been so made or drawn.

For the purposes of this Insuring Clause, a substitute check as defined in the Check Clearing for the 21st Century Act shall be treated the same as the original it replaced.

b. If the **Insured** is sued for refusing to pay any instrument covered in Paragraph 2.a, on the basis that it has been forged or altered, and the **Insured** has the **Company's** written consent to defend against the **Claim**, the **Company** will pay for any reasonable legal expenses that the **Insured** incurs and pays in that defense. The amount that the **Company** will pay is in addition to the Limit of Insurance applicable to this Insuring Clause.

3. Inside The **Premises** – **Theft Of Money And Securities**

a. The **Company** will pay for loss of **Money** and **Securities** inside the **Premises**:

- i. Resulting directly from **Theft** committed by a person present inside such **Premises**; or
- ii. Resulting directly from disappearance or destruction.

b. The **Company** will pay for loss from damage to the **Premises** or its exterior resulting directly from an actual or attempted **Theft of Money** and **Securities**, if the **Insured** is the owner of the **Premises** or is liable for damage to it.

- c. The **Company** will pay for loss of or damage to a locked safe, vault, cash register, cash box or cash drawer located inside the **Premises** resulting directly from an actual or attempted **Theft** of or unlawful entry into those containers.
- 4. Inside The **Premises – Robbery Or Safe Burglary Of Other Property**
 - a. The **Company** will pay for loss of or damage to Other Property:
 - i. Inside the **Premises** resulting directly from an actual or attempted **Robbery** of a **Custodian**; or
 - ii. Inside the **Premises** in a safe or vault resulting directly from an actual or attempted **Safe Burglary**.
 - b. The **Company** will pay for loss from damage to the **Premises** or its exterior resulting directly from an actual or attempted **Robbery** or **Safe Burglary** of **Other Property**, if the **Insured** is the owner of the **Premises** or is liable for damage to it.
 - c. The **Company** will pay for loss of or damage to a locked safe or vault located inside the **Premises** resulting directly from an actual or attempted **Robbery** or **Safe Burglary**.
- 5. Outside The **Premises**
 - a. The **Company** will pay for loss of **Money** and **Securities** outside the **Premises** in the care and custody of a **Messenger** or an armored motor vehicle company resulting directly from **Theft**, disappearance or destruction.
 - b. The **Company** will pay for loss of or damage to **Other Property** outside the **Premises** in the care and custody of a **Messenger** or an armored motor vehicle company resulting directly from an actual or attempted **Robbery**.
- 6. Computer Fraud

The **Company** will pay for loss of or damage to **Money**, **Securities** and **Other Property** sustained by an **Insured** resulting directly from **Computer Fraud** committed by a **Third Party** which is discovered during the **Policy Period**.
- 7. Funds Transfer Fraud

The **Company** will pay for loss of **Money** or **Securities** sustained by an **Insured** resulting directly from a **Funds Transfer Fraud** committed by a **Third Party** which is **Discovered** during the **Policy Period**.
- 8. Money Orders And Counterfeit Money

The **Company** will pay for loss resulting directly from the **Insured** having accepted in good faith, in exchange for merchandise, **Money** or services:
 - a. Money orders issued by any post office, express company or bank that are not paid upon presentation; or
 - b. **Counterfeit Money** that is acquired during the regular course of business.
- 9. Social Engineering Fraud

The **Company** will pay the **Insured** for loss of **Money** or **Securities** sustained by an **Insured** resulting directly from **Social Engineering Fraud** committed by a person purporting to be a **Vendor**, **Client** or an **Employee** who was authorized by the **Insured** to instruct other **Employees** to transfer **Money** or **Securities** which is discovered during the **Policy Period**.

II. DEFINITIONS

- A. **Computer Fraud** means the unlawful taking of **Money**, **Securities** or **Other Property** resulting from a **Computer Violation**.

- B. **Computer Violation** means the unauthorized entry into or transmission of corrupting of harmful software code into the **Insured's Computer System** which is directed against an **Insured**.
- C. **Counterfeit Money** means an imitation of **Money** that is intended to deceive and to be taken as genuine.
- D. **Custodian** means the **Insured** or any **Employee** while having care and custody of property inside the **Premises**, excluding any person while acting as a **Watchperson** or janitor.
- E. Solely with respect to Insuring Clause 1D, Crime Coverage, **Discover** or **Discovered** means the time when the **Insured** first becomes aware of facts which would cause a reasonable person to assume that a loss of a type covered by this Policy has been or will be incurred, regardless of when the act or acts causing or contributing to such loss occurred, even though the exact amount or details of loss may not then be known. **Discover** or **Discovered** also means the time when the **Insured** first receives notice of an actual or potential **Claim** in which it is alleged that the **Insured** is liable to a third party under circumstances which, if true, would constitute a loss under this Policy.
- F. **Employee** means, solely with respect to Insuring Clause 1D, Crime Coverage (if elected):
1. Any natural person full-time or part-time employee of the **Insured**:
 - a. While in the **Insured's** service and for the first 30 days immediately after termination of service, unless such termination is due to **Theft** or any other dishonest act committed by the **Employee**;
 - b. Who the **Insured** compensates directly by salary, wages or commissions; and
 - c. Who the **Insured** has the right to direct and control while performing services for the **Insured**; and
 2. Any natural person who is furnished temporarily to the **Insured**:
 - a. To substitute for a permanent Employee as defined in Paragraph 1, who is on leave; or b. To meet seasonal or short-term workload conditions; while that person is subject to the **Insured's** direction and control and performing services for the **Insured**, excluding, however, any such person while having care and custody of property outside the **Premises**;
 3. Any natural person who is leased to the **Insured** under a written agreement between the **Insured** and a labor leasing firm, or contracted to the **Insured**, or is an independent contractor for the **Insured**, but only in the performance of duties related to the conduct of the **Insured's** business, but does not mean a temporary employee as defined in Paragraph 2;
 4. Any natural person who is a former **Employee**, director or trustee retained as a consultant while performing services for the **Insured**;
 5. Any natural person who is a volunteer, guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody of property outside the **Premises**;
 6. Any **Employee** of an entity merged or consolidated with the **Insured** prior to the effective date of this Policy; or
 7. Any of the **Insured's** directors or trustees while:
 - a. Performing acts within the scope of the usual duties of an **Employee**; or
 - b. Acting as a member of any committee duly elected or appointed by resolution of the **Insured's** board of directors or board of trustees to perform specific, as distinguished from general, directorial acts on the **Insured's** behalf.

Employee does not mean any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character not specified in 1 through 7 of this definition as it pertains to the Crime Coverage Part (if elected).

- G. **Forgery** means the signing of the name of another person or organization with intent to deceive; it does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity, for any purpose.
- H. **Funds Transfer Fraud** means fraudulent electronic, telegraphic, cable, teletype, facsimile, telephone or written instructions (other than **Forgery**), purportedly issued by an **Insured**, and issued to a financial institution directing such institution to transfer, pay or deliver **Money** or **Securities** from any account maintained by such **Insured** at such institution, without such **Insured's** knowledge or consent.
- I. **Funds** means **Money** and **Securities**.
- J. **Messenger** means the **Insured**, or a relative of the **Insured**, or any **Employee** while having care and custody of property outside the **Premises**.
- K. **Money** means:
1. Currency, coins and bank notes in current use and having a face value; and
 2. Travelers checks, register checks and money orders held for sale to the public.
- L. **Occurrence** means:
1. Under Crime Coverage (Loss Sustained) Insuring Clause 1, **Employee Theft**:
 - a. An individual act;
 - b. The combined total of all separate acts whether or not related; or
 - c. A series of acts whether or not related;committed by an **Employee** acting alone or in collusion with other persons, during the **Policy Period**, except as provided under Section VII, General Conditions, subsection K, Conditions Applicable Only To Insuring Clause D, Crime Coverage, Conditions 7 and 8 Applicable To Crime Coverage (Loss Sustained), All Insuring Clauses.
 2. Under Crime Coverage (Loss Sustained) Insuring Clause 2, **Forgery Or Alteration**:
 - a. An individual act;
 - b. The combined total of all separate acts whether or not related; or
 - c. A series of acts whether or not related, committed by a person acting alone or in collusion with other persons, involving one or more instruments, during the **Policy Period**, except as provided under Section VII, General Conditions, subsection K, Conditions Applicable Only To Insuring Clause D, Crime Coverage, Conditions 7 and 8 Applicable To Crime Coverage (Loss Sustained), All Insuring Clauses.
 3. Under All Other Crime Coverage (Loss Sustained) Insuring Clauses:
 - a. An individual act or event;
 - b. The combined total of all separate acts or events whether or not related;
 - c. A series of acts or events whether or not related;

committed by a person acting alone or in collusion with other persons, or not committed by any person, during the **Policy Period**, except as provided under Section VII, General Conditions, subsection K, Conditions Applicable Only To Insuring Clause D, Crime Coverage, Conditions 7 and 8 Applicable to Crime Coverage (Loss Sustained), All Insuring Clauses

- M. **Other Property** means any tangible property other than **Money** and **Securities** that has intrinsic value. **Other Property** does not include computer programs, **Digital Data** or any property specifically excluded under this Policy.
- N. **Robbery** means the unlawful taking of property from the care and custody of a person by one who has:
1. Caused or threatened to cause that person bodily harm; or
 2. Committed an obviously unlawful act witnessed by that person.
- O. **Safe Burglary** means the unlawful taking of:
1. Property from within a locked safe or vault by a person unlawfully entering the safe or vault as evidenced by marks of forcible entry upon its exterior; or
 2. A safe or vault from inside the **Premises**.
- P. **Securities** means negotiable and nonnegotiable instruments or contracts representing either **Money** or property and includes:
1. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 2. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by the **Insured**;

But does not include **Money**.

- Q. **Social Engineering Fraud** means the intentional misleading of an **Employee**, through misrepresentation of a material fact which is relied upon by an **Employee**, believing it be genuine which results in the transferring, payment or delivery of **Money** or **Securities**.
- R. **Theft** means the unlawful taking of property to the deprivation of the **Insured**.
- S. **Transfer Account** means an account maintained by the **Insured** at a financial institution from which the **Insured** can initiate the transfer, payment or delivery of **Funds**:
1. By means of electronic, telegraphic, cable, teletype, telefacsimile or telephone instructions communicated directly through an electronic funds transfer system; or
 2. By means of written instructions (other than those described in Crime Coverage (Loss Sustained) Insuring Clause 2, **Forgery Or Alteration**) establishing the conditions under which such transfers are to be initiated by such financial institution through an electronic funds transfer system.
- T. **Vendor** means any entity or natural person that has provided goods or services to an **Insured** under a legitimate pre-existing arrangement or written agreement. However, **Vendor** does not include any financial institution, asset manager, broker-dealer, armored motor vehicle company, or any similar entity.
- U. **Watchperson** means any person the **Insured** retains specifically to have care and custody of property inside the **Premises** and who has no other duties.

III. DEDUCTIBLE AND LIMITS OF LIABILITY

Solely with respect to Insuring Clause ID, Crime Coverage:

- A. The most the **Company** will pay for all loss resulting directly from an **Occurrence** is the applicable Limit of Insurance shown in the Declarations.
- B. The Limit of Insurance set forth in Item 3.1D of the Declarations is part of, and not in addition to, the \$250,000 program aggregate limit of liability for all Loss, for all Crime Coverages, for all **Insureds**, set forth in the Declarations.

- C. The Limits of Insurance set forth in the Declarations is part of, and not in addition to, the Aggregate Limit of Liability set forth in Item 3.2 of the Declarations.
- D. The **Company** will not pay for loss resulting directly from an **Occurrence** unless the amount of loss exceeds the Deductible Amount shown in the Declarations. The **Company** will then pay the amount of loss in excess of the Deductible Amount, up to the Limit of Insurance.

IV. EXCLUSIONS

Solely with respect to Insuring Clause ID, Crime Coverage, this Policy does not cover:

- 1. **Acts Committed By The Insured**
Loss resulting from **Theft** or any other dishonest act committed by the **Insured**, whether acting alone or in collusion with other persons.
- 2. **Acts Of Employees Learned Of By The Insured Prior To The Policy Period**
Loss caused by an **Employee** if the **Employee** had also committed **Theft** or any other dishonest act prior to the effective date of this Policy and the **Insured** or any of the **Insured's** officers, directors or trustees, not in collusion with the **Employee**, learned of that **Theft** or dishonest act prior to the **Policy Period**.
- 3. **Acts Of Employees, Directors, Trustees Or Representatives**
Loss resulting from **Theft** or any other dishonest act committed by any of the **Insured's Employees**, directors, trustees or authorized representatives:
 - a. Whether acting alone or in collusion with other persons; or
 - b. While performing services for the **Insured** or otherwise; except when covered under the Crime Coverage (Loss Sustained) Insuring Clause 1, **Employee Theft**.
- 4. **Confidential Information**
Loss resulting from:
 - a. The unauthorized disclosure of the **Insured's** confidential information including, but not limited to, patents, trade secrets, processing methods or customer lists; or
 - b. The unauthorized use or disclosure of confidential information of another person or entity which is held by the **Insured** including, but not limited to, financial information, personal information, credit card information or similar non-public information.
- 5. **Employee Benefit Plans**
Loss of or damage to any **Employee Benefit Plan**.
- 6. **Governmental Action**
Loss resulting from seizure or destruction of property by order of governmental authority.
- 7. **Indirect Loss**
Loss that is an indirect result of an **Occurrence** covered by this Policy including, but not limited to, loss resulting from:
 - a. The **Insured's** inability to realize income that the **Insured** would have realized had there been no loss of or damage to **Money, Securities or Other Property**.
 - b. Payment of damages of any type for which the **Insured** is legally liable. But, the **Company** will pay compensatory damages arising directly from a loss covered under this Policy.
 - c. Payment of costs, fees or other expenses the **Insured** incurs in establishing either the existence or the amount of loss under this Policy.

8. Legal Fees, Costs And Expenses

Fees, costs and expenses incurred by the **Insured** which are related to any legal action, except when covered under the Crime Coverage (Loss Sustained) Insuring Clause 2, **Forgery** Or Alteration, Nuclear Hazard, Loss or damage resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

9. Pollution

Loss or damage caused by or resulting from pollution. Pollution means the discharge, dispersal, seepage, migration, release or escape of any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

10. War And Military Action

Loss or damage resulting from:

- a. War, including undeclared or civil war;
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

Crime Coverage (Loss Sustained) Insuring Clause 1, **Employee** Theft, does not cover:

1. Inventory Shortages

Loss or that part of any loss, the proof of which as to its existence or amount is dependent upon:

- a. An inventory computation; or
- b. A profit and loss computation.

However, where the **Insured** establishes wholly apart from such computations that the **Insured** has sustained a loss, then the **Insured** may offer the **Insured's** inventory records and actual physical count of inventory in support of the amount of loss claimed.

2. Trading

Loss resulting from trading, whether in the **Insured's** name or in a genuine or fictitious account.

Crime Coverage (Loss Sustained) Insuring Clauses 3, Inside The **Premises – Theft Of Money And Securities**, 4, Inside The **Premises – Robbery Or Safe Burglary Of Other Property**, and 5, Outside The **Premises**, do not cover:

1. Accounting Or Arithmetical Errors Or Omissions

Loss resulting from accounting or arithmetical errors or omissions.

2. Exchanges Or Purchases

Loss resulting from the giving or surrendering of property in any exchange or purchase.

3. Fire

Loss or damage resulting from fire, however caused, except:

- a. Loss of or damage to **Money** and **Securities**; and
- b. Loss from damage to a safe or vault.

4. Money Operated Devices

Loss of property contained in any money operated device unless the amount of **Money** deposited in it is recorded by a continuous recording instrument in the device.

5. Motor Vehicles Or Equipment And Accessories
Loss of or damage to motor vehicles, trailers or semi-trailers or equipment and accessories attached to them.
6. Transfer Or Surrender Of Property
 - a. Loss of or damage to property after it has been transferred or surrendered to a person or place outside the **Premises**:
 - i. On the basis of unauthorized instructions;
 - ii. As a result of a threat to do bodily harm to any person;
 - iii. As a result of a threat to do damage to any property;
 - iv. As a result of a threat to introduce a denial of service attack into the **Insured's** computer system;
 - v. As a result of a threat to introduce a virus or other malicious instruction into the **Insured's** computer system which is designed to damage, destroy or corrupt data or computer programs stored within the **Insured's** computer system;
 - vi. As a result of a threat to contaminate, pollute or render substandard the **Insured's** products or goods; or
 - vii. As a result of a threat to disseminate, divulge or utilize:
 1. The **Insured's** confidential information; or
 2. Weaknesses in the source code within the **Insured's** computer system.
 - b. But, this Exclusion does not apply under Crime Coverage (Loss Sustained) Insuring Clause 5, Outside The **Premises**, to loss of **Money**, **Securities** or **Other Property** while outside the **Premises** in the care and custody of a **Messenger** if the **Insured**:
 - i. Had no knowledge of any threat at the time the conveyance began; or
 - ii. Had knowledge of a threat at the time the conveyance began, but the loss was not related to the threat.
7. Vandalism
Loss from damage to the **Premises** or its exterior, or to any safe, vault, cash register, cash box, cash drawer or **Other Property** by vandalism or malicious mischief.
8. Voluntary Parting Of Title To Or Possession Of Property
Loss resulting from the **Insured**, or anyone acting on the **Insured's** express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property.

Crime Coverage (Loss Sustained) Insuring Clause 6, Computer Fraud, does not cover:

1. Credit Card Transactions
Loss resulting from the use or purported use of credit, debit, charge, access, convenience, identification, stored-value or other cards or the information contained on such cards.
2. Funds Transfer Fraud
Loss resulting from a **Fraudulent Instruction** directing a financial institution to transfer, pay or deliver **Funds** from the **Insured's Transfer Account**.
3. Inventory Shortages
Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:
 - a. An inventory computation; or
 - b. A profit and loss computation.

Crime Coverage (Loss Sustained) Insuring Clause 7, Funds Transfer Fraud, does not cover:
Loss, resulting from the use of any computer, to fraudulently cause a transfer of **Money, Securities** or **Other Property**.

Crime Coverage (Loss Sustained) Insuring Clause 9, Social Engineering Fraud, does not cover:

1. loss or damage to **Money** or **Securities** as a result of **Computer Fraud** or **Funds Transfer Fraud**;
2. loss due to any investment in **Securities**, or ownership in any corporation, partnership, real property, or similar instrument, whether or not such investment is genuine;
3. loss due to the failure of any party to perform, in whole or in part, under any contract;
4. loss due to the extension of any loan, credit or similar promise to pay;
5. loss due to any party's use of or acceptance of any credit card, debit card or similar instrument, whether or not genuine;
6. loss due to any person purporting to be a representative of any financial institution, asset manager, broker-dealer, armored motor vehicle company, or any similar entity;
7. loss of **Money** or **Securities** while in the mail or in the custody of any carrier for hire, including but not limited to any armored motor vehicle company;
8. loss due to the failure, malfunction, inadequacy or illegitimacy of any product or service;
9. loss of or damage to any **Other Property**;
10. loss due to any gambling, game of chance, lottery or similar game;

V. CONDITIONS APPLICABLE ONLY TO INSURING CLAUSE D, CRIME COVERAGE:

- Conditions Applicable To Crime Coverage (Loss Sustained), All Insuring Clauses:

1. Additional **Premises Or Employees**

If, while this Policy is in force, the **Insured** establishes any additional **Premises** or hires additional **Employees**, other than through consolidation or merger with, or purchase or acquisition of assets or liabilities of, another entity, such **Premises** and **Employees** shall automatically be covered under this Policy. Notice to the **Company** of an increase in the number of **Premises** or **Employees** need not be given and no additional premium need be paid for the remainder of the **Policy Period**.

2. Cooperation

The **Insured** must cooperate with the **Company** in all matters pertaining to this Policy as stated in its terms and conditions.

3. Concealment, Misrepresentation Or Fraud

As to any **Insured**, coverage provided by the Crime Coverage (Loss Sustained) Insuring Clauses are void in any case of fraud by the **Insured** as it relates to this **Policy** at any time. It is also void if the **Insured**, at any time, intentionally conceals or misrepresents a material fact concerning:

- a. This Policy;
- b. The property covered under this Policy;
- c. The **Insured's** interest in the property covered under this Policy;
- d. A **Claim** under this Policy.

4. Consolidation – Merger Or Acquisition

If the **Insured** consolidates or merges with, or purchases or acquires the assets or liabilities of, another entity, the **Insured** must give the **Company** written notice as soon as possible and obtain the **Company's** written consent to extend the coverage provided by the Crime Coverage (Loss Sustained) Insuring Clauses to such consolidated or merged entity or such purchased or acquired assets or liabilities. The **Company** may condition the **Company's** consent by requiring payment of an additional premium.

5. Examination Of The **Insured's** Books And Records
The **Company** may examine and audit the **Insured's** books and records as they relate to this Policy at any time during the **Policy Period** and up to 3 years afterward.

6. Inspections And Surveys
 - a. The **Company** has the right to:
 - i. Make inspections and surveys at any time;
 - ii. Give the **Insured** reports on the conditions the **Company** finds; and
 - iii. Recommend changes.
 - b. The **Company** is not obligated to make any inspections, surveys, reports or recommendations and any such actions the **Company** does undertake relates only to insurability and the premiums to be charged. The **Company** does not make safety inspections. The **Company** does not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And the **Company** does not warrant that conditions:
 - i. Are safe or healthful; or
 - ii. Comply with laws, regulations, codes or standards.
 - c. Paragraphs 6.a and 6.b apply not only to the **Company**, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

7. Loss Sustained During Prior Insurance Issued By The **Company** Or Any Affiliate
 - a. Loss Sustained Partly During This Policy And Partly During Prior Insurance
If the **Insured Discovers** loss during the **Policy Period**, resulting directly from an **Occurrence** taking place:
 - i. Partly during the **Policy Period**; and
 - ii. Partly during the policy period(s) of any prior cancelled insurance that the **Company** or any affiliate issued to the **Insured** or any predecessor in interest;
and this Policy became effective at the time of cancellation of the prior insurance, the **Company** will first settle the amount of loss that the **Insured** sustained during this **Policy Period**. The **Company** will then settle the remaining amount of loss that the **Insured** sustained during the policy period(s) of the prior insurance.
 - b. Loss Sustained Entirely During Prior Insurance
If the **Insured Discovers** loss during the **Policy Period**, resulting directly from an **Occurrence** taking place entirely during the policy period(s) of any prior cancelled insurance that the **Company** or any affiliate issued to the **Insured** or any predecessor in interest, the **Company** will pay for the loss, provided:
 - i. This Policy became effective at the time of cancellation of the prior insurance; and
 - ii. The loss would have been covered under this Policy had it been in effect at the time of the **Occurrence**.
The **Company** will first settle the amount of loss that the **Insured** sustained during the most recent prior insurance. The **Company** will then settle any remaining amount of loss that the **Insured** sustained during the policy period(s) of any other prior insurance.
 - c. In settling loss subject to this Condition:
 - i. The most the **Company** will pay for the entire loss is the highest single Limit of Insurance applicable during the period of loss, whether such limit was written under this Policy or was written under the prior insurance issued by the **Company**.
 - ii. The **Company** will apply the applicable Deductible Amount shown in the Declarations to the amount of loss sustained under this Policy. If no loss was sustained under this Policy, the **Company** will apply the Deductible

Amount shown in the Declarations to the amount of loss sustained under the most recent prior insurance.

If the Deductible Amount is larger than the amount of loss sustained under this Policy, or the most recent prior insurance, the **Company** will apply the remaining Deductible Amount to the remaining amount of loss sustained during the prior insurance.

The **Company** will not apply any other Deductible Amount that may have been applicable to the loss.

8. Loss Sustained During Prior Insurance Not Issued By The **Company** Or Any Affiliate

a. If the **Insured Discovers** loss during the **Policy Period**, resulting directly from an **Occurrence** taking place during the policy period of any prior cancelled insurance that was issued to the **Insured** or a predecessor in interest by another company, and the period of time to discover loss under that insurance had expired, the **Company** will pay for the loss under this Policy, provided:

- i. This Policy became effective at the time of cancellation of the prior insurance; and
- ii. The loss would have been covered under this Policy had it been in effect at the time of the **Occurrence**.

b. In settling loss subject to this Condition:

- i. The most the **Company** will pay for the entire loss is the lesser of the Limits of Insurance applicable during the period of loss, whether such limit was written under this Policy or was written under the prior cancelled insurance.
- ii. The **Company** will apply the applicable Deductible Amount shown in the Declarations to the amount of loss sustained under the prior cancelled insurance.

c. The insurance provided under this Condition is subject to the following:

- i. If loss covered under this Condition is also partially covered under Condition 7, the amount recoverable under this Condition is part of, not in addition to, the amount recoverable under Condition 7.
- ii. For loss covered under this Condition that is not subject to Paragraph c.i, the amount recoverable under this Condition is part of, not in addition to, the Limit of Insurance applicable to the loss covered under this Policy and is limited to the lesser of the amount recoverable under:

1. This policy as of its effective date; or
2. The prior cancelled insurance had it remained in effect.

9. Ownership Of Property; Interests Covered

The property covered under this Policy is limited to property:

- a. That the **Insured** owns or leases; or
- b. That the **Insured** holds for others whether or not the **Insured** is legally liable for the loss of such property.

However, this Policy is for the **Insured's** benefit only. It provides no rights or benefits to any other person or organization. Any **Claim** for loss that is covered under this Policy must be presented by the **Insured**.

10. Records

The **Insured** must keep records of all property covered under this Policy so the **Company** can verify the amount of any loss.

11. Recoveries

- a. Any recoveries, whether effected before or after any payment under this Policy, whether made by the **Company** or the **Insured**, shall be applied net of the expense of such recovery:
 - i. First, to the **Insured** in satisfaction of the **Insured's** covered loss in excess of the amount paid under this Policy;
 - ii. Second, to the **Company** in satisfaction of amounts paid in settlement of the **Insured's Claim**;
 - iii. Third, to the **Insured** in satisfaction of any Deductible Amount; and
 - iv. Fourth, to the **Insured** in satisfaction of any loss not covered under this Policy.
- b. Recoveries do not include any recovery:
 - i. From insurance, suretyship, reinsurance, security or indemnity taken for the **Company's** benefit;
 - ii. Of original **Securities** after duplicates of them have been issued.

12. Transfer Of The **Insured's** Rights And Duties Under This Policy

- a. The **Insured's** rights and duties under the Crime Coverage (Loss Sustained) Insuring Clauses may not be transferred without the **Company's** written consent except in the case of death of an Individual **Named Insured**.
- b. If the **Insured** dies, the **Insured's** rights and duties will be transferred to the **Insured's** legal representative but only while acting within the scope of duties as the **Insured's** legal representative. Until the **Insured's** legal representative is appointed, anyone having temporary custody of the **Insured's** property will have the **Insured's** rights and duties but only with respect to that property.

13. Valuation- Settlement

- a. The value of any loss for purposes of coverage under this Policy shall be determined as follows:
 - i. Loss of **Money** but only up to and including its face value. The **Company** will, at the **Insured's** option, pay for loss of **Money** issued by any country other than the United States of America:
 1. At face value in the **Money** issued by that country; or
 2. In the United States of America dollar equivalent determined by the rate of exchange published in *The Wall Street Journal* on the day the loss was **Discovered**
 - ii. Loss of **Securities** but only up to and including their value at the close of business on the day the loss was **Discovered**. The **Company** may, at the **Company's** option:
 1. Pay the market value of such **Securities** or replace them in kind, in which event the **Insured** must assign to the **Company** all the **Insured's** rights, title and interest in and to those **Securities**; or
 2. Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the **Securities**. However, the **Company** will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not

exceeding the lesser of the:

- a. Market value of the **Securities** at the close of business on the day the loss was **Discovered**; or
 - b. The Limit of Insurance applicable to the **Securities**.
- iii. Loss of or damage to **Other Property** or loss from damage to the **Premises** or its exterior for the replacement cost of the property without deduction for depreciation. However, the **Company** will not pay more than the least of the following:
1. The cost to replace the lost or damaged property with property of comparable material and quality and used for the same purpose;
 2. The amount the **Insured** actually spends that is necessary to repair or replace the lost or damaged property; or
 3. The Limit of Insurance applicable to the lost or damaged property.

With regard to Paragraphs 13.a.iii.(a) through 13.a.iii.(c), the **Company** will not pay on a replacement cost basis for any loss or damage:

- (i) Until the lost or damaged property is actually repaired or replaced; and
- (ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.

If the lost or damaged property is not repaired or replaced, the **Company** will pay on an actual cash value basis.

- b. The **Company** will, at the **Insured's** option, settle loss or damage to property other than **Money**:
 - i. In the **Money** of the country in which the loss or damage occurred; or
 - ii. In the United States of America dollar equivalent of the **Money** of the country in which the loss or damage occurred determined by the rate of exchange published in *The Wall Street Journal* on the day the loss was **Discovered**.
 - c. Any property that the **Company** pays for or replaces becomes the **Company's** property.
- Conditions Applicable To Crime Coverage (Loss Sustained) Insuring Clause 6, Computer Fraud:
 1. Special Limit Of Insurance For Specified Property
The **Company** will only pay up to \$5,000 for any one **Occurrence** of loss of or damage to manuscripts, drawings, or records of any kind, or the cost of reconstructing them or reproducing any information contained in them.
 2. Territory
The **Company** will cover loss that the **Insured** sustains resulting directly from an **Occurrence** taking place anywhere in the world. Territory Crime Coverage Condition D does not apply to Crime Coverage (Loss Sustained) Insuring Clause 6, Computer Fraud.

LOCAL BOARD OFFICERS LEADERSHIP ORIENTATION

GUIDE

**A practical
handbook
to achieve
success at your
association**



What do you need?

Your state association has a wealth of resources for local leaders. Here are a few:

Legal Hotline. Get information about the legal aspects of running your association. Call 800-873-9155 to speak to an attorney.

Speakers and facilitators. A Texas REALTORS® staff person or member of the Leadership Team may be available to participate in your association's event, course, strategic-planning session, installation, or other event. Call 800-873-9155 and ask for the Executive Department.

Hiring service. If your association executive leaves, Texas REALTORS® can assist you with the search and hiring of a new AE. Call 800-873-9155 and ask for Board Services.

Marketing materials. Find flyers, videos, and other print and digital items to share with members at texasrealestate.com/members/for-aes/communications/ or call 800-873-9155 and ask for Member Benefits.

Education resources. Texas REALTORS® can partner with your association or provide valuable education resources. Learn more at texasrealestate.com/members/for-aes/education/

Issues mobilization. Whether fighting for or against local issues, you may be able to tap into expertise and funding through the Issues Mobilization program. Visit texasrealestate.com/issuesmob for more info.

For more resources, talk with Texas REALTORS® staff or visit texasrealestate.com.





Introduction

Thank you for stepping forward to lead your local association.

Leading is thinking. And leading is helping our teams and members to think clearly, accurately, and to think with focus on action in the right direction, at the right time, and in the right way.

And as a local leader or regional vice president, your role in 2021 is more important than ever. Our members need you. We have been challenged in recent months in so many ways that our members may not know what to think. They may struggle with advice for their clients. They may struggle with business decisions for themselves and their teams or businesses. Life is confusing, and our members need confidence and direction.

Clarity is Power.

As leaders, we can help our members find clarity and we can empower their path forward.

Your thinking and your leadership are crucial to our success in 2021. Make sure your mind is in the right place and that you are actively helping those around you to focus on our members and our mission.

Thank you for agreeing to lead in 2021 and for taking time to plan with us now.

Think ... Lead ... Empower...Together!

Marvin Jolly
2021 Chairman of the Board
Texas REALTORS®



Russell Berry
Chairman-Elect



Marcus Phipps
Secretary/Treasurer



Cindi Bulla
Immediate Past
Chairman



Travis Kessler
President/CEO



Texas REALTORS® Relief Funds Helping Texans in Times of Need

Natural disasters wreak havoc on people's lives. When the destruction includes homes, Texas REALTORS® may be able to lend a hand.

Texas REALTORS® has two relief funds to help Texans get back on their feet—one for members and another for the public. Both funds provide monetary assistance for those who have been displaced from or suffered losses to their residences.

Over the years, these funds have disbursed millions of dollars to many thousands of Texans after hurricanes, floods, fires, and tornadoes.

Learn more at
texasrealestate.com/relief



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VISION

A strategic plan is more than a checklist

Put your association on a positive path with defined, agreed-upon goals.

As a volunteer leader, it can be difficult to manage the many responsibilities you have with your association, your family, and other civic involvement—and, oh yeah, find time to practice real estate. Who has a spare day or two to talk philosophically about the association? Besides, don't the strategic plan's lofty goals and action items just sit on a shelf until it's time to do the same exercise again? The truth is that effective strategic planning is one of the most important things you can do as a leader. Done correctly, it actually saves time and makes your job easier!

A strategic plan is a roadmap to long-term success

Associations are designed to evolve over time to ensure value and relevance to their members. Markets change, technologies change, and member expectations change ... and the association has to change with it. As a leader, your job is to contribute to the long-term success of the association and leave it better prepared for the future than when you began your service.

An effective strategic plan identifies priorities and charts the course for long-term success. Where does the association need to be in three, five, or 10 years to maximize its value to members? Not only does planning allow the association to determine the steps towards achieving long-term success, but

it also protects the association from being reactionary and losing focus. Without an effective strategic plan, an association can too easily lose focus on the activities that contribute to achieving important goals.

A strategic plan enhances organizational alignment

An effective association is aligned from top to bottom to ensure everyone is working together to reach the goals of the organization. Leaders and key staff work together to identify priorities, opportunities, and threats and develop the association's strategic goals for long-term success. Those goals, in the form of the strategic plan, guide the association's budget and allocation of resources. Together, the strategic plan and the budget direct the association's board of directors, committees, and staff to ensure that every level of the organization is focusing its efforts on a common end goal.

A strategic plan simplifies the decision-making process

Association leaders have to make a lot of decisions. When organizational alignment is not achieved, those decisions are often based on individual interests or sales pitches for the newest shiny object that may have no impact on the association's mission. Conversely, an organization aligned through a strategic plan will face far fewer distractions, as leaders,



committees, and staff ask themselves whether each proposal fits the strategic plan. If the answer to that question is yes, the proposal goes forward to the board of directors or other decision-making body. The same question can guide board members as they deliberate on proposals brought before them. The association's limited resources can be allocated according to whether the proposal fits into the strategic plan and the priorities within the plan.

A strategic plan communicates value to members

Perhaps most important, a strategic plan answers the question: "Why should I be a member?"

The association exists to offer its members valuable, relevant services and resources that contribute to members' success. A strategic plan clearly articulates the association's values and how it intends to allocate its resources to that cause. Don't miss the opportunity to develop a great plan and answer that question for the members you serve.



VISION

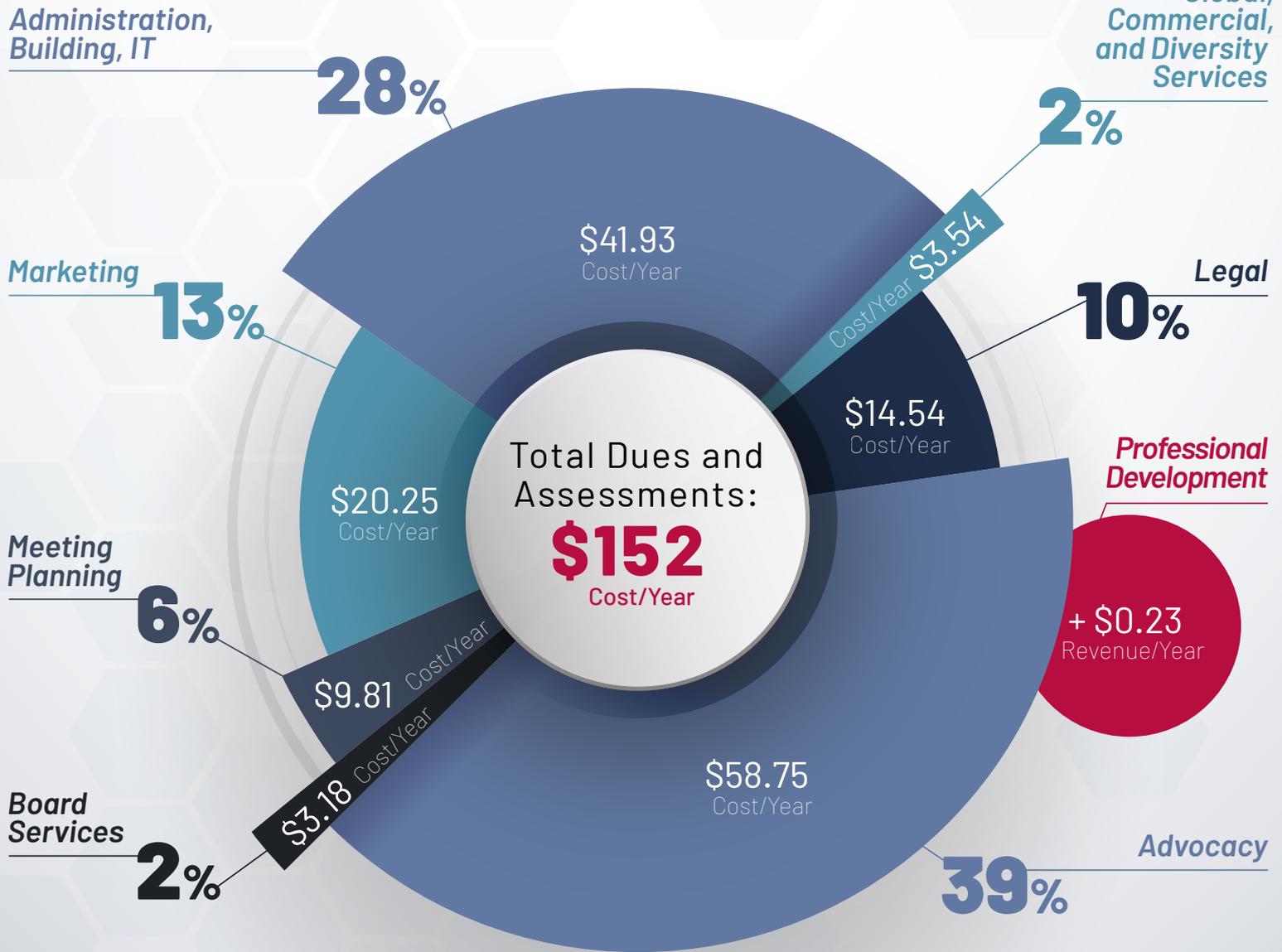
Five things to consider when creating your strategic plan

1. Put together a forward-thinking team. Include members who represent a broad array of perspectives. While experienced members and past leaders are valuable, strategic plans focus on the future, so include visionaries, newer members, and members who embrace new ideas and technology.
2. Consider what members have to say. Solicit member input through a survey. Dedicate time during your planning session to really consider with an open mind what your members are saying. Remember that perception is often as important as reality. Don't forget to report back to your members. Texas REALTORS® staff can help facilitate member surveys at no charge.
3. Choose an experienced strategic planning facilitator. Find an outside facilitator who is experienced and knows the REALTOR® organization. It's critical for AEs and board leadership to participate in the planning process, so bring in someone who is skilled at bringing out ideas and discussion without the potential for bias. Texas REALTORS® staff is happy to help and has facilitated dozens of strategic planning sessions.
4. NAR's Core Standards requires associations to annually adopt a strategic plan. It's important for any organization to plan for the future and create actionable steps to ensure value and relevance to its members or customers. That's why the National Association of REALTORS® included strategic planning in its Core Standards requirements for state and local associations. NAR offers toolkits and resources for strategic and business planning at nar.realtor/ae/manage-your-association.
5. Keep it at the 50,000-foot level. Strategic plans are about setting goals and establishing actionable benchmarks, but they are not the place for tactical checklist items. That's what your committees should establish based on the goals in your strategic plan and your budget. In fact, an effective strategic plan can even fit on one or two pages.



WHERE DO MY DUES GO?

2020



Administration, Building, IT

- 70+ full-time staff to serve members
- Headquarters building across from state Capitol
- Technology to support members and staff

Board Services

- Code of Ethics enforcement
- Arbitration and ombudsman services
- Support of 74 local associations
- Management of 14 MBM boards

Advocacy

- Unparalleled advocacy for REALTORS® and property owners
- Support of REALTOR®-friendly candidates
- Issues Mobilization support for local and statewide real estate campaigns

Marketing

- 10 issues of Texas REALTOR® magazine
- Texasrealestate.com website for members and consumers
- Advertising & PR promoting REALTORS®
- 25+ discounts and free services for members

Global, Commercial, and Diversity Services

- Services for global and commercial members
- CRE reports for 60+ markets
- Economic development initiatives
- Diversity and inclusion initiatives

Professional Development

- 4,800+ classes per year
- 42,000 members taught annually via in-person, online, and live-video courses
- Texas REALTORS® Leadership Program - 200 emerging leaders per year
- Support of 19 designations and certifications - 4 are Texas-specific

Meeting Planning

- Texas REALTORS® Conference - 2,000+ attendees
- Texas REALTORS® Winter Meeting - 1,000+ attendees
- 100+ meetings annually for committees and other member groups

Legal

- Legal Hotline - 20,000+ calls/year
- 130+ members-only contracts/forms
- 15+ risk reduction manuals
- Legal webinars
- Legal Defense Fund

How to Run a Successful Meeting

It's not a matter of luck. Planning and execution will make your gatherings more effective.

Why is it important for your local association to have meetings? Not only do most corporate state laws require it, but it's where you conduct business. In other words, it's where stuff gets done.

In fact, Texas law requires that your association hold an annual meeting of the members unless your bylaws provide for more than one regular meeting each year. Other meetings can include director meetings, committee meetings, and meetings of other association groups. Regardless of what type of meeting you're having, follow the tips below on how to run a successful meeting for your local association.

Planning

The first thing you should do before a meeting takes place is plan for the meeting. Provide sufficient notice, create the agenda, and distribute materials in advance.

You must follow the notice requirements in your bylaws for regular and special meetings. Written notice must include the place, date, and time. If the meeting is a special-called meeting, the written notice must also include a purpose. This allows the intended audience

to be notified in advance and to ensure a quorum is present.

A quorum is the minimum number of people who must be present to conduct business. Generally, you have a quorum when a majority of the number of people with voting authority for that body are in attendance, but be sure to check your bylaws for how a quorum is defined for your association. For example, if your bylaws call for a majority and your board of directors consists of 40 members, 21 members must be present. A committee with 13 members must have seven members in attendance.

Agenda

The agenda lists the topics to be discussed at the meeting. Preparing an agenda ahead of the meeting provides structure to the meeting and prevents unrelated topics from being discussed during the meeting. Providing the agenda prior to the meeting allows members to review discussion items ahead of time and come prepared. It also helps you start and end the meeting on time.

Purpose

Successful meetings have a purpose, and it

should be related to association business. Be sure there is a reason to meet and only call meetings as needed.

Participation

As a leader, you're required to attend regularly scheduled meetings. Your fiduciary duty of care requires you to prepare for, attend, and pay attention during meetings. You should have already reviewed the agenda and materials prior to the meeting. It is also important to arrive on time.

Etiquette

A meeting is a place for members to share and discuss ideas. Follow these tips for proper etiquette during meetings:

- Ask questions
- Invite discussion
- Encourage participation
- Respect people and ideas
- Listen carefully
- Refrain from distractions.

Recordkeeping

A written record, or minutes, should be recorded for every meeting and should include the time, place, and date of the meeting. Complete and accurate minutes are essential because meeting minutes are an official record of actions taken at a meeting. This will protect those in attendance and the local association.



Keep these meeting tips in mind

Confidentiality. Meetings are a safe place for open discussions without fear of information leaking. Ensure confidentiality if required. If you're uncertain about whether a discussion item is confidential, seek advice from your local association's legal counsel.

Avoid antitrust. Be mindful of possible antitrust violations (see the article on antitrust on page 26).

Understand rules of order. Know the basics of parliamentary procedure and review your bylaws to ensure proper procedure is followed. Your bylaws may reference the latest edition of Robert's Rules of Order.

Following Parliamentary Procedure

Robert's Rules and other procedures make your meetings better for all involved.

Parliamentary procedure enables a governing board to efficiently make orderly decisions while ensuring that all the members of the board have an opportunity to express their opinions. Here are some basic parliamentary rules to help you navigate association board meetings.

Meetings

Every meeting needs:

- Chair - someone to preside over the meeting
- Secretary - someone to record the meeting
- Quorum - the number of people required to make a decision that will affect the entire membership. Check your bylaws to know your board's quorum requirements.

Sometimes, meetings need notice. Your association's bylaws likely contain provisions requiring voting members to receive notice of certain types of meetings, or meetings that will include certain actions. For example, notice may be required for:

- Special-called meetings
- Consideration of proposed amendments to the association's bylaws
- Consideration of suspending or expelling a member.

Minutes

Minutes are a written record of what was done in the meeting. The approval of minutes requires only unanimous consent; it is not necessary to pass a motion to adopt the minutes.

Minutes should contain:

- Type of meeting that occurred (regular or special)
- Name of the governing body
- Date, time, and place of the meeting

If the minutes were not provided to the members of the body ahead of the meeting, the minutes should be read aloud to the body prior to approval. If the minutes were provided prior to the meeting, they do not need to be read aloud.



- Presence or absence of the chair and secretary; names of their substitutes
- Previous minutes read and approved
- Motions
 - According to Robert’s Rules of Order, the name of the maker of the motion should be stated in the minutes. However, some bodies omit the name of the maker of the motion and only record the motion, that the motion was properly made and seconded, and the outcome. If your association prefers to follow this procedure, it may be prudent to adopt a standing rule that minutes will not record the name of the maker of the motion.
 - The minutes should not include details regarding discussion of the motion.
- Notices of motions for future meetings
- Time of adjournment.

Have your local association counsel review meeting minutes as necessary and be sure to properly discard any drafts or notes.

Motions

The procedure for handling motions consists of these steps:

- A member of the body is granted the floor (recognized) by the chair.
- The member makes a motion: “I move that ...”
- Another member seconds the motion: “I second” or “I support” is sufficient.
- The chair restates the motion to ensure all members of the body understand the motion.
- The chair opens the floor for debating the motion (discussion) and ensures all members have an opportunity to speak on the motion.
- The chair puts the motion to a vote.
- The chair announces the result of the vote.

Minutes are a record of action taken at a meeting, not a record of what was said during discussion.

FOLLOWING PARLIAMENTARY PROCEDURE

Amendments to motions

If an amendment to a motion is offered, the amendment takes precedence over the motion. The amendment must be adopted or defeated before the motion can be voted on. If the amendment is adopted, the main motion is then taken up, as amended. If the amendment is not adopted, the main motion is then taken up without the amendment.

The so-called friendly amendment

There is no such thing as a friendly amendment to a motion. Even if the author of the main motion agrees with the amendment, the amendment must be debated and passed prior to it being made part of the main motion. The maker of the main motion cannot unilaterally accept it.

When a motion is not necessary

A motion is not needed:

- To approve a previous meeting's minutes
- To adjourn the body.

Both of these actions can be approved by unanimous consent of the body.

Voting

There are various ways to take votes at meetings. Votes are generally taken by voice vote: "All in favor say aye" and "All opposed say nay." If that type of vote does not indicate a clear result, other types of voting may be necessary. These include a rising vote, a counted rising vote, and a vote by ballot or roll call.



Who is Robert?

Robert's Rules of Order is a standard set of rules that enables you to run orderly meetings and provide fairness to all members of the governing body. Many local associations have adopted Robert's Rules of Order as the parliamentary authority governing association meetings. Check your bylaws to see which rules rule your meetings.



Texas REALTORS® Legal Fund

We have your back

If you get sued or need to bring legal action—and the litigation involves an issue that could affect all Texas REALTORS®—you may be eligible for assistance from the Texas REALTORS® Legal Fund.

Approved applicants receive monetary assistance or other types of support, such as the association filing a friend-of-the-court brief in your case.

Even if you have the good fortune to avoid lawsuits, you still benefit. The Texas REALTORS® Legal Fund has helped members win court cases about square-footage, disclosure, copyright, and many other legal victories that set precedent to protect all REALTORS®.

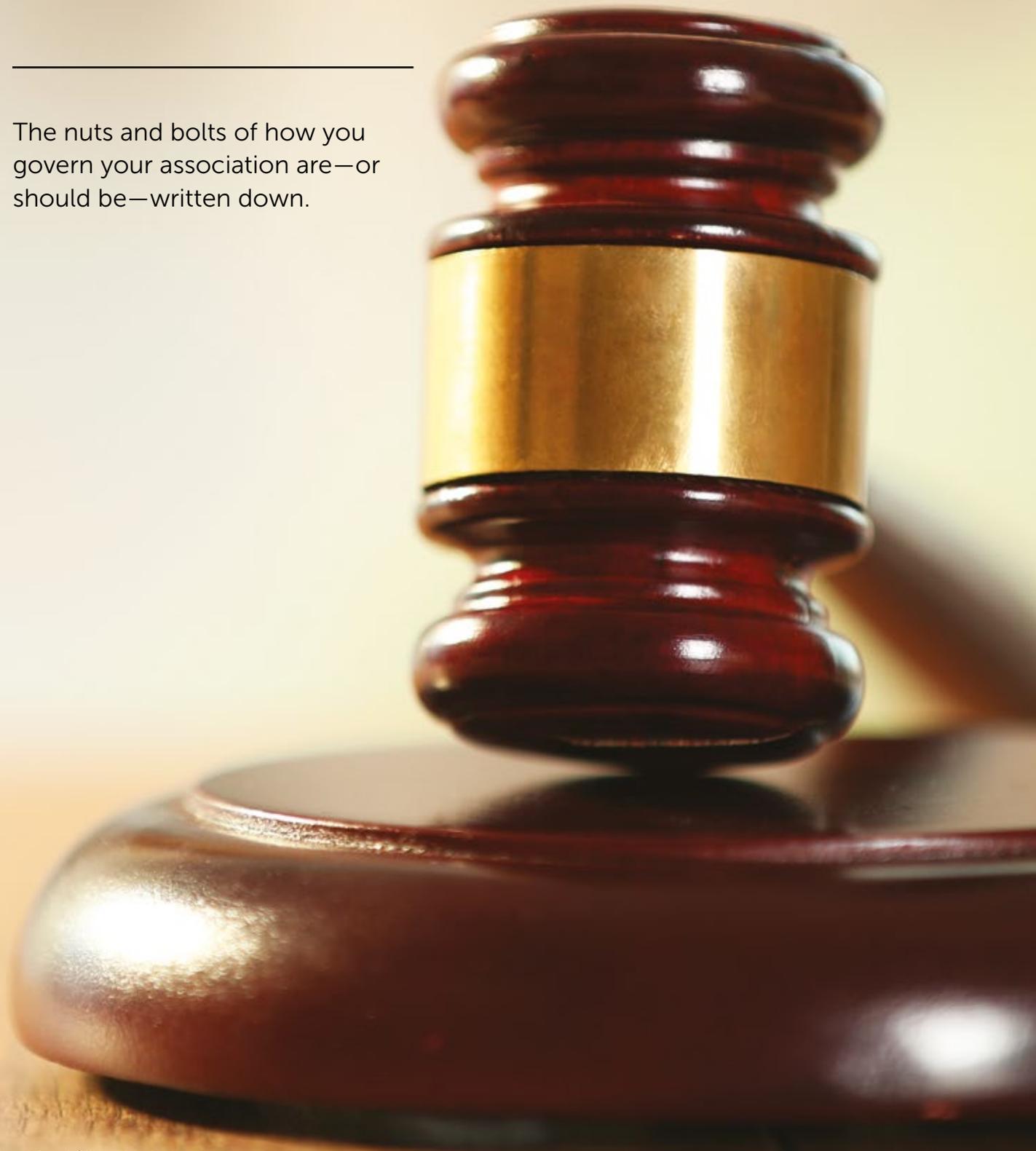
Learn more and apply at
texasrealestate.com/legalfund



GOVERNANCE

Governing Documents

The nuts and bolts of how you govern your association are—or should be—written down.



Written policies can provide association staff and volunteers with information needed to properly run the association and protect the association from potential legal liability. The documents listed below are essential to create and run an association.

- **Articles of incorporation** - a set of documents filed with a government body to legally document the creation of a corporation
- **Bylaws** - a set of rules and guidelines adopted by the governing board that must be followed by the association's leaders, members, and staff
- **Strategic plan** - a document that sets out the association's goals
- **Budget** - a financial document that outlines the financial parameters and sets the association's priorities
- **Policies** - the guidelines adopted by the association's governing board to carry out its mission
- **Procedures** - the specific methods employed to carry out the association's policies
- **Policies and procedures manual** - a collection of documents of the association's policies and the procedures for following those policies.

Here are some areas for which your local association should consider adopting a policy to help reduce risk for the association.

Financial

A financial policy provides guidelines for how the association's money is safeguarded and spent. A financial policy should answer these questions:

- Who approves the budget?
- Who has check-signing authority and how many signatures are required?
- Who controls the bank accounts and investment accounts?
- Which staff hold credit cards, if any?
- What type of expense reporting is required?
- Where is petty cash kept and how is it secured?
- Who determines the accounting system?
- What are the audit procedures?

Confidentiality

A confidentiality policy educates the association leaders and informs members regarding what information the board members and staff will keep confidential and the repercussions for anyone who violates the confidentiality policy.

Social media

Many times, association leaders don't realize that their online communications are perceived to represent the views of the association. A social media policy:

- Establishes rules for association leaders who are engaged in social media
- Provides control of the association's online presence
- Safeguards the association's reputation.

Conflict of interest

A conflict of interest policy protects the association by addressing the following questions:

- Could your association members or employees use their positions for private gain, to advance personal interests, to obtain favors or benefits for themselves, members of their families, other individuals, corporations, or business entities?
- How do you define a conflict of interest?
- Who determines a conflict of interest exists?
- What steps must a leader with a conflict take to protect the association?

Whistleblower

A whistleblower policy can be used to encourage staff and volunteers to come forward with credible information on illegal practices or serious violations of adopted policies of the association. The policy should confirm that the association will protect the person from retaliation and identify where such information can be reported.

Fraud

Associations have faced instances of misuse of funds and theft of association property. A fraud policy can deter these types of unacceptable behaviors and lay

GOVERNING DOCUMENTS

the framework for how the association will investigate suspected fraudulent activity. A fraud policy should include elements such as:

- What activities are prohibited
- Who is responsible for reporting suspected fraudulent activity
- Who is responsible for conducting a fraud investigation
- How a fraud investigation will proceed.

Privacy

A privacy policy should state the ways the association gathers, uses, discloses, and manages members' data. Having a written policy fulfills a legal requirement to protect a person's privacy and can be used as an education tool for association staff and volunteers regarding how to handle private data.

Record retention and destruction

A record retention policy helps the association minimize risk by ensuring that neces-

sary records and documents are adequately protected and maintained. It also ensures that records that are no longer needed are discarded properly and at the proper time. The policy should limit distribution of documents so that only those who need to see them do. Clearly delineating what documents should be kept or destroyed prevents documents—especially those that could be misinterpreted or that are confidential—from being subpoenaed or used against the association.

Have you seen our Governance Toolkit?

Texas REALTORS® has created model policies that may be adopted by local associations. The goal of the Governance Toolkit is to assist local associations in reducing risk and to remain on top of local association governance. Be sure to check out the Governance Toolkit at texasrealestate.com/members/for-aes/governance/policies-resources/ and check back regularly for updates.





BASIC PRINCIPLES OF THE NAR CODE OF ETHICS

1. Protect and promote your client's interests, but be honest with all parties.
2. Avoid exaggeration, misrepresentation, and concealment of pertinent facts. Do not reveal facts that are confidential under the scope of your agency relationship.
3. Cooperate with other real estate professionals to advance your client's best interests.
4. When buying or selling, make your position in the transaction or interest known.
5. Disclose present or contemplated interest in any property to all parties.
6. Avoid side deals without your client's informed consent.
7. Accept compensation from only one party, except with full disclosure and informed consent.
8. Keep the funds of clients and customers in escrow.
9. Assure, whenever possible, that transactional details are in writing.
10. Provide equal service to all clients and customers.
11. Be knowledgeable and competent in the fields of practice in which you ordinarily engage. Obtain assistance or disclose lack of experience if necessary.
12. **Communicate honestly and present a true picture in your advertising, marketing, and other public representations.***
13. Do not engage in the unauthorized practice of law.
14. Be a willing participant in Code enforcement procedures.
15. Ensure that your comments about other real estate professionals are truthful, and not misleading.
16. Respect the exclusive representation or exclusive brokerage relationship agreements that other REALTORS® have with their clients.
17. Arbitrate and mediate contractual and specific non-contractual disputes with other REALTORS® and with your clients.

***Which article is the most violated in Texas?**
Article 12 is the most violated article.

How to Avoid Problems With Article 12

- Portray a true picture in your advertising materials. This includes online content, social media, images, and domain names.
- Ensure that your status as a real estate professional is readily apparent.
- Disclose the name of your firm in a reasonable and readily apparent manner. A team name alone is not enough.

NOTE: These tips are only for the NAR Code of Ethics and do not cover TREC advertising requirements.

For the full text of the NAR Code of Ethics, visit: [texasrealestate.com/code](https://www.texasrealestate.com/code)

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GOVERNANCE

Core Standards

How to ensure your association meets this NAR requirement.

In your role as a leader, you may rely on your association executive to complete your Core Standards. However, it's a good idea to know what these requirements entail and how you can help your association satisfy them. Failure to meet the Core Standards can result in loss of charter status for your local association.

What are the NAR Core Standards?

Each local and state association must meet certain standards as a condition of membership in NAR. There are six categories of requirements:

- Code of Ethics
- Advocacy
- Consumer Outreach
- Unification Efforts and Support of the REALTOR® Organization
- Technology
- Financial Solvency.

If you've glanced at the standards, they can seem overwhelming. When you take a good look, though, you may realize that your association has completed or already begun much of what must be done.

Code of Ethics

For associations in Texas, this is the easiest of the standards to meet. Why? Because Texas REALTORS® has a cooperative agreement with each local association to provide professional standards services to enforce the Code of Ethics and provide arbitration and member services to all 75 local associations in Texas. Texas REALTORS® also has a state Professional Standards Committee composed of members from the local associations.

However, your local association still must do

the following:

- Track member compliance with the 2.5-hour requirement of training on the REALTOR® Code of Ethics for new and existing members
- Provide a link on your local association website to the NAR Code of Ethics/Professional Standards resource.

Advocacy

Each association must either include in their dues billing an item with a voluntary contribution for TREPAC in an amount adequate to meet NAR-established fundraising goals or deliver to NAR the full amount of NAR-established goals contributed by whatever legal means are determined to be in the best interest of the local association.

Each association must share with its members information from NAR and Texas REALTORS® regarding the value of investing in and the benefits received from participation in RPAC at all three levels. Many local associations meet this requirement simply by adding information on TREPAC to the association's newsletter or including TREPAC presentations during membership meetings. You must also promote participation in NAR calls for action and state calls for action, if applicable.

Also under Advocacy, each association must support the REALTOR® Party's "Vote, Act, Invest" goals. The requirements include the following:

- **Vote** - two initiatives or activities encouraging voting and/or voter registration
- **Act** - two initiatives or activities on a

CORE STANDARDS

local political issue or supporting a local REALTOR®-friendly candidate

- **Invest** - two initiatives or activities demonstrating an investment: TREPAC activities are the best way to satisfy the requirement in this category.

Examples of initiatives and activities satisfying this requirement can be found in the Texas REALTORS® Core Standards Compliance Guide.

Consumer outreach

This standard is another easy one to complete, as most associations already engage in consumer outreach. This standard requires each association to annually demonstrate engagement in four meaningful consumer

engagement activities, including at least two each in the following two categories:

- Voice of Real Estate - Promote market statistics and/or real estate trends and issues
- Community Investment - Promote the value proposition of using a REALTOR® and/or engaging in community activities that enhance our image, such as organizing volunteers for a charitable cause or conducting fundraising activities to benefit the local community or charitable organizations.

Keep in mind that a minimum of two activities are required for each of these categories for a total of four meaningful consumer engagement activities.

Technology Core Standards

Every association must have an interactive website that:

- Provides access to professional standards and arbitration-filing processes
- Includes links to the websites of the other levels of the association for promotion of member programs, products, and services
- Allows for an email and/or internet-based means for member communication.

Financial solvency

Each association must adopt policies to ensure the fiscal integrity of your financial operations. These policies might cover topics such as:

- Fraud awareness and prevention
- Budgeting
- Dues collection
- Financial information disclosure

- Officer, member, and staff travel
- Investing
- Reserve levels
- Payment policies
- Compliance reporting
- Compensation
- Revenue recognition
- Asset capitalization
- Financial reporting
- Conflicts of interest
- Whistleblower
- Document retention.

In addition, each association must have an annual audit or review conducted by a CPA. If your association's annual gross revenue is less than \$50,000, including MLS-generated revenues and revenues from other business subsidiaries, you are permitted to have a financial compilation conducted instead of an audit or review.



Unification efforts and support of the REALTOR® organization

Every association must do the following:

- Ensure that MLS bylaws, if incorporated, and MLS rules and regulations are reviewed by NAR at least every two years. (Starting in 2018, NAR removed the requirement for associations to submit bylaws for review. The association must, however, certify that your association bylaws include mandatory provisions that NAR requires to be adopted verbatim.)
- Maintain or have access to legal counsel. Remember the Texas REALTORS® Legal Department does not satisfy this requirement. Your association needs to have its own legal counsel.
- Ensure that the association's policies and procedures conform to local, state, and federal laws, including the filing of necessary documents, such as tax returns and corporate documents. Your legal counsel can assist with this.
- Annually certify that your board of directors has reviewed and discussed the association's business or strategic plan.

You can review the Texas REALTORS® Core Standards Compliance Guide at texasrealestate.com/wp-content/uploads/secure/for-aes/ComplianceGuide.pdf for detailed assistance regarding the standards.

- Ensure that your chief paid staff person attends at least six hours of REALTOR® association professional development on an annual basis. Many of your AEs attend NAR's AEI or the Texas REALTORS® AE Seminar to satisfy this requirement.
- Annually offer, promote, or provide at least one professional development opportunity for your members. This doesn't mean you must sponsor education, but you must make members aware of educational opportunities available to them.
- Adopt policies and procedures for conducting annual performance reviews of your chief paid staff person and annually certify that a performance review was conducted.

What has changed for 2020?

The sixth Core Standards Compliance Cycle deadline is December 31, 2020. The sixth cycle changes are as follows:

- In light of the social distancing and stay at home orders, travel restrictions imposed by the current pandemic, and out of an abundance of caution for members and association staff, the NAR Leadership Team approved suspension of the following sections:
 - o **Section 2, Standard E:** Every association must support the REALTOR® Party’s “Vote-Act-Invest” goals, and must annually conduct at least two initiatives or activities furthering or supporting each of those three goals respectively.
 - o **Section 3, All:** Every association will demonstrate engagement in at least four meaningful consumer engagement activities annually, including at least two activities demonstrating how the association is the “Voice for Real Estate” in its market, and at least two activities demonstrating the association’s involvement and/or investment in the community.

In the compliance tool, a disclaimer note should appear stating the following: Note: The Core Standards requirements for Section 2, Standard E, and all of Section 3 are waived for the current cycle ending December 31, 2020. Associations are encouraged, but not required, to complete these standards for the current cycle.

Does that mean you cannot satisfy those areas? No. NAR has compiled examples of how you can still meet those standards in a social distancing environment. View examples at <https://www.nar.realtor/system/files/files/Core-Standards-Physical-Distance-Activity-05-22-2020.pdf>.



Enhance Your Professional Development

The Graduate, REALTOR® Institute (GRI) designation is a nationally recognized yet state-specific designation that sets members up for success and longevity in the real estate industry. Be the first association to have all members earn the GRI by either scheduling a live class or participating through broadcast!

The Texas REALTORS® Leadership Program (TRLP) is a highly touted training program recognized for producing strong leaders for their association. Discover how your association can offer this program of strength and leadership to your next generation of REALTORS®!

Grow your members' knowledge by having your association participate in broadcast classes. It's risk-free, members receive great information from quality instructors, it satisfies the Core Standards requirement for professional development offerings, and your association can even increase their education revenue through minimal administrative effort.

Did you know Texas REALTORS® Professional Development can handle course administration for your association? You'll no longer need to take staff or volunteer time for record keeping, processing paperwork, or grading exams.

Do you have an excellent educator in your area whose expertise and classroom engagement deserves statewide recognition? How about an education program that's a cut above the rest? Give the credit your instructor or education program deserves. Submit an Educator of the Year or Education Program of the Year nomination in the Awards section of texasrealestate.com.

Have questions? Contact Texas REALTORS® Professional Development for more details.

education@texasrealtors.com
800-873-9155



Your obligation to put the association's interests first

In your role as an association leader, you owe a fiduciary duty to the association. That means you have a legal responsibility to act for the benefit of the association and protect the association and its assets.

Your fiduciary duty to the association requires you to make careful, good-faith decisions in the best interests of the association. You represent the entire membership of your association—not any single member or group of members—and must always place the general welfare and best interests of the association first.

As a fiduciary to the association, you owe the association the duties of care, loyalty, obedience, and confidentiality.

Care

The duty of care requires you to stay informed. While you are not required to be an expert on all matters that come before your board, the duty of care does require you to be informed about such matters before making decisions on them. Informed decision-making requires you to prepare for and attend meetings, exercise independent judgment when voting, and to stay educated on matters.

Loyalty

The duty of loyalty requires that you act honestly and in good faith in the best interests of the association. This means that you are not allowed to profit from your leadership

position, and you should not put your own, or anyone else's, interests above the association's interests. You must not:

- Take advantage of the association's opportunities for your own personal gain
- Engage as a board member in transactions in which you have a personal interest without both disclosure to the board and approval of the board.

Obedience

The duty of obedience requires you to remain faithful to, and pursue the goals of, the organization. This means you avoid taking actions that are beyond the scope of the association's powers or the law. This duty requires you to:

- Follow the bylaws, policies, and other governing documents of the association
- Follow the law
- Support decisions of the association's board of directors.

Confidentiality

This duty restricts how you can share information and with whom you may share it. The duty of confidentiality exists regardless of whether your association has a written confidentiality policy. Confidential matters include

Do You Have Personal Liability?

In Texas, the business judgment rule shields a director from personal liability for the actions of the association. The director must have acted in good faith and in accordance with the bylaws and policies of the association in his or her decision-making on behalf of the association.



matters relating to professional standards proceedings, employment issues, legal advice received from the association's counsel, information received from others, contract negotiations, and other sensitive information shared in closed meetings.

Know your role and the board's role

As a member of the governing board of your association, you have a responsibility to:

- Be familiar with the association's bylaws, policies, goals, and strategic plan
- Prepare for, attend, and actively participate in board meetings
- Support decisions made by the board
- Stay current on industry issues and trends
- Ensure confidentiality of matters discussed at board meetings.

The governing board of your association has a responsibility to:

- Determine, understand, and carry out the association's mission
- Ensure organizational planning and goal setting for the association
- Manage the association's resources
- Monitor programs and services offered by

Your fiduciary duty to the association requires you to make careful, good-faith decisions in the best interests of the association.

the association

- Promote the association's image
- Ensure the legal and ethical integrity of the board's actions
- Support the association executive
- Recruit new leaders.





Antitrust

Make sure monopolies are restricted to the board game.

Antitrust laws are aimed at protecting competition and preventing monopolies. The Sherman Act, passed over 100 years ago, is the foundation of federal antitrust laws. For a violation under the act, three conditions must be present:

- 1) Two or more persons or entities
- 2) Carrying out a common plan
- 3) The effect of which is to restrain trade.

Antitrust violations include the following activities:

- **Price fixing:** An agreement among competitors about price, including commissions, referral fees, discounts, promotions, credit terms, allowances, costs, or price ranges.
- **Market allocation:** Agreements among competitors to divide territories, products, or services, or customers, including agreements not to steal clients.
- **Group boycott:** Agreements among competitors not to deal with another person or business—or when there is a concerted refusal to deal with a particular party—such as when two or more brokers agree to refuse to cooperate with another broker in order to force a change in that broker's behavior or to attempt to drive the broker out of business.

Antitrust for association management

An association can be held liable if any of its volunteer leaders use their official positions

to engage in antitrust violations. To avoid violating antitrust laws, associations should prepare an antitrust compliance program and remain aware of the unique business practices of REALTORS® that may trigger an antitrust violation:

- **Competition among associations:** Associations should avoid discussing and agreeing on prices, like dues, because this might appear to be price fixing. Similarly, associations should not agree to allocate the recruiting or acceptance of members in a certain area or members with a particular expertise (for example: commercial expertise). Mergers between associations occur all the time, but a merger intended to create a larger association, free from the complications of competing for members with other associations, may risk violating antitrust laws.
- **MLS:** MLSs should ensure they do not agree on or discuss the fees they charge or intend to charge participants in their respective MLS, as this would be a violation of antitrust laws. If associations share access to or jointly own and operate a regional MLS, agreements on fees or territories each association will operate can definitely bring up antitrust issues. Instead, each association should establish its own process and fees without any discussion or cooperation with other associations. Though there have been

ANTITRUST

allegations of antitrust violations in various locations across the country when it comes to prohibiting non-member access to MLSs, many associations of REALTORS® have been able to successfully defend against those claims. However, some associations have opted to allow nonmember access to their MLS to avoid the issue. Requiring those nonmembers to agree to arbitrate disputes with other MLS participants using the REALTOR® association arbitration system is essential.

- **Maintenance of association records:** The association executive should implement a document retention and destruction policy or system so that documents are not kept any longer than is necessary. Documents may be misinterpreted by someone unfamiliar with their content and context. Private, dual, or secret files of association leaders can be subpoenaed in an antitrust suit, and their contents can be used against the association. A retention and destruction policy, as well as limited distribution of association documents, will help minimize the risk of antitrust violations.
- **Grievance and arbitration proceedings:** Volunteer leadership should ensure that professional standards proceedings are never used to punish or discipline a broker for creating unusual or innovative brokerage practices as a means to keep that broker out of the market.

Antitrust related to members as competitors

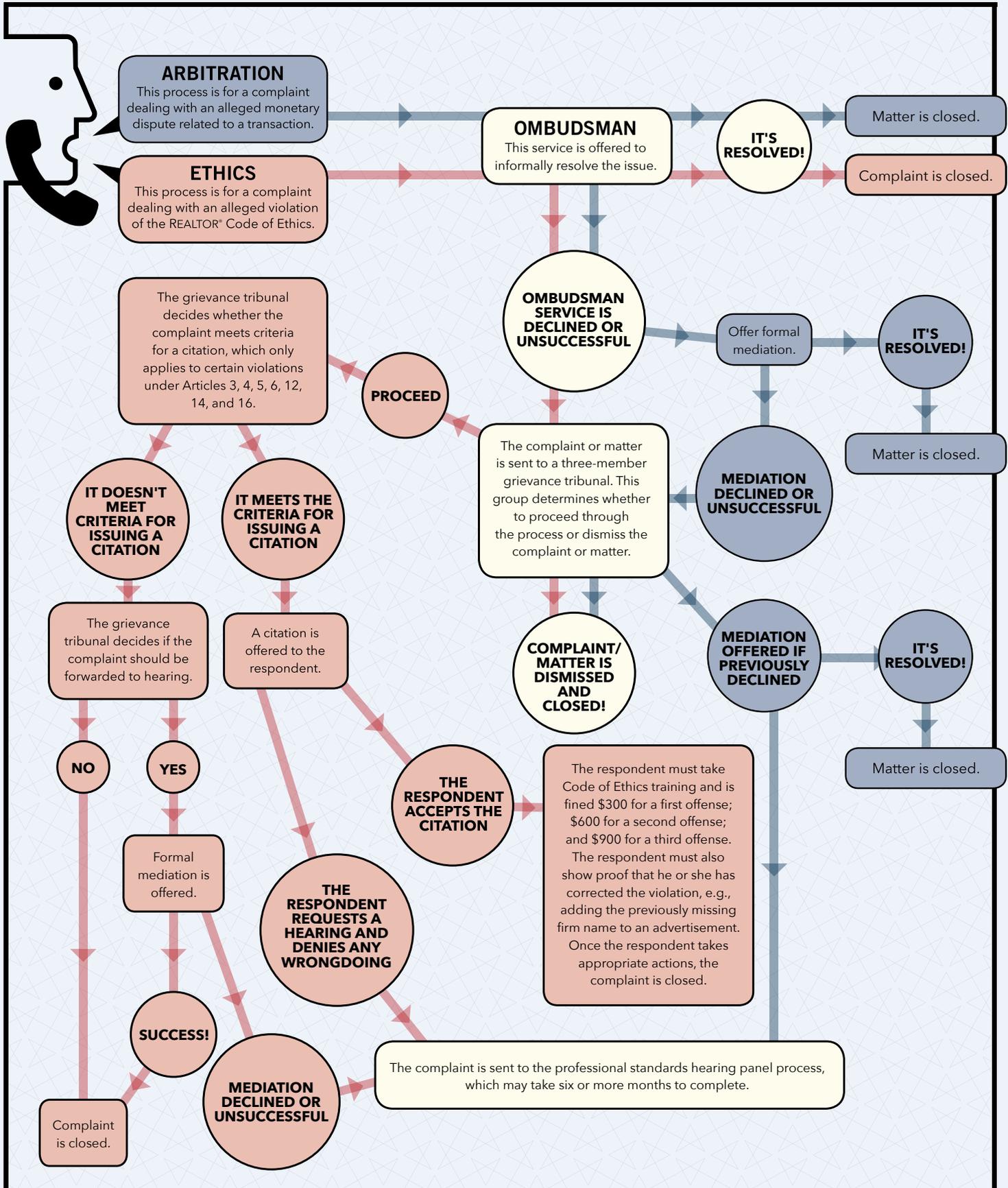
Where are antitrust violations likely to arise? Anywhere two or more members happen to be. Therefore, associations must pay special attention to the conduct and discussions at association meetings, events, and other social gatherings, and on social media.

- **Meetings:** Associations should ensure meetings are held only for legitimate business purposes. Informal meetings should be avoided. The meeting agendas should be specific and sent out in advance. Avoid topics that could lead to agreement among members on prices or boycotts. Members should avoid any agreement (express or implied) that limits each member's right to make independent decisions during the meeting.
- **Social gatherings:** Discussions among members that violate antitrust laws can also occur at association-sponsored social gatherings or other association events, such as TREPAC fundraisers. Associations must be vigilant to ensure that discussions that could violate antitrust laws do not occur before, during, or after an association event.
- **Social media platforms:** Social media groups sponsored by the association can be used in a manner that could violate antitrust laws in the same way that can occur at a meeting. Discussions that lead to agreements on prices or boycotts should be avoided by members using these platforms. Association social media platforms should be monitored by well-trained and responsible association staff who should be able to promptly take corrective action when inappropriate messages are posted.
- **Advertising:** Action by brokers to collectively reduce advertising rates in newspapers and other advertising publications or refuse to advertise in such publications until rates are lowered would most likely constitute an illegal boycott and antitrust violation. Furthermore, creating an advertising publication, like a homes guide, is not on its own an antitrust violation, but an agreement between brokers to only advertise in a homes guide created by a broker, a group of members, or an association or multiple associations may constitute an antitrust violation. Volunteer leadership should stress the importance of all members retaining the freedom to advertise wherever they want.

An antitrust compliance program can work as an association's first line of defense in preventing antitrust violations. Because antitrust laws evolve over time, a comprehensive compliance program that includes regular updating in line with the law is paramount.



PROFESSIONAL STANDARDS PROCESS



Measuring AE Performance

The requirement—and benefits—of assessing the top executive at your association.

The National Association of REALTORS® Core Standards require an annual performance review of the chief paid staff person. The purpose of the review is to allow local leadership to keep a finger on the pulse of your association. A review also fosters a better working relationship between REALTOR® leaders and the top staff executive.

Timing and consistency are key

The annual review should occur in conjunction with the association's fiscal and strategic year and look back at the past 12 months. This annual review provides continuity to ensure the AE's goals are aligned with the association's strategic plan.

Furthermore, the committee or group of people tasked with conducting the performance review should not vary from year to year.

Maintaining the same method and timing year after year helps local leaders track progress in a consistent manner.

Make the process less stressful

Evaluating your AE can be one of the most rewarding activities you will do during your time in leadership of your association. It can also be uncomfortable. Here are some tips to

help alleviate the stress when you sit down to review your AE:

- Take advantage of the opportunity. The AE is the staff member responsible for managing all aspects of your association and should be treated as such. Asking questions about how the association is running and what challenges they have faced will go a long way toward fostering an environment for a successful review and strengthen the connection between staff and leadership.
- Time it for your benefit. Although NAR Core Standards do not set a time frame to conduct a review, a good policy is to have the review at the beginning of your term. That way you can get to know your AE throughout the year and see how performance and goals outlined in the review are being addressed.
- Build the review based on the AE job description. It's difficult to know what needs improvement if you don't know what the AE's job is. Familiarize yourself with that role so you can know where your AE shines. If you don't have a current description of the association executive job, you can ask the Texas REALTORS® Board Services Department for sample descriptions, or you can use NAR's Sample AE Job Profile. A de-

- tailed job description also informs the AE of the association's expectations for that role.
- Keep it professional. Make sure you are focused on job performance and not things derived from opinions or biases. Avoid making personal requests such as the way rooms are set up for association meetings or changes to the coffee served at the association office. These are things that can be discussed outside of the review in a casual, comfortable setting.
 - Base your review on your own observations. Since each person's experience of another person may differ, make sure to avoid hearsay. Instead, base your review on your own observations and the observations of your current leadership.
 - Request feedback. Your AE should be aware of his or her responsibilities and the responsibilities of all other staff. The AE's feedback can be an excellent gauge for you as well.
 - Praise often, criticize little. Constructive criticism should follow the formula of encourage, correct, encourage. Leaving your lead staff feeling supported and redirected will strengthen your association during your leadership term and for many years to come.



Local Political Engagement

Your state association provides several ways for you to engage in your community by supporting candidates and advocating for local issues. As a local leader, you are well positioned to promote these programs and ensure your community sees REALTORS® as leading the charge for real estate advocacy.

How we engage

Texas REALTORS® and TREPAC have several methods for engaging in candidate elections.

TREPAC Direct Contribution

Contributions of hard (non-corporate) dollars directly to a candidate or candidate's campaign; Local REALTOR® associations may submit request forms for TREPAC support in state-level legislative races and local races.

Coordinated Political Activity

In-kind contributions using TREPAC non-corporate dollars done with or at the request of the candidate or the candidate's campaign.

For example, sending a direct mailer, buying yard signs, providing contract labor, sharing a poll, or hosting a meet-and-greet event could be in-kind contributions.

Opportunity Race

A REALTOR®-facing campaign in support of a TREPAC-supported candidate using Texas REALTORS® corporate dollars.

These races are requested by local REALTOR® associations and conducted in candidates' districts by the state association. The Political Involvement Committee, local REALTORS®, and Texas REALTORS® Field Reps concentrate on mobilizing REALTORS® in the district to vote for the supported candidate.

Examples of mobilization include recruiting REALTORS® to hold signs supporting a candidate near a polling location, member-to-member phone banking, direct mail, "REALTORS® For ..." webpages, and email to REALTORS®.

The TREPAC/Governmental Affairs Orientation Guide has more information about conducting candidate interviews and requesting TREPAC support.



Questionnaires for local and state races (PDFs and online version) are at texasrealestate.com/candidateinterviews.

Independent Expenditure (a.k.a. Direct Campaign Expenditure or DCE):

Political communication funded by TREPAC corporate dollars (contributed by Texas REALTORS® or the National Association of REALTORS®) or non-corporate TREPAC dollars that expressly advocates for or against a candidate.

Work with your Texas REALTORS® Field Representative to ensure you're following best practices and meeting key election cycle deadlines.

The term “independent” is critical, as it signifies that the advocacy is not made in cooperation, consultation, in concert with, or at the request or suggestion of, a candidate, candidate’s PAC, or a political party.

Association Executives and Governmental Affairs Directors may request DCEs via texasrealestate.com. Please contact Texas REALTORS® Governmental Affairs Department for details.

Legal note: Spending corporate dollars in coordination with a candidate, candidate’s PAC, or a political party is illegal. TREPAC has protections in place to keep its coordinated political activities separate from its independent expenditures, including different decision makers (TREPAC Trustees and DCE Trustees), different consulting firms, and clearly defined staff roles.

Support pro-real estate candidates

As a local leader, you may be asked, “How does TREPAC decide who to support?” The answer starts with the Texas REALTORS®

LOCAL POLITICAL ENGAGEMENT

Candidate Interview Program, which serves several purposes:

- Encourages your local association to build relationships with candidates and office-holders
- Ensures candidate accountability
- Establishes REALTORS® as experts on real estate issues.

After the filing deadline for an upcoming election, your association should contact all candidates for a local or state race and ask them to complete our candidate questionnaire and schedule an in-person interview.

Their responses will help you determine who to recommend for TREPAC support.

Your leadership in this process reinforces how REALTORS® advocate for real estate consumers and private property rights.

Fight for (or against) local issues

You have access to a fund specifically de-

signed to help local REALTOR® associations act on local issues that affect Texas REALTORS® or private property owners.

The Issues Mobilization Program can help you fight for or against proposed local ordinances, ballot measures, or other issues.

How it works

No issue is too small. Texas REALTORS® wants to help you tackle small problems before they get big. We've provided support as small as \$250 for one newspaper ad.

It's never too early. Tell us as soon as you see an issue looming. It's better to nip issues in the bud well before they come up for a final vote.

Keep in mind that Issues Mobilization will not fund or support a campaign that puts one local association at an advantage over another. Also, the committee doesn't typically approve grants that only pay money to another entity or PAC.

Issues Mobilization application steps

Ask. If you identify a local issue that may warrant REALTOR® engagement, contact your AE and your Texas REALTORS® field rep to determine if the issue is appropriate for Issues Mobilization assistance. Any Texas REALTOR® can identify a local issue; however, all Issues Mobilization applications must come from a local association.

Apply. Download the application at texasrealestate.com/issuesmob and follow the submission instructions. The local association president must sign the application. Texas REALTORS® staff can help you complete the application and develop a campaign plan.

Present your case. You or representatives from your local association may be asked to present your application and plan to the Issues Mobilization Committee for consideration. The committee acts fast, so your presentation could be scheduled for a conference call within a few days after the application is submitted.

Get to work! If your application is approved, assistance may come in the form of political expertise, strategic guidance, marketing, or funding. Texas REALTORS® staff will work with you throughout the campaign.



***Application and details at
texasrealestate.com/issuesmob***

Connect the Dots ... from TREPAC to you



See how your TREPAC investment is your direct link to public policies that protect Texas real estate.



What You Say and How You Say it Make a Difference

Spokesperson training tips for leaders.

Presenting information clearly and effectively is critical in your role as a leader. You have a unique perspective that can influence others to support organizational goals. As a spokesperson, you can boost the visibility of your organization and its members by sharing valuable information and rallying others to take action.

During the spokesperson training class session taught through the Texas REALTORS® Leadership Program (TRLP), instructors share presentation best practices and help hone the talents of association leaders through live practice. Here are a few of the tips shared during that course.

Know your audience

Before you begin to develop your message, be sure you know who your audience is. Think about what makes your topic relevant to them. Ask yourself: “Is there a way to make this meaningful?” and “Why would those in the audience care about this information?” Also be aware of industry jargon. Acronyms you use with your business colleagues will probably not resonate with people outside the real estate industry.

Before speaking to the media on behalf of your organization, get familiar with your association’s communications protocols. Find out who the designated spokesperson is for your organization and learn the process for managing media interviews.

Know your aim

The purpose of your presentation is extremely important in crafting what you will say. What’s the one key takeaway you’d like the audience to get from your presentation?

Some presentations are designed to influence audience members to respond to a specific call to action, while others are intended to create awareness through the sharing of new information. Knowing your aim will help you construct your message and decide which stories to include. Sharing personal experiences, imagery, and analogies throughout your presentation also supports your purpose and enables audience members to visualize key concepts more vividly. Most presentations begin with a strong introduction followed by three to five supporting points and a conclusion that summarizes your talk.

Know how to prepare

You've heard the saying that practice makes perfect. While perfection shouldn't be your objective, taking time to practice helps you get comfortable with your content and key messages. Speaking concisely requires preparation. It's been said that professional public speakers can spend two hours preparing for each minute they expect to speak. If possible, practice your presentation before a live audience of friends or family. Remember to time your rehearsal to ensure that your presentation fits within the allotted time-frame, too. Doing so will help pace your messaging. After your practice presentation, ask your mock audience to provide feedback.

In addition to practicing your presentation, ask about the room layout and technical tools available to you. Plan to arrive at the venue early to get comfortable with your surroundings and test audio/visual tools.

In your position and in your profession, remember that you are always connected to the REALTOR® brand. Thank you for representing the professionals who make up our association.



Before you begin to develop your message, be sure you know who your audience is.





LEADERSHIP

What Does it Take to Become a Great Leader?

Wanting to excel is only the beginning.

There are many types of leaders, but leadership style itself doesn't make a leader great. What distinguishes a leader is often a combination of characteristics—some of which are hard to define. Here are some of the qualities that can be identified in most successful leaders.

Great leaders have a map

A leader sets goals and has a plan to achieve them. Don't let your association wander aimlessly. Create a strategic plan and guide your staff and membership in the direction of that plan.

Great leaders foster an environment for great followers

A great leader inspires others. Team-minded, an outstanding leader discovers the strength of each person on the team and combines those strengths to the fullest benefit of the association. Delegate work to others and trust them to get the job done. Cheer them on constantly and help them discover the greatness within themselves.

Great leaders are the tie that binds

Are you ready to pull very different people together? Include everyone rather than excluding anyone. An effective leader recognizes that diversity is a valuable key to strengthening any effort. Create an environment of inclusiveness and cooperation among peers. Try to avoid anyone being overlooked.

Great leaders expect the best and deliver the best

When you provide an example to others that you follow the highest standards of honesty, ethics, and accountability, you foster integrity and responsibility by others. If you make a mistake, own it, correct it, and move forward. Great leaders don't dwell on their own failings or the failings of others.

Great leaders look for the better way

Greatness requires being open to new ideas, diverse thoughts, and bringing in new people. Avoid the phrase, "That's not how we do it." Instead, keep an open mind so you and your association can continue to grow and improve.

Great leaders listen more than they speak

A true mark of greatness is the ability to view an issue from multiple sides. Often the only way great work can be done is to patiently absorb the multiple possibilities in a scenario before focusing on a resolution.

Aesop said, "A [person] is known by the company he keeps." In striving to be a truly great leader, consider the people around you. Surround yourself with others whose strengths complement yours and who bring different perspectives. Cultivate leadership qualities not only in yourself but also in your peers. Finally, remember that one of the most important attributes of a great leader is the ability to identify and nurture the next generation of leadership.





DIVERSITY

Creating a Diverse, Equitable, and Inclusive Organization

Thoughtful and informed diversity, equity, and inclusion programs have been shown to increase membership in an organization, create new opportunities for members, and appeal to emerging markets. DEI efforts enable associations to be more competitive in delivering relevant resources for its members to help them serve the rapidly evolving consumer landscape and social climate.

What is DEI?

- **Diversity**
 - Diversity is the representation of differences across race, gender, religion, sexual orientation, ethnicity, nationality, socio-economic status, language, disability, age, and political perspectives.
- **Equity**
 - Equity is the fairness within the procedures of governance, access to resources and opportunities provided by the association, and addressing the root causes of disparate outcomes.
- **Inclusion**
 - Inclusion is ensuring that those who are diverse feel and are welcomed to the degree where they can fully participate in the decision-making and development opportunities with the association.

Why DEI

Many successful organizations implement DEI initiatives as a source of competitive advantage. For others, it is a matter of justice and social responsibility. For all, it is essential to sustainable growth strategies and value creation. DEI measures can be examined internally and externally.

- **Internal**
 - Decades of research on DEI shows an un-

deniable correlation between diversity of teams and level of performance, creativity, resiliency, and progress. Teams in this context, is used broadly to include internal association staff, volunteer committees, and the association's leadership. Prioritizing the diversity of your internal decision-makers and thought leaders will lead to more innovation and long-term member value.

- **External**

- Not only are REALTOR® members becoming more diverse, but so are their clients and the communities they serve. Organizations are realizing that consumer demand for corporate allyship is gaining momentum, and a lack of responsiveness can lead to the loss of relevance and competitiveness in the industry. Research also shows that millennials and Generation Zs place greater emphasis on societal issues and social justice. Millennials and Gen Zs have entered the real estate market and are anticipated to outpace their preceding generations in diversity and transaction potential. Members are already facing challenges of shifting consumer demands and emerging technologies that require them to adapt. Failing to enhance the REALTOR® brand among diverse consumers will directly affect members' future business opportunities.
- The same can be said for attracting new REALTOR® members and the next generation of association leadership. Associations that do not commit to DEI will find it difficult to recruit new members and face long-term sustainability challenges.

DIVERSITY

How to Start: A Step-by-Step Guide to DEI

Diversity is the goal. Inclusion and equity are the tools needed to reach that goal.

Step 1: Inclusion. Conduct an internal audit of how the association is cultivating a culture of inclusion:

- Are your events and communications representing diversity in thought, audiences, interests, and backgrounds?
- Do your committee and leadership demographics reflect the market and your membership?

Example: Collin County's Census Outreach (<https://www.ccar.net/census/>)

The Collin County Association of REALTORS® took an active role in ensuring complete census counts in 2020. CCAR realized that the board's jurisdiction covered diverse populations and that expressing the importance of the census would need to have an inclusive reach. In response, CCAR mobilized its global and diversity committee members to produce videos promoting census participation in 26 different languages. Languages included Arabic, Chinese, Farsi, Portuguese, and American Sign Language.

Step 2: Equity. The audit in Step 1 may uncover processes and procedures that are not achieving diversity. Step 2 focuses on modifying those processes and procedures to create equitable outcomes.

- If committee leadership is mostly homogeneous, is there unconscious bias behind the selection process? Are there changes to the selection process that would reduce bias?
- If your events are attracting the same group of participants, are association activities presented and held in a manner that makes everyone feel welcomed to attend and participate?

Example: Austin's Diversity Report (<http://www.abor.com/wp-content/uploads/2019/10/2019-Diversity-Report.pdf>)

The Austin Board of REALTORS® reviewed its current membership composition, opportunities for leadership advancement, and historical demographics of past leadership and volunteer members. The 2019 findings revealed that the diversity of ABOR's Board of Directors for the past ten years is not reflective of its membership at large nor the greater Austin community. In response, ABOR outlined short-term and long-term strategies to increase diversity at the association, including annual DEI training for new and existing board members and encouraging staff certification in DEI.

Step 3: Diversity. Fix equity issues discovered in Step 2 and foster an environment of continued learning to maintain diversity in association practices and governance.

- Are association staff and leadership knowl-

"We need to engage that diversity. It has to happen, because if we don't, we will become less and less effective as a voice for real estate in our communities."

-Fred Underwood,

*Director of Engagement, Diversity and Inclusion
for the National Association of REALTORS®*

- edgeable enough on DEI topics to measure progress and set future benchmarks?
- If you have a DEI member committee or advisory group, are those members supported in their efforts to make real change?

Example: McAllen's Formation of a Diversity and Inclusion Committee

The Greater McAllen Association of REALTORS® executive leadership recognized a need to better reflect the community that the association serves. Responding immediately, the Nominating Committee acted to reduce bias from its selection process. The Board of Directors further decided to create a Diversity and Inclusion Advisory Council to encourage more examination and safe discussions focused on DEI practices in association activities. The board also agreed to consider

an amendment to the association bylaws, which would formally establish a Diversity and Inclusion Committee at GMAR.

Step 4: Repeat. Successful DEI initiatives are organization-wide and constantly reexamined. Competitive associations and leaders are dedicated to improving existing shortcomings and focusing future progress through a DEI lens. They act despite fears of getting it wrong, receiving negative member reactions, or having uncomfortable conversations.

For more resources, visit texasrealestate.com/inclusion.





Texas REALTORS® MarketViewer Want Data?

As a member of Texas REALTORS®, you get exclusive access to one of the most powerful and accurate real estate data tools on the planet: MarketViewer. This web-based interface enables you to explore real estate data and trends in the geographical areas and market segments you choose.

MarketViewer data comes directly from every MLS in the state. The Real Estate Center at Texas A&M University then applies advanced analytics to remove duplicate listings and correct data entry errors, such as mistyped sales prices. The result is the most comprehensive and accurate data available in the state.

Choose from monthly, quarterly, or annual stats for geographies ranging from the whole state down to ZIP codes and even many individual neighborhoods.

You can even use MarketViewer to generate attractive infographics to share on your social media and via email.

Access MarketViewer at
texasrealestate.com/marketviewer



