



POLICY MANUAL
OF THE
CHICAGO ASSOCIATION OF REALTORS®, INC.

Amended by the Board of Directors – December 2025

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1. ORGANIZATION

101. HISTORY OF THE CHICAGO ASSOCIATION OF REALTORS®

Individuals involved in real estate community met on January 11, 1883, to form the Chicago Real Estate Board (CREB). Representatives of Chicago's most influential brokerage houses met to put some sense of order into the burgeoning real estate and property management industry. Chicago was the 2nd oldest real estate board in the United States (Baltimore is the oldest).

The organization was formed "to secure more system and uniformity in the renting, care, and management of real estate in the city of Chicago; to better protect and promote the interests of those entrusting property to their care; to protect themselves and their clients against dishonest and immoral tenants; and to generally correct existing abuses and to prevent their future occurrence."

Within the first decade of its existence, CREB was in the forefront of legislation creating the Title and Policy work, recording of deeds, supporting the Torrens System of transferring land title and creating the first message and business center titled The Call Board Bulletin.

In 1908, CREB became a charter member of the National Real Estate Exchange (later to become the National Association of REALTORS® (NAR)). CREB was one of the 19 initial local associations to join the National Real Estate Exchange.

With the close of the century, a new landscape and skyline was beginning to merge. Throughout the early part of the new century, CREB members were actively involved in the planning, development, construction and leasing of every major new project within the city. In 1925, the city Zoning Commission reported that twice as many residents lived in apartments as in more traditional forms of housing.

In 1937, the Chicago Housing Authority (CHA) was created to build and manage low-rent housing. The first units to open to the public in 1938 were the Jane Addams Housing Project totaling 304 units. As the Great Depression ebbed, a series of reports between 1937 and 1939 identified a system of subways and super highways radiating from the downtown area.

During the early 1930s, as residents moved to the "outer edges" of the central business districts, neighborhood real estate boards were established to service brokers and agents working in those areas. For a period of time in Chicago, nine different real estate boards existed in the city but only one, the Chicago Board of Real Estate (CBOR), was a part of the REALTOR® family.

The next major turning point within the real estate industry was the creation of the MLS concept. For the first time, beginning in early 1950s, there existed a formal vehicle for the exchange of listing information between competitors.

Throughout the late 1980s and early 1990, CBOR embarked upon a campaign to merge with two of the principal non-REALTOR® entities operating within the city. During a series of long and protracted meetings between representatives of CBOR, NAR, and the Illinois REALTORS® (IR), a merger was agreed upon between CAR and the North Side Real Estate Board. The CBOR and North Side were approved in the fall of 1991 with the merger-taking place in FY 1992. The merged entity officially changed its name to the Chicago Association of REALTORS® (CAR).

CAR then merged in October 2010 with the West Towns Board of REALTORS®, which services Cicero, Berwyn, Stickney and surrounding communities.

102. THE POLICY MANUAL

This Policy Manual (referred to as the Policy and Procedure Manual in the Bylaws) governs the governance and operations of CAR. In the event that a provision of this Policy Manual conflicts with the Bylaws, the Bylaws shall control.

Staff will periodically review this Policy Manual and make recommendations to the Board of Directors on if and how this Policy Manual should be updated.

103. ORGANIZATION

CAR is a trade organization whose primary members are licensed real estate professionals. As a member of CAR, each REALTOR® also belongs to the Illinois REALTORS® and the National Association of REALTORS®.

Membership in CAR is voluntary and is open to active real estate licensees in the state of Illinois. In addition, numerous companies, which offer services to real estate practitioners, are affiliate members of CAR. These members may take advantage of many of the programs and services offered to REALTOR® members.

All REALTORS® subscribe to and uphold a strict Code of Ethics that governs their business behavior in all real estate transactions.

The term "REALTOR®" is a licensed collective trademark which may be used only by members of the National Association of REALTORS® and its local associations.

104. SERVICES

At all three levels of the REALTOR® organization a variety of services are provided to members, including:

- Industry Specialty services – i.e. Commercial and Global real estate
- Education programs and professional designations
- Forms & Contracts
- Information Services, including websites, publications and research programs
- Legislative and political advocacy
- Legal assistance and insurance programs
- Multiple Listing Services
- Dispute Resolution programs
- Business services & products
- Networking and special events

105. GOVERNANCE

CAR is governed by an elected Board of Directors, composed primarily by REALTORS®. Programs are managed by Committees, comprised of REALTOR®, Commercial Forum Subscribers and affiliate members.

106. CORPORATE STRUCTURE

Current corporations include:

- | | | |
|--|-----------------------------|--------------------|
| • Chicago Association of REALTORS® | IL NFP Corporation 501 (c)6 | Formed: 2/21/1883 |
| • CAR Educational Foundation, dba
CAR Foundation | IL NFP Corporation 501 (c)3 | Formed: 10/15/1990 |
| • CAR Business Information Services | DE Business Corporation | Formed: 6/30/2015 |
| • CAR Multiple Listing Service | DE Business Corporation | Formed: 5/19/2015 |
| • Formerly: CARMLS | IL NFP Corporation 501 (c)6 | Formed: 12/7/1933 |
| • Northern IL. Real Estate Information
Network (NIREIN) | IL Business Corporation | Formed: 12/27/1985 |
| • CARPAC | IL NFP Corporation 527b | Formed: 1/17/2007 |

Corporations which are filed and hold historical importance include:

- | | | |
|---------------------------------|-----------------------------|------------------|
| • Cook County Real Estate Board | IL NFP Corporation 501 (c)6 | Formed: 3/6/1908 |
|---------------------------------|-----------------------------|------------------|

- The Chicago Real Estate Board
2/27/1986

IL NFP Corporation 501 (c)6 Formed:

107. STRATEGIC PLAN

The Board of Directors shall maintain a strategic plan and may update the strategic plan as may be appropriate from time to time.

MISSION STATEMENT

The Chicago Association of REALTORS® unites all facets of the industry as a leading advocate for real estate, driving REALTOR® business success and supports the economic development of our diverse communities.

VISION STATEMENT

All REALTORS® and their communities across Chicagoland are vibrant and thriving.

2. MEMBERSHIP SELECTION, APPLICATION, AND DUES POLICIES

201. MEMBERSHIP APPLICATIONS

The Chief Executive Officer, or the Chief Executive Officer's designee, shall create membership application forms to be completed by all individuals applying to be a CAR Member other than for a Hall of Fame membership. The application forms shall require applicants to supply the information sufficient for CAR to determine if an applicant satisfies the requirements set forth in the Bylaws and this Policy Manual for the type of membership being applied for by the applicant.

202. MEMBERSHIP QUALIFICATIONS

REALTOR® MEMBERS

In addition to satisfying all of the qualifications for membership set forth in the Bylaws and this Policy Manual, applicants seeking to become REALTOR® Members must satisfy the following requirements:

1. The applicant is actively engaged in the real estate profession and licensed by the Illinois Department of Financial and Professional Regulation as a real estate professional;
2. The applicant has a place of business within the State of Illinois or within a state contiguous thereto;
3. That the applicant has no record of official sanctions involving unprofessional conduct. No record of official sanctions involving unprofessional conduct is intended to mean that the association may only consider:
 - a. Judgments against the applicant within the past three years of violations of (1) civil rights laws, (2) real estate license laws, or (3) other laws prohibiting unprofessional conduct against the applicant rendered by the courts or other lawful authorities;
 - b. Criminal convictions if (1) the crime was punishable by death or imprisonment in excess of one year under the law under which the applicant was convicted, and (2) 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 that conviction, whichever is the later date

4. The applicant shall, within 120 days after election to membership, complete an orientation course of classroom or online instruction or other approved orientation program covering these Bylaws, and the other rules and regulations of CAR, as well as the Code of Ethics and Arbitration Manual and the constitution, Bylaws, and rules and regulations of IR and NAR, and an additional course of instruction on antitrust and fair housing; provided, however that this requirement shall not apply to an applicant that currently is or was, within the immediately preceding year, a member of another REALTOR® board / association; and
5. The applicant shall, if accepted to membership, must abide by the Code of Ethics and Arbitration Manual and the constitution, Bylaws, and rules and regulations of CAR, IR, and NAR, including the obligation to arbitrate controversies as specified by Article 17 of the Code of Ethics.

OTHER TYPES OF MEMBERSHIPS

In addition to satisfying all of the qualifications for membership set forth in the Bylaws and this Policy Manual, applicants seeking membership other than as a REALTOR® Member must satisfy the following requirements:

1. That the applicant has no record of official sanctions involving unprofessional conduct. No record of official sanctions involving unprofessional conduct is intended to mean that the association may only consider:
 - a. Judgments against the applicant within the past three years of violations of (1) civil rights laws, (2) real estate license laws, or (3) other laws prohibiting unprofessional conduct against the applicant rendered by the courts or other lawful authorities;
 - b. Criminal convictions if (1) the crime was punishable by death or imprisonment in excess of one year under the law under which the applicant was convicted, and (2) 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 that conviction, whichever is the later date
2. The applicant shall, if accepted to membership, must abide by the Code of Ethics and Arbitration Manual and the constitution, Bylaws, and rules and regulations of CAR, IR, and NAR, including the obligation to arbitrate controversies as specified by Article 17 of the Code of Ethics.

ADDITIONAL FACTORS FOR CONSIDERING MEMBERSHIP

The following factors shall also be used to determine whether an applicant qualifies for any type of CAR membership:

1. All final findings of Code of Ethics violations and violations of membership duties in any other board / association within three years immediately preceding the date of the application;
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 board / association or board / association multiple listing service.
6. Any misuse of the term REALTOR® or REALTORS® in the name of the applicant's firm.

203. PROCESSING APPLICATIONS

The Chief Executive Officer, or the Chief Executive Officer's designee, may deny an application for membership if the application is incomplete, the applicant has applied for the wrong class of membership, the applicant has been disciplined, suspended, or had the applicant's membership revoked for any reason by CAR or other professional association, or granting membership would not be consistent with the Bylaws, this Policy Manual, CAR's mission or in keeping with the professional standards of CAR.

204. APPEAL OF MEMBERSHIP DECISIONS

In the event the Chief Executive Officer, or the Chief Executive Officer's designee, denies an application for membership, the applicant may appeal the decision in writing to the Board of Directors by submitting a brief explanation setting forth the reasons the Chief Executive Officer, or the Chief Executive Officer's designee, erred in denying the applicant membership. The Board of Directors shall consider the appeal within 90 days of the submittal of the appeal, and shall notify the applicant of its decision in writing.

205. MEMBERSHIP TERMINATION

A member's membership may be terminated by the Chief Executive Officer or the Chief Executive Officer's designee if a REALTOR® Member's license as a real estate broker, managing broker, residential leasing agent, or certified or duly licensed appraiser has been not renewed, denied, recalled, revoked, or otherwise terminated, inoperative, or inactive by the appropriate licensing authority of the State of Illinois or for any reason, or for violating the Bylaws, this Policy Manual, any other policies and guidelines of CAR, or failing to timely pay dues or any other payments owed to CAR.

206. HALL OF FAME MEMBERS

The Hall of Fame program was established in 1986 to honor REALTORS® and Real Estate Professionals of exceptional achievement and character in the Chicagoland area. Hall of Fame Members shall be nominated by the Chicago Association of REALTORS® Foundation and elected to the CAR Hall of Fame by the CAR Board of Directors.

To be eligible for individual Hall of Fame membership, an individual must meet the following criteria:

- Be at least 40 years of age (an individual may be eligible posthumously);
- Be of good reputation, character and standing;
- Be a REALTOR® member in good standing, or have at least 10 years prior affiliation with the real estate business (i.e. residential or commercial broker; a developer, architect, banker, attorney, real estate educator in higher education field);
- Be a demonstrated and acknowledged industry leader;
- Have made an outstanding, positive impact on real estate in the Chicagoland area; and
- Have, within a single fiscal year, contributed a minimum amount to the CAR Foundation, which minimum amount shall be set by the CAR Foundation.

To be eligible for Corporate Hall of Fame membership, a business entity must meet the following criteria:

- Be a real estate business of good reputation, character and standing;
- Have at least 5 years affiliation with the real estate industry;
- Being a demonstrated and acknowledged corporate real estate industry leader;
- Have made an outstanding, positive impact on real estate in the Chicagoland area; and
- Have, within a single fiscal year, contributed a minimum amount to the CAR Foundation, which minimum amount shall be set by the CAR Foundation.

207. AFFILIATE MEMBERS

Affiliate Members shall be individuals, firms, or corporations, wherever residing or located, who, while not engaged in the real estate profession, have interests requiring information concerning real estate, and who share and are in sympathy with the objectives of CAR. The decision to allow a person or business to be an Affiliate Member shall be within CAR's discretion, provided that individuals and business entities shall not be granted Affiliate Member status solely on the basis of being a landlord, homeowner, or an investor in real estate. Affiliate Members shall not be entitled to vote, to hold office, use the term REALTOR® or be a Participant or Subscriber in CAR / MLS (MRED); except as provided under the Bylaws.

208. DUES, FEES, AND OTHER FINANCIAL OBLIGATIONS

DUES AND FEES PAYABLE

1. Current Members. Dues and fees for all Members shall be payable annually in full on or before October 1 or pursuant to an installment plan authorized by CAR.
2. New Members. Dues and fees from applicants accepted as Members shall be prorated for the fiscal year and begin and be due the month when the applicant's membership is granted. In the case of provisional REALTOR® members, dues and fees shall be computed from the date of application once provisional membership is granted.
3. Application Fees. Applicants applying for REALTOR® membership shall pay an application fee for CAR to process their application. The application fee is charged regardless of whether the applicant is granted membership. The application fee may be waived if the applicant meets one of the following requirements:
 - a. The applicant completed all of their pre-license real estate education courses with the REALTORS® Real Estate School and applied for membership within one year of completing the course;
 - b. The applicant is an active REALTOR® in good standing with another REALTOR® association and is applying for secondary REALTOR® membership;
 - c. The applicant is an active REALTOR® in good standing with another REALTOR® association and desires to transfer their primary REALTOR® membership to CAR;
 - d. The applicant is or was affiliated with NIREIN (CAR's referral holding company), provided that the applicant applies for REALTOR® membership within 90 days of dissociation from NIREIN and was associated with NIREIN for at least one year.

The applicant is responsible for notifying CAR in their application of their specific qualifications for an application fee waiver to be eligible to receive a waiver. An applicant is not entitled to an application fee waiver if they fail to provide this information at the time the application is submitted.

4. Dues Waiver. CAR dues will be waived for REALTORS® and their spouses called to active military duty. Such waiver must be requested in writing with 3rd party verification from an appropriate source (i.e. military supervisor and/or designated REALTOR®).
5. Extensions and Late Fees. The Chief Executive Officer, or the Chief Executive Officer's designee, may approve a dues and fees payment extension or late fee waiver on a case-by-case basis. No member shall be guaranteed an extension or waiver of any fees.

FINES AND OTHER ASSESSMENTS

Any fine or other assessment imposed on a Member shall be due and payable within 30 days of the issuance date of the fine or other assessment unless stated otherwise in the notice or CAR policy.

NON-PAYMENT OF FINANCIAL OBLIGATIONS

1. Suspension. If dues, fees, fines or other assessments owed to CAR, or to any entity created or controlled by CAR, are not paid by the due date, the non-paying Member shall be subject to suspension by the CEO or the CEO's designee.
2. Termination. If dues, fees, fines, or other assessments owed to CAR, or to any entity created or controlled by CAR, are not paid within 60 days after the due date, the membership of the non-paying Member shall be terminated.
3. Disputed Obligations. No membership shall be suspended or terminated once the non-paying Member has disputed the amount owed in writing, except by the Board of Directors, having considered all relevant information regarding the accuracy of the disputed amounts.
4. Continuing Rights Until Termination. Membership rights, including the right of a Member to vote, to hold office, shall not be affected or eliminated as a result of unpaid financial obligations, unless the membership of the Member is terminated pursuant to this Section.
5. Reinstatement. A Member terminated for unpaid financial obligations pursuant to this Section may apply for reinstatement in the same manner prescribed for new applicants for membership. Any such reinstatement shall be subject to such reinstatement fee as may be prescribed by the Board of Directors from time to time and to full payment of all unpaid financial obligations.

NOTICES

CAR shall provide notice to members of all delinquent dues, fees, fines, assessments and other financial obligations to CAR or to any entity created or controlled by CAR. The notice shall, at a minimum, set forth the amount owed and the due date. The failure to provide the notice set forth in this Section shall not invalidate or otherwise affect any amount owed pursuant to CAR.

3. ASSOCIATION GOVERNANCE POLICIES

301. RULES OF THE CHICAGO ASSOCIATION OF REALTORS®

CAR recognizes, in its Bylaws, the latest edition of Robert's Rules of Order as the authority generally governing all meetings of CAR, the Board of Directors, and Committees, so long as its provisions do not conflict with the Bylaws.

In addition, the CAR Board of Directors, in regular or special meetings, may adopt special rules governing its meetings as found necessary to supplement or modify rules provided in Robert's Rules of Order.

Standing rules may also be adopted at any regular or special meeting prescribed above and are rules, which relate to the details of the administration of CAR, rather than to parliamentary procedure. Finally, CAR is subject to all provisions of local, state and national law and regulation applying to professional, trade, tax-exempt, non-profit 501c(6) corporations.

The following documents specifically pertain to the rules of CAR:

National Association of REALTORS®:

- Constitution and Bylaws of the National Association of REALTORS®;
- Code of Ethics of the National Association of REALTORS®;
- Charter issued by the National Association of REALTORS®;
- Membership Criteria (6 and 8 points) of the National Association of REALTORS® Federal Government; and
- Tax-exempt, non-profit 501 c (6) status letter granted by the US Treasury Dept., Internal Revenue Service.

Illinois State Government

- Articles of Incorporation granted by the Illinois Secretary of State, for the Chicago Association of REALTORS®, and its various NFP and Business corporations.

302. GENERAL DEFINITIONS

The following shall serve as definitions for CAR concerning the terms used in this policy manual and by CAR generally:

1. **Bylaws** are rules governing the operation of CAR adopted by membership at large.
2. **Rules of Order and Standing Rules** are rules governing the operation of CAR adopted by the Board of Directors (with the advice and/or recommendation of staff).
3. **Positions** are descriptive narratives, sometimes including recommendations outlining the concerns and/or views of CAR members on current issues adopted by the Board of Directors in session (with the advice and/or recommendation of the staff).
4. **Programs** are activities relating to CAR adopted by the Board of Directors (with the advice and/or recommendation of staff).
5. **Policies** are general or fundamental principles relating to CAR involvement adopted by the members of the Board of Directors (with the advice and/or recommendation of staff).
6. **Procedures** are the detailed explanations, directions or actions to implement adopted articles, bylaws, rules, positions, programs and policies selected and applied by staff with the advice and/or recommendation of the President. They address specific directions telling how, by whom and when things are to be done.

303. DEFINITION, ROLE AND COMPOSITION OF THE BOARD OF DIRECTORS

The Bylaws define the Board of Directors as the governing body of CAR. The Board of Directors is CAR's most important Committee.

A basic rule is that the legal entity, rather than the Board of Directors, is the holder of legal power. The powers of the Directors are not inherent in them, but in the organization of such. The principle exists that Directors exercise the powers of the organization, but do not own it. Thus, the Board of Directors has the power and duty to carry on whatever transactions the corporation or CAR itself has the power to carry on. The power of the Board of Directors is superior in ordinary matters, so long as it is exercised lawfully and in lawful transactions.

In certain extraordinary matters, the Board of Directors may not govern, and the will of the general membership may rule. In such matters as a radical change of fundamental policy or purpose, amendments to the Articles of Incorporation, dissolution or merger of the corp., or matters of like importance, the power of decision often rests with the voting members.

Within the purpose and power of CAR, the Directors are free to change the Bylaws in accordance with the provisions of the Bylaws, policies and short-range purposes, but unless the Bylaws expressly permit, they may not do acts that account to changes in the fundamental purposes or operational mission of CAR.

Members of the Board of Directors shall have the utmost interests of the CAR in mind at all times. They should never assume any position that brings their personal interests into conflict or competition with the interests of CAR or otherwise violates their fiduciary duties to CAR.

The Board of Directors serves several critical functions: 1) Setting policies and strategic direction, 2) allocating resources effectively and efficiently and 3) evaluating the progress being made to ensure that the policies are adhered to and that the desired outcomes are being achieved.

The Board of Directors further endeavors to:

- Communicate with members of CAR, with the constant aims of fiduciary responsibility, effective understanding of members' business requirements, and the enhancement of the benefits derived from membership;
- Define, communicate, monitor, and refine CAR's values, policies and strategies;
- Define, as goals, the essential deliverable products and services of CAR;
- Delegate to the Chief Executive Officer the responsibility and resources to achieve the stated ends, within the limitations of what the Board of Directors defines as unacceptable practices;
- Operate within the limits defined by relevant statutes and CAR's Bylaws;
- Plan for the Board of Directors own succession;
- Demonstrate leadership by embracing the spirit of volunteerism; and
- Promote the real estate industry and REALTOR® organization.

Finally, the Officers, and on occasion, the Directors may be asked to serve as official spokespersons for the entire industry or profession. As such, every member has the ability to embarrass or enhance the reputation of CAR and therefore has an important responsibility to CAR and should not speak on behalf of CAR without permission to do so from the CEO or the CEO's designee.

The Board of Directors is composed of the following 20 members:

- Three Officer Directors: The President, President-Elect, and Secretary/Treasurer;
- One Immediate Past President;
- 11 At-Large Directors (directors serve staggered 2-year terms), at least one of which shall be from each of the regions depicted in the map attached as Attachment 1.
- One Public Policy Coordinating Committee Director (one year term, appointed by the President, approved by the Board of Directors);
- One Commercial Forum Committee Director (one year term, appointed by the President, approved by the Board of Directors);
- Three P-E Directors from the business community.

Note: CEO (non-voting, ex-officio member)

DIRECTOR QUALIFICATIONS

To ensure the Chicago Association of REALTORS® Board of Directors remains forward-thinking, mission-driven, and representative of the highest standards in the real estate profession, the Nominating Committee should consider the following eligibility guidelines to serve as a Director:

1. Years of Service.

- a. A minimum of three years of active, consistent, and demonstrated engagement with the Chicago Association of Realtors® through participation in committees, workgroups, task forces, or advisory groups.

2. Demonstrated Leadership.

- a. At least one year of service in a leadership role within a CAR entity, such as a Committee Chair, Vice Chair, Advisory Group Leader, or a similar position that shows a clear track record of leadership and results.

3. Strategic Mindset.

- a. Ability to think strategically and contribute to the long-term vision, sustainability, and growth of the organization. Directors should be able to innovate and adapt as part of their obligation to fulfill their fiduciary duties to CAR.

4. Commitment to Diversity.

- a. CAR prides itself on the diversity of its members and inclusive community. CAR celebrates individual differences, honors unique perspectives, and ensures that there is a seat at the table for everyone. Directors are expected to uphold and promote these values in all their work with the Association.

5. Good Standing and Industry Engagement.

- a. Directors must be a REALTOR® member in good standing with no current ethics violations or disciplinary actions.
- b. Directors should have a proven dedication to professionalism, including active participation in RPAC and/or industry advocacy initiatives.

6. Time Commitment.

- a. Directors should be willing and able to commit the time required to attend Board meetings, committee assignments, Association events, strategic planning retreats, and other leadership functions.
- b. Directors are required to attend a minimum of five out of seven Board of Directors meetings annually.

7. Knowledge of the Association and Industry.

- a. Directors should have a demonstrated familiarity with CAR's strategic plan, programs, services, and governance structure, as well as key industry issues affecting Chicago REALTORS®.

8. Professional Reputation.

- a. Directors should maintain a credible, ethical, and engaged professional presence that upholds and enhances the REALTOR® brand and the Chicago Association of Realtors® community.

NOTE: Refer to CAR Bylaws, Articles XI, XII, and XIII for detailed information related to Officers, Directors and their terms and elections.

Primary Staff Support: CEO and the CEO's assigned staff

304. STANDING RULES OF THE BOARD OF DIRECTORS

1. Meetings of the Board of Directors shall be at designated times and places, as specified in the Bylaws and set by the Directors. Two unexcused, or three total absences, shall be deemed as resignation by the absent director.
2. Meetings of the Board of Directors shall be chaired by the President and conducted in accordance with the Bylaws and intent of the standing rules of the Board of Directors.
3. Agendas are prepared by the Chief Executive Officer and the President. Agenda items should be submitted in writing to the Chief Executive Officer, 10 days prior to the meeting.
4. Only the officers and directors of the Board of Directors may vote on issues at their meetings. Visitors may participate in discussion on issues only when recognized by the President.
5. Only Board members and the Chief Executive Officer may attend Executive sessions, unless the President or a majority of the Board present and voting grants an exception.

6. Minutes shall be required for all meetings of the Board of Directors.
7. Policies may be adopted, revised, deleted or suspended during any Board of Directors meeting without advanced notice. Non-mandatory changes to bylaws (those not mandated by NAR) are subject to approval by the membership at the annual business meeting.
8. Adopted policies shall not be in conflict with the Bylaws and shall be included in the Policy Manual.
9. Elections for Officers and Directors shall be as specified in the Bylaws.

In carrying out the duties of a Director, the person holding that office will necessarily receive, review, and possess sensitive and confidential information regarding various financial, legal and other aspects of CAR and its affiliated entities. The Director shall have a duty not to disclose confidential information and shall memorialize these confidentiality obligations by executing a confidentiality agreement before commencing service as CAR's Director.

VIRTUAL BOD MEETING PARTICIPATION GUIDELINES

In the event of a hybrid or fully virtual Board meeting, the following guidelines will be adhered to:

Camera Requirement: All Board Members must remain on camera for the duration of the meeting. Extended periods of being off camera will result in removal from the meeting.

Zoom Name Display: Your full name must be displayed on your Zoom screen. Board Members should ensure this is set before the meeting begins.

No AI Bots: The use of AI bots or any automated assistance during the meeting is strictly prohibited at all times.

Chat Function: The chat will be disabled for all attendees except the moderators, who will use it for technical requests. Board Members should refrain from using the chat for any other purpose.

Speaking Protocol: All comments should be made vocally using the raised hand feature. Board Members should wait until they are called on by the chair before speaking.

Secure Locations: Board Members must be in a secure, confidential location where the meeting's contents cannot be seen or heard by others. This ensures the privacy and integrity of our discussions.

305. STANDING RULES FOR REGULAR AND SPECIAL MEMBERSHIP MEETINGS

1. Meetings shall be conducted in accordance with the Bylaws and Standing Rules.
2. Meeting agendas shall be prepared by the President and the Chief Executive Officer.
3. Notice of special meetings of the membership shall be advertised in all appropriate communications methods, preceding the meeting.
4. The Annual Meeting shall be held during the last quarter of the fiscal year at a date, time and place to be specified by the Directors.

306. RESPONSIBILITY AND DUTIES OF THE PRESIDENT

Term:

The President-Elect shall ascend to the office of President immediately and automatically upon completion of a term as President-Elect, and serves for a one-year term (or until a respective successor is qualified and sworn in)

Description and Responsibilities:

The President serves as the Chief Volunteer Officer of CAR and Chairperson of the Board of Directors and shall have the duty to:

1. Preside at all meetings of the Board of Directors and Executive Committee;
2. Prepare for, attend, and actively participate in meetings of the Board of Directors and Executive Committee;
3. Provide leadership to the Board of Directors, who sets policy and to whom the Chief Executive Officer is accountable;
4. Establish overall long and short-term organizational goals, objectives, and priorities in conjunction with the Board of Directors and Chief Executive Officer;
5. Help guide, mediate, and implement Board actions with respect to organizational priorities, policies, and governance concerns;
6. Discuss issues confronting CAR with the Chief Executive Officer;
7. Enhance relationships with other community groups and agencies;
8. Monitor financial planning and performance (along with Secretary/Treasurer);
9. Serve as CAR's chief spokesperson;
10. Confirm the appointment of the Chairpersons of Committees recommend by the CEO in accordance with Section 402 of this Policy Manual;
11. Assign duties to officers, Committees, and task forces of CAR to the extent they are not inconsistent with governing laws;
12. Sign all contracts and other documents duly authorized to be signed on behalf of CAR and required to be signed by the President;
13. Serve as an ex-officio non-voting member on all CAR Committees except for the Nominating Committee, Grievance and the Professional Standards Committees. The President shall serve as full member of the Nominating Committee;
14. Represent CAR as its President in all matters and on all occasions except those expressly limited by the Board of Directors;
15. Represent CAR at the Illinois REALTORS® and the National Association of REALTORS®;
16. Oversee annually the performance evaluation of the CEO in achieving CAR's mission and goals;
17. Perform all other duties prescribed by the Bylaws, applicable law, or the Board of Directors; and
18. Adhere to general duties as outlined in the Director description.

Additional Responsibilities:

1. Chairperson, Executive Committee;
2. Member, Nominating Committee;
3. Immediate Past President Director upon completion of President's Term; and
4. Director, National Association of REALTORS® (customary, but not required).

Confidentiality:

In carrying out the duties of President, the person holding that office will necessarily receive, review, and possess sensitive and confidential information regarding various financial, legal and other aspects of CAR and its affiliated entities. The President shall have a duty not to disclose confidential information and shall memorialize these confidentiality obligations by executing a confidentiality agreement before commencing service as CAR's President.

Stipends

The President shall receive a monthly stipend of \$1,000.

307. RESPONSIBILITY AND DUTIES OF THE PRESIDENT-ELECT

Term:

The President-Elect is selected by the Board of Directors to serve for a one-year term (or until a respective successor is duly elected and sworn in). The President-Elect shall be elected by the outgoing Board of Directors from the immediately preceding election year in accordance with the Bylaws. At the time of election, the Board of Directors should strongly consider the record of service of the current Secretary/Treasurer, should the Secretary/Treasurer declare to run for President-Elect.

Description and Responsibilities:

The President-elect shall have and be assigned such powers as prescribed by the Board of Directors and shall assume responsibility for the office of President upon the temporary or permanent inability of that person to continue service, as determined by the Board of Directors. The President-Elect of the Board of Directors shall have the duty to:

1. Prepare for, attend, and actively participate in all meetings of the Board of Directors and Executive Committee;
2. In conjunction with the Board of Directors and Chief Executive Officer, establish overall long and short-term organizational goals, objectives, and priorities;
3. Fulfill President's responsibilities in the absence of the President, as requested, including presiding over Board and Executive Committee meetings and participating in external relations;
4. Represent CAR at the Illinois REALTORS® and the National Association of REALTORS®;
5. Perform all other duties prescribed by the Bylaws, applicable law, or the Board of Directors; and
6. Adhere to general duties outlined in the Director description.

Additional Responsibilities:

1. Member, Executive Committee;
2. Member, Nominating Committee; and
3. Chairperson, CARPAC.

Confidentiality:

In carrying out the duties of President-Elect, the person holding that office will necessarily receive, review, and possess sensitive and confidential information regarding various financial, legal and other aspects of CAR and its affiliated entities. The President-Elect shall have a duty not to disclose confidential information and shall memorialize these confidentiality obligations by executing a confidentiality agreement before commencing service as CAR's President-Elect.

Stipends

The President-Elect shall receive a monthly stipend of \$500.

308. RESPONSIBILITY AND DUTIES OF THE SECRETARY/TREASURER

Term:

The Secretary/Treasurer is elected by the Board of Directors to serve for a one-year term (or until a respective successor is duly elected and sworn in). The Secretary/Treasurer shall be elected by the outgoing Board of Directors from the immediately preceding election year from among such members of such Board of Directors as may be nominated for such office by any Director.

Description and Responsibilities:

The Secretary/Treasurer shall have and be assigned such powers as prescribed by the Board of Directors and shall serve as the Chairperson of the Finance Committee. The Secretary/Treasurer of the Board of Directors shall have the duty to:

1. Prepare for, attend, and actively participate in all meetings of the Board of Directors and Executive Committee;
2. Establish overall long and short-term organizational goals, objectives, and priorities in conjunction with the Board of Directors and Chief Executive Officer;
3. Coordinate with the CEO or the CEO designee to prepare the annual budget for approval by the Board of Directors;
4. Oversee and advise the Board of Directors regarding CAR's financial statements and accounting records, the receipt, deposit, and disbursement of CAR funds, and CAR's accounting, investment, and control systems, policies, and procedures;
5. Read, understand, and interpret financial statements for Board of Directors;
6. Oversee the maintenance of all of the Secretary/Treasurer's records at CAR's main office;
7. Review the monthly financial statements;
8. Represent CAR at the Illinois REALTORS® and the National Association of REALTORS®;
9. Perform all other duties prescribed by the Bylaws, applicable law, or the Board of Directors;
10. Prepare the succeeding Secretary /Treasurer for her/his term by guiding her/him through policies and procedures beginning at the planning and budgeting process for the subsequent year; and
11. Adhere to general duties outlined in the Director description.

Additional Responsibilities:

1. Member, Executive Committee;
2. Member, Nominating Committee; and
3. Chairperson, Finance Committee.

Confidentiality:

In carrying out the duties of Secretary/Treasurer, the person holding that office will necessarily receive, review, and possess sensitive and confidential information regarding various financial aspects of CAR and its affiliated entities. The Secretary/Treasurer shall have a duty not to disclose confidential information and shall memorialize these confidentiality obligations by executing a confidentiality agreement before commencing service as CAR's Secretary/Treasurer.

Stipends

The Secretary/Treasurer shall receive a monthly stipend of \$500.

309. RESPONSIBILITY AND DUTIES OF THE IMMEDIATE PAST PRESIDENT**Term:**

The Immediate Past President serves an automatic one-year term immediately following the Immediate Past President's term as President. The Immediate Past President does not serve as an officer of CAR

Description and Responsibilities:

The President shall, immediately and automatically upon expiration of the President's term, be referred to as the Immediate Past President and shall automatically be a director for the immediately succeeding year.

The Immediate Past President of the Board of Directors shall have the duty to:

1. Prepare for, attend, and actively participate in all meetings of the Board of Directors and Executive Committee; and
2. Perform all other duties prescribed by the Bylaws, applicable law, or the Board of Directors
3. Adhere to general duties outlined in the Director description.

Additional Responsibilities:

1. Member, Executive Committee; and
2. Director, National Association of REALTORS®.

310. RESPONSIBILITY AND DUTIES OF THE DIRECTORS

Term:

The elected Directors shall be elected for terms as set forth in the Bylaws (or until a respective successor is duly elected and sworn in).

Description and Responsibilities:

The Directors shall have the duty to:

1. Prepare for, attend, and actively participate in all meetings of the CAR Board of Directors;
2. Approve and monitor fiscal and operational policies and other recommendations received from the Board of Directors, Executive Committee, Standing and Special Committees, and staff;
3. Promote the value of the REALTOR® organization, including, but not limited to: legislative advocacy, educational opportunities, and professional standards;
4. Ensure strong financial management;
5. Participate in and contribute to setting CAR's annual goals and objectives;
6. Approve the annual budget and business plans;
7. Act as a liaison to both the CAR membership and the greater community;
8. Volunteer and accept assignments as prescribed by the President and the Board of Directors, and complete them in thorough, timely manner;
9. Get to know other Directors and build a collegial working relationship that contributes to the advancement of CAR's mission, goals, and objectives;
10. Represent CAR at various Association and industry events;
11. Assess own performance as a Board member regularly;
12. Review all communications received pertaining to CAR;
13. Assist in RPAC fundraising efforts;
14. Assist in the identification of key volunteers;
15. Elect officers of the Board of Directors, as provided in the Bylaws;
16. Be familiar with, endorse, and be a positive spokesperson for CAR's programs, products, and services;
17. Through the implementation of meaningful change, ensure CAR's position as a fluid, dynamic, meaningful, and responsive organization;
18. Respond promptly and in an appropriate manner to all communications pertaining to CAR;
19. Attend major functions of CAR; and
20. Perform all other duties prescribed by the Bylaws, applicable law, or the Board of Directors.

311. ENDORSEMENT AND SUPPORT OF IR DIRECTORS AND OFFICERS

Endorsement of IR Directors

The Illinois REALTORS® Directors are elected annually by the Illinois REALTORS® for staggered three-year terms. While not required, those CAR members seeking to serve as an IR Director may request a letter of recommendation from the CAR CEO.

Endorsement of IR Officers

CAR will certify all CAR members in good standing, who request such certification, to run as an IR Officer candidate. Only those certified candidates who are deemed to be qualified under IR's Officer Qualification process will be considered for formal endorsement by the CAR Board of Directors. No endorsement will be given by the Board of Directors until a candidate from CAR has been deemed qualified by IR (i.e., no "subject to" endorsements). Candidates from CAR should not automatically assume they will receive an endorsement from the Board of Directors. Should more than one candidate from CAR be deemed qualified in any given year, interviews will be scheduled before the Board of Directors. The Board of Directors will determine if it will formally endorse one, or more, of the candidates.

IR Director Stipends

Refer to Section 511. TRAVEL AND BUSINESS ENTERTAINMENT - IR Meeting Travel Reimbursement.

Expense Reimbursement for CAR Officers to Attend IR Meetings

Expenses for registration, travel, hotel and meals will be paid for the three CAR Officers to attend IR business meetings. Receipts must be submitted to CAR within 45 days of the meeting to receive reimbursement.

Travel Arrangements

The IR Director is responsible for booking the IR Director's own travel arrangements. IR Directors are reimbursed by IR pursuant to IR's policies and procedures and shall not seek reimbursement from CAR.

CAR staff will register the three Officers and any required Executive Committee members for IR Business Meetings and Conferences. Staff will also book hotel accommodations for the three CAR Officers and any required Executive Committee members. Officers and Executive Committee members are responsible for making their own transportation arrangements and may seek reimbursement for mileage, airfare, or train fare in accordance with CAR's reimbursement policy.

Officers are expected to notify staff **as soon as possible** if hotel accommodations are not needed or if reservations are only required for specific dates. Cancellations must be communicated to staff **no less than 72 hours** prior to the meeting. Failure to do so may result in any forfeited, prepaid hotel deposit being invoiced to the Officer or Executive Committee member.

If Officers or Executive Committee members prefer to make their own hotel arrangements and registration, they must notify the assigned CAR staff **at the beginning of the fiscal year**.

Special Events

CAR may host a dinner or outing for CAR members at the IR Winter Meeting or Conference.

CAR will reserve a table(s) for CAR Officers, and CAR representatives who are IR Directors, IR Committee Chairs and Vice Chairs and authorized staff at two IR events-the REALTOR® of the Year banquet (during Capitol Conference) and the Inaugural Gala (during Fall Business Meetings or Conference). These individuals should notify CAR staff, early on, of their desire to attend one or both of these events, so the seat may be secured. If space allows, they may also invite guests at their own expense. Late requests may not be honored. Cancellations must be made at least 48 hours prior to the event, or the individual will be invoiced for the cost of the banquet ticket.

312. RESPONSIBILITY AND DUTIES OF A NAR DIRECTOR

Term:

Except for the President and Immediate Past President, who shall automatically serve as NAR Directors by virtue of their offices, all other CAR members designated to serve as NAR Directors shall be elected by the Board of Directors. Such election shall occur no later than June of each year. Each elected Director shall serve a term of one year. The total number of CAR members eligible to serve as NAR Directors shall be determined in accordance with the allocation established by NAR.

Qualifications

Any CAR member must meet the following qualifications to serve as a NAR Director:

1. Must be a REALTOR® member in good standing.
2. Special consideration will be given to the following members: CAR Officers and Directors, current CAR Committee Chairs and Vice-Chairs, current and past NAR committee members and Past Presidents.
3. Must have some current or recent active involvement with IR, which is defined as: a) service on the IR Board of Directors, b) participation on an IR Committee or work group, c) attendance at the IR business meetings or conferences, and/or d) attendance at the IR Public Policy meeting.
4. Strongly encouraged to be a major contributor to RPAC.
5. Must be actively engaged in the real estate business and hold an active real estate license from the state of Illinois.

Description and Responsibilities:

Any member that serves as National Association of REALTORS® Director shall have the following responsibilities:

1. Attend all NAR Board of Directors meetings, as well as other required national meetings;
2. Report to the appropriate CAR Committees, the Board of Directors, and members on each NAR Board of Directors meeting;
3. Seek the opinions and/or advice of CAR leadership on issues under consideration by the NAR Board of Directors;
4. Apply to serve on at least one NAR Committee or forum and actively participate in those Committee or forum's activities;
5. Understand and agree to abide by the policies adopted by the CAR and IR Boards of Directors for the position of NAR Directors;
6. Be familiar with CAR and NAR's Strategic Plans and key policy statements, and assist in their implementation; and
7. Attend the State and Region 7 Caucus meetings during the NAR Realtors Legislative Meetings and NAR NXT conference.

Stipends and Expense Reimbursement

Members of CAR who serve as NAR Directors shall be reimbursed for their expenses by and according to the policies of the Illinois REALTORS®. Stipend requests should be submitted directly to IR within 30 days of the meeting. CAR will reimburse the NAR Directors up to \$500 per meeting, for expenses greater than the approved IR stipend. In order to receive this expense reimbursement, a copy of total receipts for the meeting must be submitted within 45 days of the meeting along with proof of submission to IR for the Director stipend. Additionally, CAR will not issue any payment in advance of a processed reimbursement through IR.

CAR will pay for the cost of the annual NAR convention registration fees for all NAR Directors from CAR, up to the cost of a full registration.

Although not NAR Directors, CAR shall also annually budget to send the President, the President-Elect, the Secretary/Treasurer and the Chief Executive Officer, and other staff (at the discretion of the Chief Executive Officer) to the NAR REALTOR® Legislative Meetings and the NAR NXR Annual Convention. CAR will also budget to send the Public Policy Coordinating Chair to the NAR REALTOR® Legislative Meetings in Washington, DC.

CAR shall budget annually up to \$1,500 in expense reimbursement each for the CAR YPN current and immediate past chair to attend the NAR NXT convention.

Travel Arrangements

NAR Directors are responsible for making their own travel and hotel arrangements, with the exception of the President and Immediate Past President, for whom CAR staff will coordinate registration and hotel bookings unless notified otherwise. All NAR Directors are responsible for booking their own flights.

Special Events

CAR will reserve a table(s) for CAR Officers, NAR Directors, Committee Chairs and Vice Chairs and authorized staff at the NAR Inaugural Gala at the NAR NXT Convention if it is held. These individuals should notify CAR staff, early on, of their desire to attend one of these events, so that a seat may be secured. They may also invite guests, at their own expense if space allows. Late requests may not be honored. Cancellations must be made at least 48 hours prior to the event, or the individual may be invoiced for the cost of the banquet ticket.

Commitment

NAR Directors must attend both the NAR Legislative Meetings & Expo and the NAR NXT Convention during their term of service. Directors are required to attend the NAR Board of Directors Meeting in its entirety and be present for all Board votes.

Additionally, NAR Directors must request to serve on at least one NAR committee each year during their term and are expected to actively participate in all assigned committee responsibilities.

Resignations

In the event a NAR Director resigns, is no longer a Member of, or becomes ineligible for, membership in CAR from the class of membership from which the Director was elected or appointed, or if the Director changes business affiliation or otherwise materially alters the conditions under which they were elected or appointed, an automatic vacancy shall be created.

Such vacancy shall be declared by notice from the Chief Executive Officer to the Board of Directors, with a copy provided to the Director in question. The President shall then appoint, with the advice and consent of the Board of Directors, a Primary (or Secondary) REALTOR® Member to fill the vacated position for the remainder of the unexpired term. Upon formal approval, Illinois REALTORS® (IR) and the National Association of REALTORS® (NAR) shall be properly notified of the resignation and replacement.

313. RESPONSIBILITY AND DUTIES OF THE CHIEF EXECUTIVE OFFICER

Description and Responsibilities:

The Chief Executive Officer (CEO) shall be the chief administrative officer of CAR and shall be responsible for the efficient management, execution, and administration of all of the business and affairs of CAR as authorized and directed by the Board of Directors. Without limiting the generality of the preceding sentence, the CEO shall specifically have the power and duty to:

1. Recommend and implement policies, plans, and procedures for the administration, organization, and operation of CAR;
2. Hire personnel to fill positions or vacancies on CAR's administrative staff and discharge or retire members of such staff in accordance with applicable law and CAR procedures;
3. Supervise all administrative staff and consultants of CAR;
4. Purchase materials and services according to applicable law and CAR procedures;
5. Oversee the facilities of CAR and safeguard its assets;
6. Execute all contracts and other documents duly authorized to be signed on behalf of CAR by the CEO;
7. With input from the President prepare agendas for Board of Directors and Executive Committee meetings and, whenever possible, attend meetings of CAR Committees;
8. Assign such duties as may be properly delegated to other administrative staff or consultants of CAR;
9. Supervise, manage, and maintain the offices of CAR;
10. Serve as CEO of CAR / MLS and perform all other duties required pursuant to the CAR / MLS by-laws; and
11. Serve on the Board of Directors of the CAR Foundation as an *ex officio* member; and
12. Attend IR and NAR business meetings and conferences as an active participant in those organizations.

Other Employees:

Any and all other supervisory, administrative, and operating employees of CAR, other than the CEO, shall be under the supervision and direction of the CEO.

Annual Review:

The annual performance evaluation of this position shall be the responsibility of the Executive Committee and will be performed between August 1st and September 30th. An overview of the review process will be discussed with the Board of Directors at their regularly scheduled meeting following the annual evaluation.

314. OFFICER BACKGROUND CHECKS

Upon receipt of the completed CAR Officer application form:

- a) The CEO or the CEO's designee will authorize verification of the applicant's licensure status in Illinois and review any Code of Ethics violations that resulted in termination or suspension of membership.
- b) The CEO or the CEO's designee will forward the application to the assigned CAR Human Resources point of contact. A third-party vendor, recommended by Human Resources, will conduct a credit, legal, and criminal background check on CAR's behalf.

As part of this process, special attention will be given to identifying the following examples of significant issues in an applicant's background:

- Bankruptcies (personal and business) past seven years;
- Foreclosures past seven years;
- Three or more accounts with late payments (90 or more days) in the current year;
- Delinquent child support payments;
- Delinquent real estate taxes which are outside the redemption period;
- Liens (involuntary, in the last five years);
- All convictions for a misdemeanor or felony;
- Regulatory or professional discipline (personal or business) issued by a State of Illinois agency, board or commission where there was a finding of incompetence, misrepresentation, deceit, fraud, bad faith, demonstration of bad intent or failure to conform to relevant licensing standards;
- Pending regulatory investigations (personal or company);

- Pending status as a defendant in civil litigation (personal or company); and
- Involuntary judgments (personal or company).

Upon completion of the background check, the CEO and applicant will be notified of the findings, including any deficiencies which may have been noted. The applicant will then be provided an opportunity to clarify and/or correct the deficiency, prior to the formal election.

If a deficiency is not sufficiently explained or corrected by the applicant, the CEO will consult with CAR's legal counsel and President prior to the election. Should the deficiency be deemed to be of significance, the applicant will have an opportunity to withdraw the applicant's name from consideration. If the applicant chooses to remain a candidate, only then will the deficiency will be disclosed to the Board of Directors in a closed executive session, at the time of the elections.

4. COMMITTEE POLICIES

401. RULES OF COMMITTEES

CAR has two types of committees: (i) Standing Committees, as set forth in the Bylaws; and (ii) all other committees that are not identified as "Standing Committees" in the Bylaws (Non-Standing Committees). Standing Committees and Non-Standing Committees are, collectively, Committees.

In addition, the President may form Presidential advisory groups and forums (such as the Past Presidents Forum) to advise and issue recommendations to the President. These advisory groups and forums may be dissolved by the President at any time, including upon their issuance of a recommendation. The duties of such advisory groups and forums shall be established by the President.

Except where the Bylaws or this Policy Manual designate that a certain person is automatically a member of a committee, the CEO may remove a member from a committee in the event that a member violates the Bylaws, this Policy Manual, a committee's rules, or acts in a manner that is disruptive, unprofessional, or that undermines the purpose of the committee. In the event that the CEO removes a member from a committee, the member may appeal the removal to the Board of Directors.

Standing Committees

Chairpersons, Vice Chairpersons and members of Standing Committees shall be Association members in good standing. A Standing Committee shall serve to be defined as a group that addresses strategies, programs and basic capacities through its own direct action or by the creation and authorization of Non-Standing Committees to get the work accomplished.

The Standing Committees of CAR are defined in the Bylaws. Standing Committees receive their charges from the CAR President, with the approval of the Board of Directors and will carry out duties as specified under the Strategic Plan. They shall report to the Board of Directors through a written report prepared by staff, or in person if requested. All Standing Committees shall be assigned a staff liaison(s), who, with input from the Chairperson, shall prepare the agendas and minutes, and shall staff all meetings/activities of the Committee.

Non-Standing Committees

Non-Standing Committees may be authorized by the President, the Board of Directors, the CEO, or a Standing Committee. Any Non-Standing Committee may be abolished by the Board of Directors. Chairpersons and any Vice Chairpersons of Non-Standing Committees shall be CAR members in good standing. A Non-Standing Committee shall serve to be defined as a group of members and, if applicable, non-members, that performs an on-going function with a specific objective or issue in mind, or a group of members, and if applicable, non-members, that is called together for a limited period of time to address a specific issue, trend, strategy or problem of immediate consequence to the members, CAR, or the local industry.

Non-Standing Committees shall report to the body, President, or CEO that authorized the Non-Standing Committee to be formed, or that body's or individual's designee. All Non-Standing Committees shall be assigned a staff liaison(s), who, with input from the Chairperson of the Non-Standing Committees, shall prepare the agendas and minutes, and shall staff all meetings/activities of the Non-Standing Committee. Non-Standing Committees are "advisory" in nature and may be created to assist the CEO with key aspects of implementation of initiatives under the Business Plans.

402. RESPONSIBILITY AND DUTIES OF A COMMITTEE CHAIRPERSON

Term:

Except where a different method of designating a Committee Chairperson is set forth for a particular Committee in the Bylaws or this Policy Manual, staff shall make a recommendation to the President on who to appoint as a Chairperson. In addition, members of the Committee may express their interest to serve as Chairperson to staff and/or the President. The Committee Chairpersons are appointed by the President, with the approval of the Board of Directors, to serve for a one-year term (or until a respective successor is appointed and fills the position). The advice of the assigned staff liaison should be solicited early in the appointment process for the Chairperson.

Description and Responsibilities:

The Chairperson, along with assigned staff, is responsible for the effective oversight of the Committee work, consistent with Board approval and policies, and shall have the duty to:

1. Consult with the assigned staff in planning the Committee's annual objectives and programs;
2. Be familiar with the approved strategic plan and budget for the Committee and disseminate this information to the Committee members;
3. Assist with the recruitment and orientation of Committee members. Motivate the members toward the attainment of the Committee's objectives and strategies;
4. Ensure that Committee members annually review and sign the Conflict of Interest/Confidentiality and Volunteer/Staff Relations policies;
5. Call for and plan necessary meetings with assigned staff;
6. Preside at all meetings; keep the discussion on topic; encourage member participation;
7. Remain informed regarding the progress of Committee members' work assignments;
8. Ensure that accurate minutes are kept, motions recorded, necessary reports prepared and a record of Committee work is maintained; and
9. Report the Committee progress to the body or person that created the Committee or their designee through regular written reports.

Additional Responsibilities:

1. Attend mandatory leadership training and a planning session, to be held prior to serving as Chairperson;
2. Attendance at Committee-related functions;
3. Make every attempt to attend all major functions of CAR;
4. Have a working knowledge of *Robert's Rules of Order*;
5. Be familiar with CAR's Strategic and Business Plan and assist in the implementation of the objectives and strategies for their area of responsibility; and
6. Be prepared to accept all other duties as requested by the President, and maintain continuous liaison with the CEO and other assigned staff to ensure proper coordination in the conduct of CAR's business.

Qualifications

1. Must be a REALTOR® member in good standing, except as otherwise provided in this Policy Manual.

2. Must have a minimum of one year of current service on the Committee in which the member is a Chairperson, except for the Chairperson of the Grievance Committee and the Professional Standards Committee, who must have a minimum of one term (three years) of current Committee service.
3. Strongly encouraged to be a contributor to RPAC.
4. See individual Committee sections for other qualifications.

403. RESPONSIBILITY AND DUTIES OF A COMMITTEE VICE CHAIRPERSON

Term:

If there is a Committee Vice Chairperson, a Vice Chairperson is appointed by the President-Elect, after recommendation by staff, with the approval of the Board of Directors, to serve for a one-year term (or until a respective successor is appointed and fills the position). The advice of the assigned staff liaison should be solicited early in the appointment process for the Vice Chairperson.

The Vice Chairperson shall ascend to the position of Chairperson immediately and automatically upon completion of the term as Vice Chairperson except (i) as otherwise determined by the Board of Directors, or (ii) it is determined by the appointing President-Elect that there is an inability to act on the part of the Vice Chairperson.

Description and Responsibilities:

The Vice Chairperson is responsible for assisting the Chairperson in the effective oversight of the Committee work, consistent with Board approval and policies, and shall have the duty to:

1. Prepare for, attend, and actively participate in all meetings of the Committee;
2. Review the mandate of the Committee as outlined by the Board of Directors, the President, or CEO;
3. Serve in the absence or inability of the Chairperson;
4. Perform all other duties prescribed by the Bylaws, this Policy Manual, or the body or person that created the Committee.

Additional Responsibilities:

1. Attend mandatory leadership training and a planning session, to be held prior to serving as Vice Chairperson;
2. Attendance at Committee-related functions;
3. Make every attempt to attend all major functions of CAR;
4. Have a working knowledge of *Robert's Rules of Order*.
5. Be familiar with CAR's Strategic and Business Plan and assist in the implementation of the objectives and strategies for their area of responsibility; and
6. Be prepared to accept all other duties as requested by the President, and maintain continuous liaison with the CEO and other assigned staff to ensure proper coordination in the conduct of CAR's business in preparation for assuming the Chair role in the future.

Qualifications

1. Must be a REALTOR® member in good standing, except as otherwise provided in this Policy Manual;
2. Strongly encouraged to be a contributor to RPAC; and
3. Meet any other qualifications set forth in the Bylaws or this Policy Manual to serve on a particular Committee.

404. RESPONSIBILITY AND DUTIES OF A COMMITTEE MEMBERS

Term:

Unless otherwise specified, all terms are for one year.

Description and Responsibility

Members of a Committee participate in the implementation CAR activities on a Committee, which responsibilities include:

1. Review any and all pertinent background material and the agenda before coming to meetings;
2. Accept and follow through on assignments as requested by the Chairperson of the Committee;
3. Actively participate in Committee programs and use his or her personal talents to ensure productive efforts; and
4. Be familiar with the CAR's Strategic Plan and assist in the implementation of the objectives and strategies for their area of responsibility.

Qualifications

1. REALTOR®, Affiliate Member or CommercialForum Subscriber in good standing;
2. Any other qualifications set forth in the Bylaws or this Policy Manual for a specific Committee; and
3. Strongly encouraged to be a contributor to RPAC.

405. COMMITTEE AUTHORIZATION AND ABSENCES

As per Article XVII of the CAR's Bylaws, the Board of Directors has determined that the Committee structure will be, in most situations, the most efficient and productive way for the Board of Directors to carry out its duties and responsibilities.

Absence from two regular Committee meetings without an excused absence, or three total absences, shall be construed as resignation of the absent member from the Committee.

406. LIST OF STANDING AND NON-STANDING COMMITTEES

The Standing Committees as set forth in the Bylaws are:

- Audit Committee
- Executive Committee
- Finance Committee
- Nominating Committee
- Professional Standards Committee

The Non-Standing Committees created by this Policy Manual are:

- Casino Royale Advisory Group
- CommercialForum Committee
- Forms and Contracts Committee
- Global Real Estate Council
- Grievance Committee
- Inaugural Banquet Advisory Group
- Past Presidents Forum
- Professional Development Advisory Group
- Property Management Forum
- Public Policy Coordinating Committee
- REALTOR® Awards Committee
- RPAC Ambassadors Group
- Sponsorship Advisory Committee
- Sustainability Committee
- Young Professionals Network Advisory Board

407. AUDIT COMMITTEE

Type: Standing Committee

Reports to: Board of Directors

Closed/Open: Closed

Purpose: The purpose of the Audit Committee is to oversee the integrity of CAR's financial accounting process and systems of internal control regarding finance, accounting and use of assets. The Audit Committee should take an active role in the prevention and deterrence of fraud, as well as an effective ethics and compliance program. Further, the Chairman shall perform an annual audit of Payroll, Employee Loans and Employee Credit Cards and report any variances from approved policy to the CEO, Chief Operating Officer and the Executive Committee.

Composition: The Committee shall be composed of five to nine members, appointed by the President with the consent of the Board of Directors. It shall include at least one non-Director and one past President. Officers may not serve during their term of office. No member may be related to any other member of the Audit Committee or the Finance Committee. No two members of the Audit Committee shall be affiliated with the same firm. This applies to members within the same firm but in different office/branch locations. An exception is for those members affiliated with a franchise and, at the time of appointment, are in separate independently owned and operated franchise-affiliated firms. If during course of an existing term two or more members become affiliated with the same firm, the member(s) will be allowed to finish their existing term.

Term: Staggered, two-year terms. Each member is eligible for one additional consecutive 2 year-term (total of four years).

Chair: The Chairperson is to be selected annually by the Audit Committee members and must have at least one year of service on the Audit Committee. There is no Vice Chairperson of the Audit Committee.

Qualifications:

1. REALTOR® member in good standing;
2. The members shall have no financial, direct or other relationship to CAR that may interfere with the exercise of their independence from management and CAR;
3. In carrying out their duties, Audit Committee members may receive, review and possess sensitive and confidential information regarding various financial aspects of CAR and its' affiliated entities. Each Audit Committee member shall have a duty not to disclose confidential information and shall memorialize these confidentiality obligations by executing a confidentiality agreement before commencing service as an Audit Committee member; and
4. Must attend a finance training session prior to beginning the term of office.

Primary Support: The CEO or the CEO's designees.

408. CASINO ROYALE ADVISORY GROUP

Type: Non-Standing Committee

Reports to: Chief Communications Officer

Closed/Open: Closed

Purpose: The purpose of the Committee, along with assigned staff, is to plan events and execute those events, with a focus on generating sponsorships and RPAC Investments and engaging members to attend.

Composition: The Committee shall be composed of a minimum of 8 - 12 members at-large, selected jointly by the Chairperson and the Chief Communications Officer. Positions will be reserved for the following: Chair and Vice Chair of the YPN Advisory Group, Chair of the RPAC Ambassadors Group, and a representative of the WCR – Chicago Chapter.

Term: One-year terms

Chair/Vice Chair: Chairperson(s) selected by the CAR President-Elect with the approval of the Board of Directors. No Vice Chairperson.

Qualifications:

1. REALTOR® and Affiliate members in good standing;
2. RPAC Contributor; and
3. Preferred - Fundraising experience.

Primary Support: The CEO or the CEO's designees.

409. COMMERCIAL FORUM COMMITTEE

Type: Non-Standing Committee

Reports to: Board of Directors

Closed/Open: Open

Purpose: The purpose of the Commercial Forum is to create a community of Chicagoland commercial real estate professionals to increase the likelihood of their success, through education, networking, business services, advocacy programs, research and action.

Composition: The Committee shall be composed of 15 - 20 members at-large and non-members selected by the Chairperson. One seat shall be set aside for each of the institutional organizations: CCIM, IREM and ICSC.

Term: One year terms.

Chair/Vice Chair: The Chairperson shall be appointed by the President and shall serve on the Board of Directors and Public Policy Coordinating Committee during the Chairperson's term. The Vice Chairperson shall be appointed by the President-Elect. The Chairperson and Vice Chairperson must be a REALTOR®, Commercial Forum Subscriber, or Affiliate Member in good standing. Any candidate for Chairperson must have a minimum of one year of current Commercial Forum Committee service. The advice of the assigned staff liaison should be solicited early in the appointment process for both positions. The Vice Chairperson shall ascend to the position of Chairperson immediately and automatically upon completion of the term as Vice Chairperson, unless it is determined by the appointing President-Elect that there is an inability to act on the part of the Vice Chairperson.

Qualifications:

1. REALTOR®, Commercial Forum Subscriber or Affiliate Member in good standing or nonmembers which would provide value to the Committee;
2. Experience in commercial real estate business; and
3. Preferred – Commercial certification and accreditations offered through NAR and/or its' affiliated Institutes, Societies and Councils (i.e. CCIM, SIOR, etc.).

Primary Support: The CEO or the CEO's designees.

410. EXECUTIVE COMMITTEE

Type: Standing Committee

Reports to: Board of Directors

Closed/Open: Closed

Purpose: The purpose of the Executive Committee is to make policy recommendations for Board approval and is empowered to act on behalf of the Board between meetings, including ratification of Professional Standards cases. Otherwise the focus of the Executive Committee will be on strategic matters, policy issues, and issues of regional, state or national importance which will have an impact on the Chicagoland real estate community.

Composition: The Committee shall be composed of five Board of Director members, as follows:

- President (Chairperson)
- President-Elect (Vice Chairperson)
- Secretary/Treasurer
- Immediate Past President
- One At-Large REALTOR® Board of Director member, selected by the President
- CEO (ex-officio and non-voting)

Term: One year terms

Chair/Vice Chair: The President shall serve as the Chairperson and the President-Elect shall serve as the Vice Chairperson

Qualifications: See qualifications as outlined in the CAR Policy Manual and Bylaws

Primary Support: CEO the CEO's designees

411. FINANCE COMMITTEE

Type: Standing Committee

Reports to: Board of Directors

Closed/Open: Closed (Current Board of Director members may attend, with prior approval of the Secretary/Treasurer, which approval shall not be unreasonably withheld).

Purpose: The purpose of the Finance Committee is to provide oversight of the financial management and reporting function of CAR

Composition: The Committee shall be composed of the Secretary/Treasurer plus 12 members at-large selected by the Chairperson. Members may not serve on, nor be related to any member of, the Audit Committee. At the time of appointment, no two members of the Finance Committee shall be affiliated with the same firm. This applies to members within the same firm but in different office/branch locations. An exception is for those members affiliated with a franchise and, at the time of appointment, are in separate independently owned and operated franchise-affiliated firms. If during course of an existing term two or more members become affiliated with the same firm, the member(s) will be allowed to finish their existing term. No more than five members of the Board of Director shall serve on the Finance Committee in any given year.

Term: Staggered, two-year terms. Each member is eligible for one additional consecutive two-year term (for a total not to exceed four years).

Chair: The Chairperson shall be the CAR Treasurer. There is no Vice Chairperson.

Qualifications:

1. REALTOR® or Affiliate Member in good standing;
2. The members shall have no financial, direct or other relationship to CAR that may interfere with the exercise of their independence from management and CAR;
3. In carrying out their duties, Committee members may receive, review and possess sensitive and confidential information regarding various financial aspects of CAR and its' affiliated entities. Each Finance Committee member shall have a duty not to disclose confidential information and shall memorialize these confidentiality obligations by executing a confidentiality agreement before commencing service as a Finance Committee Member; and
4. Must attend a finance training session prior to the term of office.

Primary Support: The CEO or the CEO's designees.

412. FORMS & CONTRACTS COMMITTEE

Type: Non-Standing Committee

Reports to: Board of Directors

Closed/Open: Open

Purpose: The purpose of the Forms & Contracts Committee is to review and recommend updates to all approved CAR forms and contracts on a regular basis, as well to recommend the development of any forms and contracts which will enhance members' businesses. Additionally, the Committee is to promote the usage of the most current, approved forms to the membership.

Composition: The Committee shall be composed of 8 - 12 members at-large selected jointly by the Forms & Contracts Chairperson and Vice Chairperson.

Term: One-year terms

Chair/Vice Chair: The Chairperson shall be appointed by the President, with the approval of the Board of Directors. The Vice Chairperson shall be appointed by the President-Elect. Any candidate for Chairperson must have a minimum of one year of current Forms & Contracts Committee service. The advice of the assigned staff liaison should be solicited early in the appointment process for both positions. The Vice Chairperson shall ascend to the position of Chairperson immediately and automatically upon completion of the term as Vice Chairperson, unless it is determined by the appointing President-Elect that there is an inability to act on the part of the Vice Chairperson.

Qualifications:

1. REALTOR® or Affiliate member in good standing; and
2. Minimum of three years as a REALTOR® or one year as an Affiliate Member.
3. Minimum of six transactions or a minimum of \$2.5 million in sales volume over the past 12 months. This sales transaction criteria is exempt for non-selling Designated REALTORS® or Sales Managers so long as the non-selling Designated REALTOR® or Sales Manager has been in a management role for more than one year.

Primary Support: The CEO or the CEO's designees.

413. GLOBAL REAL ESTATE COUNCIL

Type: Non-Standing Committee

Reports to: Board of Directors

Closed/Open: Open

Purpose: The purpose of the Global Real Estate Council is to support CAR members who do business with global markets (inbound and outbound transactions and/or consultancy), through: (i) the offering of educational and networking activities; (ii) the dissemination of information on global real estate; and (iii) involvement with global real estate organizations, as determined by the Board of Directors to be of benefit to the members. Additionally, this Committee is to foster strong relations with those local organizations which represent diverse ethnic and cultural communities in Chicagoland.

Composition: The Committee shall be composed of 10 – 28 members at-large, selected by the Chairperson and Vice Chairperson. A non-voting position will be reserved for each of the following Chicago Chapter Chairs, or their designees: FIABCI, NAHREP, AREA, DRB, WCR, and NAGLREP.

Term: One-year terms.

Chair/Vice Chair: The Chairperson shall be appointed by the President, with the approval of the Board of Directors. The Vice Chairperson shall be appointed by the President-Elect. Any candidate for Chairperson must have a minimum of one-year of current Global Real Estate Council service. The advice of the assigned staff liaison should be solicited early in the appointment process for both positions. The Vice Chairperson shall ascend to the position of Chairperson immediately and automatically upon completion of the term as Vice Chairperson, unless it is determined by the appointing President-Elect that there is an inability to act on the part of the Vice Chairperson.

Qualifications:

1. REALTOR® or Affiliate Member in good standing;
2. Preferred - Experience in global real estate transactions and/or consultancy (inbound and outbound); and
3. Preferred – CIPS designation or formal affiliation with an organization, such as FIABCI, NAHREP, AREA, DREB, or other formal diverse market organization.

Primary Support: The CEO or the CEO's designees.

414. GRIEVANCE COMMITTEE

Type: Non-Standing Committee

Reports to: Board of Directors

Closed/Open: Closed

Purpose: The purpose of the Grievance Committee is to investigate complaints received from the public and members to determine if the complaint has sufficient substance and merit to warrant an ethics or arbitration hearing or mediation procedures.

Composition: The Committee shall be composed of 15 – 20 members at-large, selected by the Chairperson and Vice Chairperson.

Term: Members will serve staggered three-year terms and shall be approved by the Board of Directors annually at their first meeting of the fiscal year. Each member is eligible for two additional, consecutive three-year terms. No person may be appointed or re-appointed to the Grievance Committee if they have served more than a total nine years on the Committee, regardless of whether the terms have been consecutive or nonconsecutive.

Chair/Vice Chair: The Chairperson shall be appointed by the President, with the approval of the Board of Directors. The Vice Chairperson shall be appointed by the President-Elect. Any candidate for Chairperson must have a minimum of one completed term of current Grievance Committee service. The advice of the assigned staff liaison should be solicited early in the appointment process for both positions. The Vice Chairperson shall ascend to the position of Chairperson immediately and automatically upon completion of the term as Vice Chairperson, unless it is determined by the appointing President-Elect that there is an inability to act on the part of the Vice Chairperson.

Qualifications:

1. REALTOR® member in good standing;
2. Annually attend the IR professional standards training;
3. Minimum of five years as a REALTOR®;
4. Minimum of six transactions or a minimum of \$2.5 million in sales volume over the past 12 months. This sales transaction criteria is exempt for non-selling Designated REALTORS® or Sales Managers so long as the non-selling Designated REALTOR® or Sales Manager has been in a management role for more than one year; and
5. In carrying out their duties, Committee members will receive, review and possess sensitive and confidential information regarding professional standards matters brought before the CAR. Each Committee member shall have a duty not to disclose confidential information and shall memorialize these confidentiality obligations by executing a confidentiality agreement before commencing service as a Committee member.

Primary Support: The CEO or the CEO's designees.

415. INAUGURAL BANQUET ADVISORY GROUP

Type: Non-Standing Committee

Reports to: Chief Communications Officer

Closed/Open: Closed

Purpose: The purpose of the Committee is to focus solely on the strategy and execution of generating sponsorship revenues and ticket sales for the event, where newly elected Officers and Directors are installed. The Committee may assist staff with planning and organizing the event. Note: The Hall of Fame recipients are announced at this networking event, as well as recognition given to the REALTOR® of the Year.

Composition: The Committee shall be composed of 5 - 7 at-large members selected jointly by the Chairperson and the Chief Communications Officer.

Term: One-year terms

Chair/Vice: Chairperson(s) selected by the CAR President-Elect with the approval of the Board of Directors. There is no Vice Chairperson of the Inaugural Banquet Advisory Group.

Qualifications:

1. REALTOR® or Affiliate member in good standing;
2. Preferred - fundraising experience.

Primary Support: The CEO or the CEO's designees.

416. NOMINATING COMMITTEE

Type: Standing Committee

Reports to: Board of Directors

Closed/Open: Closed

Purpose: The purpose of the Nominating Committee is to identify and interview candidates to serve as CAR Directors to serve on the Board of Directors. The Committee recommends a slate of nominees to present to the Board of Directors for approval.

The Nominating Committee shall seek to nominate candidates whose election would further the policy of ensuring that all specialties and professional interests within CAR are appropriately represented on the Board of Directors.

Composition: The Committee shall be composed of 11 members, as follows:

- Chairperson (a REALTOR® member, appointed by the President)
- President
- President-Elect
- Three Past Presidents of CAR (or predecessor entities)
- Five at-large members

Note: The CAR President, President-Elect and Chairperson, shall appoint, the eight members. Neither the President nor the President-Elect shall serve as chairperson of the Committee. At the time of appointment, each member of the Nominating Committee shall be from a different firm. Any vacancy on the Nominating Committee shall be filled by appointment by the President. Other than President and President-Elect, members of the Nominating Committee shall not be eligible for positions to be nominated.

Term: One-year terms

Chair: The Chairperson is to be selected by the President. There is no Vice Chairperson of the Nominating Committee.

Qualifications:

1. REALTOR® member in good-standing, and
2. At-large members shall be selected to further the policy of ensuring that all the specialties and professional interests within CAR are sufficiently represented on the Committee.

Primary Support: The CEO or the CEO's designees.

417. PAST PRESIDENTS FORUM

Type: Non-Standing Committee

Reports to: The CEO or CEO's designees

Closed/Open: Closed

Purpose: The purpose of the Past Presidents Forum is to keep Past Presidents informed of issues impacting CAR and the industry, as well as provide a forum for Past Presidents to make recommendations to the Board of Directors. CAR staff will also share CAR updates to the Past Presidents Forum.

Composition: Open to all Past Presidents of CAR

Term: N/A – open terms

Chair: Immediate Past President

Primary Support: The CEO or the CEO's designees.

418. PROFESSIONAL DEVELOPMENT ADVISORY GROUP

Type: Non-Standing Committee

Reports to: Director of Professional Development

Closed/Open: Closed

Purpose: The purpose of the Professional Development Advisory Group is to identify professional development topics, classes, events and new programs which would be of value to the members of CAR and the greater Chicagoland real estate community. Further, the advisory group is to promote the offerings of the REALTORS® Real Estate School and the programs of the CAR Foundation.

Composition: The Committee shall be composed of 6 - 8 at-large members selected jointly by the Chairperson and Director of Professional Development. One member is to be a Designated REALTOR®, and up to two members may be a non-members (i.e. a representative of NAR's education department or a local university).

Term: One-year terms

Chair/Vice Chair: The Chairperson shall be appointed by the CAR President. Any candidate for Chairperson must have a minimum of one year of current Professional Development Advisory Group service. A Vice Chairperson shall be jointly selected by the Chairperson and the Sr. Director of Professional Development.

Qualifications:

1. REALTOR® or Affiliate Member in good standing for a minimum of two years. Selected non-members may serve. The Designate REALTOR® must have at least one year of experience in managing an office;
2. Preferred – a NAR designation or certification (as well as that of the affiliated Institutes, Societies and Councils).

Primary Support: The CEO or the CEO's designees.

419. PROFESSIONAL STANDARDS COMMITTEE

Type: Standing Committee

Reports to: Board of Directors

Closed/Open: Closed

Purpose: The purpose of the Professional Standards Committee is to be responsible for enforcement of the Code of Ethics through the conduct of ethics and arbitration hearings.

Composition: The Committee shall be composed of 50 -75 members at-large selected by the Chairperson and Vice Chairperson.

Term: Members will serve staggered three-year terms and shall be approved by the Board of Directors annually at their first meeting of the fiscal year. Each member is eligible for two additional, consecutive three-year terms. No person may be appointed or re-appointed to the Professional Standards Committee if they have served more than a total nine years on the Committee, regardless of whether the terms have been consecutive or nonconsecutive

Chair/Vice Chair: The Chairperson shall be appointed by the President, with the approval of the Board of Directors. The Vice Chairperson shall be appointed by the President-Elect. Any candidate for Chairperson must have a minimum of one completed term of current Professional Standards Committee service. The advice of the assigned staff liaison should be solicited early in the appointment process for both positions. The Vice Chairperson shall ascend to the position of Chairperson immediately and automatically upon completion of the term as Vice Chairperson, unless it is determined by the appointing President-Elect that there is an inability to act on the part of the Vice Chairperson.

Qualifications:

1. REALTOR® member in good standing;
2. Annually attendance at a CAR or IR professional standards training;
3. Minimum of five years as a REALTOR®;
4. Minimum of six transactions or a minimum of \$2.5 million in sales volume over the past 12 months. This sales transaction criteria is exempt for non-selling Designated Managing Brokers so long as the non-selling Designated Managing Broker has been in a management role for more than one year; and
5. In carrying out their duties, Committee members will receive, review and possess sensitive and confidential information regarding professional standards matters brought before CAR. Each Committee member shall have a duty not to disclose confidential information and shall memorialize these confidentiality obligations by executing a confidentiality agreement before commencing service as a Committee member.

Primary Support: The CEO or the CEO's designees.

Citation Panel: The Citation Panel is a subcommittee of the Professional Standards Committee and reviews complaints to determine eligibility for the citation program and the appropriate citations.

The Citation Panel shall be comprised of three to nine individuals appointed by the Chairperson of the Professional Standards Committee. The Chairperson of the Professional Standards Committee shall designate one of the members of the Citation Panel to serve as Chairperson of the Citation Panel. Members of the Citation Panel must have same qualifications that apply to members of the Professional Standards Committee and have a high level of experience in hearing professional standards cases. The Citation Panel members shall serve for a term of one year.

420. PROPERTY MANAGEMENT FORUM

Type: Non-Standing Committee

Reports to: Public Policy Coordinating Committee

Closed/Open: Open

Purpose: The purpose of the Property Management Forum is to provide an open forum which allows for speakers, member involvement and information sharing related to residential and commercial property management and leasing matters, particularly as it relates to advocacy and government affairs in the City and County.

Composition: Open to both members and non-members

Term: N/A – open terms

Chair/Vice Chair: The Chairperson shall be appointed by the President, with the approval of the Board of Directors. There is no vice chairperson. Any candidate for the Property Management Forum Chairperson must have a minimum of one year of current, active participation in Forum activities. The advice of the assigned staff liaison should be solicited early in the appointment process for the Chair position.

Qualifications: N/A

Primary Support: The CEO or the CEO's designees.

421. PUBLIC POLICY COORDINATING COMMITTEE

Type: Non-Standing Committee

Reports to: Board of Directors

Closed/Open: Closed

Purpose: The purpose of the Public Policy Coordinating Committee is to recommend the public policy initiatives of CAR and to provide counsel to the Board of Directors on selected residential, commercial and property management advocacy and public policy issues.

Composition: The Committee shall be composed of ten members, as follows:

- Public Policy Committee Chairperson
- Public Policy Committee Vice Chairperson
- Public Policy Committee Immediate Past Chairperson
- CARPAC Chairperson (CAR President-Elect)
- Commercial Forum Committee Chairperson
- 3 At-Large members,
- CAR President (ex-officio)
- CEO (ex-officio and non-voting)

The at-large members are selected jointly by the incoming Chair and Vice-Chair of the Public Policy Coordinating Committee and shall be approved by the Board of Directors.

Term: One-year terms

Chair/Vice Chair: The Chairperson shall be appointed by the President and shall serve on the Board of Directors. The Vice Chairperson shall be appointed by the President-Elect. The advice of the assigned staff liaison should be solicited early in the appointment process for both positions. The Vice Chairperson shall ascend to the position of Chairperson immediately and automatically upon completion of the term as Vice Chairperson, unless it is determined by the appointing President-Elect that there is an inability to act on the part of the Vice Chairperson.

Qualifications:

1. REALTOR® member or CommercialForum subscriber in good standing;
2. A recommended \$100 minimum RPAC investor;

3. Minimum of three years as a REALTOR® or CommercialForum Subscriber; and
4. In carrying out their duties, Committee members may receive, review and possess sensitive and confidential information regarding various public policy aspects of CAR. Each Committee member shall have a duty not to disclose confidential information and shall memorialize these confidentiality obligations by executing a confidentiality agreement before commencing service as a Committee member.

Primary Support: The CEO or the CEO's designees.

The subcommittees of the Public Policy Coordinating Committee are:

- Property Management Forum
- RPAC Ambassadors Group (staff liaison is the Chief Communications Officer and/or the Chief Communications Officer's assigned staff)

422. REALTOR® AWARDS COMMITTEE

Type: Non-Standing Committee

Reports to: Board of Directors

Closed/Open: Closed

Purpose: The purpose of the REALTOR® Awards Committee is to nominate annual award recipients for the following awards: REALTOR® of the Year; CommercialForum Achievement; REALTOR® Community Service; Affiliate of the Year; REALTOR® Managing Broker Award (two categories); Political Advocacy Award; Industry Partner Member Award and the Rising Star Award. A slate of nominations is to be forwarded to the Board of Directors for approval at the June Board of Directors meeting and presentation at the annual Inaugural. The ROTY will be awarded annually. All other awards will be at the discretion of the Committee to recommend to the Board of Directors.

There are two dates for meetings (approx. 2 hours each) – typically one meeting in March and one in April.

Composition: The Committee shall be comprised of nine members, selected by the Chairperson, as follows:

- Immediate past ROTY (Chairperson)
- IR and/or NAR Director (who has served within the last two years)
- CAR Committee Chairperson (served within the last two years)
- Two at-large members
- Four additional members currently serving on any of the following groups: CAR Public Policy Committee, YPN Work Group, Member Care Task Force, The D77, or a CAR Industry Partner.

Term: One-year terms

Chair: The Chairperson shall be a the immediate past ROTY recipient (active member) and is appointed by the CAR President. There is no Vice Chairperson of the REALTOR® Awards Committee.

Qualifications: REALTOR® member in good standing.

Primary Support: The CEO or the CEO's designees.

Practices:

Timeframes:

- Solicitation for nominees sent out to membership in January - April
- Committee meets in April and/or May to review nominations and recommend slate
- Board of Directors approves awards slate at the June or August Directors meeting
- Awards presented at annual Inaugural Banquet (Fall)
- Name of ROTY is forwarded to IR the following March (or other IR submission deadline)

Solicitations for nominations to be sent out to:

- General membership
- IR & NAR Directors
- CAR Directors
- Past ROTY recipients
- Committee Chairs
- Staff
- Posted at Association office and branch locations

Nomination & Approval process:

- Nominees will be contacted by staff to complete the nomination forms prior to Awards Committee meeting
- Nominations will only be considered if on an official nomination form and are kept strictly confidential
- Candidates who do not qualify will not be considered
- Committee reviews all nominees and selects one winner for each award category
- Committee submits one nominee per award to Board of Directors for approval at the June meeting.
- Self-nominations will not be accepted.

Presentation of awards:

- All awards to be presented at the annual Inaugural
- Award winners announced in various promotions for Inaugural
- Winners are acknowledged in the Inaugural program and receive a plaque that evening
- ROTY has an opportunity for short comments and/or has a short video during the Inaugural event
- In addition to the above, the winner of that year's Good Neighbor's Awards Event "Bruce Abrams Award" winner will be acknowledged at the annual Inaugural, in the manner deemed appropriate by the Inaugural Advisory Group

Name remains active for 1 year:

- Any individual may be nominated in subsequent years.
- Any nominees not receiving the award will remain on file for consideration the following year.
- Nominees will be asked to update their information from the prior year.

Submission of ROTY award winner to IR:

- Upon receiving the ROTY award at the Inaugural, the name of the recipient will automatically be submitted to IR during their next award cycle. Should that recipient be running for IR elective office during that award cycle, the name submitted will be that of the ROTY recipient from the preceding year.

423. RPAC AMBASSADORS GROUP

Type: Non-Standing Committee

Reports to: Board of Directors

Closed/Open: Closed

Purpose: The purpose of RPAC Fundraising Ambassadors is to solicit RPAC investments. A key focus for the group is the obtainment of major investors, as well as broad-based, lower-level investments by CAR members.

Composition: Open to members who meet the qualifications outlined below.

Ambassador Duties:

Attend one training session and two planning meetings annually. Meetings will be used to provide updates to fundraising efforts and time will be spent actively recruiting RPAC contributions;

- Solicit Major Investors through phone calls and emails to lists provided by CAR Staff;
- Represent RPAC at CAR events through attendance. An RPAC Ambassador name tag and materials would be provided to solicit contributions;
- Represent RPAC at member meetings and pop-ups alongside GADs as determined by CAR staff.

Chair/Vice Chair: The Chairperson shall be appointed by the President, with the approval of the Board of Directors. Unless specifically approved by the Board of Directors in a given year, there is no vice chairperson role. Any candidate for Chairperson must have a minimum of one-year of current RPAC Ambassador service. The advice of the assigned staff liaison should be solicited early in the appointment process for the Chairperson position.

Qualifications:

1. REALTOR® member in good standing;
2. Must be an RPAC investor with a minimum of \$100 (preferred – major investor);
3. Preferred – some fundraising experience;
4. Must complete RPAC Fundraising Training

Primary Support: The CEO or the CEO's designees.

424. SPONSORSHIP ADVISORY COMMITTEE

Type: Non-Standing Committee

Reports to: Sr. Director of Events and Sponsorship and his/her designated staff.

Closed/Open: Closed

Purpose: To serve as a work group that supports the Chicago REALTORS® sponsorship program by identifying prospects, facilitating introductions, and assisting with outreach and relationship cultivation, with the goal of increasing sponsorship engagement and revenue for the Association.

Composition: The work group shall be composed of 6-8 members at-large selected jointly by the Chairperson(s), Sr. Director of Events and Sponsorship, and the Sponsorship Manager and/or designated staff.

Term: One-year terms

Chair/Vice Chair: The Chairperson(s) shall be selected by the Chicago Association of REALTORS® President with the approval of the Board of Directors. There is no Vice-Chairperson for the Sponsorship Advisory Committee.

Qualifications:

1. REALTOR® or Affiliate members in good standing;
2. Preferred – fundraising experience and sponsorship outreach.

Primary Support: Sr. Director of Events and Sponsorship and his/her assigned staff.

425. SUSTAINABILITY COMMITTEE

Type: Non-Standing Committee

Reports to: Board of Directors

Closed/Open: Open

Purpose: The purpose of the Sustainability Committee is to create a community of Chicagoland real estate professionals to advocate and educate on topics related to sustainability and sustainable development.

Composition: The Committee shall be composed of 15-20 members at-large selected by the Chairperson, Vice Chairperson, and staff liaison.

Term: One year terms.

Chair/Vice Chair: The Chairperson shall be appointed by the President, with the approval of the Board of Directors. The Vice Chairperson shall be appointed by the President-Elect. Any candidate for Chairperson must have a minimum of one-year of current Sustainability Committee service. The advice of the assigned staff liaison should be solicited early in the process for both positions. The Vice Chairperson shall ascend to the position of Chairperson immediately and automatically upon completion of the term as Vice Chairperson, unless it is determined by the appointing President-Elect that there is an inability to act on the part of the Vice Chairperson.

Qualifications: REALTOR® or Affiliate Member in good standing.

Primary Support: The CEO or the CEO's designees.

426. YOUNG PROFESSIONALS NETWORK ADVISORY BOARD

Type: Non-Standing Committee

Reports to: Board of Directors

Closed/Open: Open

Purpose: Young Professionals Network (YPN) is a growing group of career-minded real estate professionals who want to stay abreast of the latest tools, resources and networking opportunities available to them as REALTORS®. The YPN strives to help real estate professionals excel in their careers by giving them the tools and encouragement to become involved in REALTOR® Associations (all levels), take an active role in policy discussions and advocacy issues, create a cooperative community to share ideas with their peers and give back to the community through outreach initiatives.

Composition: The Committee shall be composed of 10 -15 at-large members selected by the Chairperson and Vice Chairperson.

Term: One-year terms

Chair/Vice Chair: The Chairperson shall be appointed by the President, with the approval of the Board of Directors. The Vice Chairperson shall be appointed by the President-Elect. Any candidate for Chairperson must have a minimum of one year of current YPN Committee service. The advice of the assigned staff liaison should be solicited early in the appointment process for both positions. The Vice Chairperson shall ascend to the position of Chairperson immediately and automatically upon completion of the term as Vice Chairperson, unless it is determined by the appointing President-Elect that there is an inability to act on the part of the Vice Chairperson.

Qualifications: REALTOR® or Affiliate Member in good standing.

Primary Support: The CEO or the CEO's designees.

5. FINANCIAL POLICIES

501. INTRODUCTION

The following section is intended to provide an overview of the accounting and financial policies for CAR. This section should be reviewed at a minimum every three years to determine if it is prudent to make updates.

This section shall document the accounting and financial operations of CAR. Its primary purpose is to formalize accounting and financial policies and to document internal controls.

All CAR staff are bound by the policies herein and any other financial policies adopted by CAR, and any deviation from this Policy Manual or any other financial policy adopted by CAR is prohibited.

502. ACCOUNTING DEPARTMENT OVERVIEW

The Accounting Department consists of staff that manage and process financial information for CAR. The department is led by the Chief Financial Officer.

Other officers and employees of CAR who have financial responsibilities, and the abbreviations of each position used throughout this manual, are as follows: Chief Executive Officer (CEO), Chief Operating Officer (COO), and Executive Leadership Team (ELT).

503. CASH PAYMENTS

CAR does not accept cash as a form of payment. Persons making payments to CAR shall make payments using other methods of payment approved by the CEO or the CEO's designee.

504. REFUNDS

The following policies apply to refunds associated with revenue collected by CAR:

- **Application Fees, Transfer Fees, Reinstatement Fees, and Processing Fees** – Not refundable. This is a cost for processing and reflects staff time and effort.
- **Dues** - Only refundable within five business days of payment.
- **Voluntary Contributions** – Only refundable within 30 days of payment.

- **MLS Fees** – Refundable for months prepaid for MLS services where membership is later made Inactive or Terminated within the same fiscal year. Member must be in a membership status of Inactive or Terminated in the same fiscal year to be eligible to request and receive a refund of prepaid MLS services. A member having access to the member's MLS service, but infrequently using or never logging in to the MLS service, does not qualify for a refund. Any refund request for prepaid months of MLS must be requested within 30 days of Inactive or Terminated membership status. No refund will be issued for requests received after 30 days of Inactive or Terminated status. When calculating the unused months, the month in which the membership account was made Inactive or Terminated is not eligible for refund. If a refund is issued and membership is reinstated within the same fiscal year, the member will be responsible for the current prorated amount of MLS fees. In the event of a double payment, CAR will refund the member.

Lockboxes

All sales of lockboxes and lockbox accessories are final. No refunds will be issued for newly sold lockboxes and accessories. In the event of a defective lockbox, the member shall follow Sentrilock's policy and procedures for determining if a lockbox is under Warranty and to receive a replacement lockbox. CAR will issue replacement lockboxes only if deemed defective and warrantable by Sentrilock. No replacement lockboxes will be issued for any lockbox that is defective and outside of its warranty period.

Professional Development

- If a student cancels the student's attendance at a class a minimum of five business days prior to the start of a course, the student will receive a refund of tuition less a 25% cancellation fee. ALL CANCELLATIONS MUST BE IN WRITING via email or online form to CAR.
- If a student cancels the student's attendance at a class less than five business days prior to the start of a course, no refund shall be provided. If a student is a "no show" for a class, no refund shall be provided, and the student forfeits their registration fee. No refunds shall be provided once a class has begun.
- For Continuing Education courses, transfers requested a minimum of five business days prior, there is no fee. Transfers within five business days are subject to a \$40.00 Transfer Fee. No transfers are permitted after a course has begun; student forfeits their registration fee. There are no cash refunds.
- For Licensing courses, transfers are subject to a \$40.00 Transfer Fee. No transfers are permitted after a course has begun; student forfeits their registration fee. There are no cash refunds.
- No refunds are given for online courses (no instructor), study aids, books, or software programs unless they are defective.
- CAR reserves the right to cancel or reschedule any course or individual class session(s), at any time, for any reason. If we cancel an entire course, students will receive a full refund of their tuition.
- CAR reserves the right to cancel any individual class session(s), at any time for any reason. Students will be notified of an alternate make-up session. Students who cannot attend make-up sessions will have the option of transferring to another class (full repeat required) or online course within 6 months of the original course start date; no refunds and no additional fees will apply. CAR will notify students as early as possible as to any class session changes.
- CAR reserves the right to cancel, substitute or reschedule any instructor for any reason at any time; no monetary compensation will be applicable.
- Non-Registered, walk-in students will be accommodated AFTER all pre-registered students have been seated.
- Late arrivals are not permitted for real estate continuing education classes.
- In addition, CAR is not responsible for any late fees, charges or other amounts incurred by students to licensing authorities or any other third parties.

505. CHARGE BACKS

Any person who makes a payment to CAR is prohibited from doing a charge back to obtain a return of CAR funds without CAR's prior authorization. In the event that a person initiates an unauthorized charge back, CAR reserves the right to prohibit the person from participating in any CAR event or program until the amount of the charge back is repaid to CAR. In addition, the person's membership may be suspended by the CEO or the CEO's designee until such time as the funds are repaid to CAR.

506. CASH RECEIPTS

Cash handling and batch control

CAR staff are required to process transactions involving money for which they are held accountable.

Processing of Checks Received in the Mail

For funds received at the CAR Central Office, cash receipts are centralized to ensure that checks are appropriately recorded and deposited in a timely manner.

Timeliness of Bank Deposits

Checks that cannot be scanned will be manually deposited using a deposit slip and deposit bag. Manual deposits are taken to the bank by two accounting staff members as needed..

Reconciliation of Deposits

On a monthly basis, the Accounting Manager, who does not prepare the initial cash receipts listing or bank deposit, shall reconcile the listings of receipts to bank deposits reflected on the monthly bank statement. Any discrepancies shall be immediately investigated.

It is the policy of CAR to include checks returned to the bank because of non-sufficient funds in the accounts receivable.

If the checks in question are eligible for redeposit, alerts will be put on members' accounts about the nonsufficient funds.

Once a member's check has been returned for insufficient funds on two occasions, an alert will be put on the member's account and CAR will not accept that member's checks for a full year. Written notification will be sent accordingly to that member.

Processing of Credit Cards

CAR accepts all major credit cards.

Note: All confidential information, including member and financial information, is destroyed or shredded immediately upon processing completion.

507. PURCHASING POLICIES

Responsibility for Purchasing

The Executive Leadership Team (ELT) has the authority to initiate purchases on behalf of their areas of responsibility, within the guidelines described in this manual. In addition, the ELT may delegate purchasing authority to responsible individuals within their departments. The ELT will inform Accounting of all individuals who may initiate purchases. Accounting will maintain a list of all authorized purchasers of CAR.

Authorizations and Purchasing Limits

1. If a purchase was planned for in the approved budget, the ELT member responsible for that area of the budget shall have authority to approve the purchase.
2. Any and all Legal Services must be approved by the CEO, COO, or CFO prior to initiating contact with the law firm.
3. All contracts in excess of \$50,000 or greater than one year in duration should be reviewed by outside legal counsel.
4. If a purchase was not planned for in the approved budget, the purchase must be reviewed by the CEO or COO, who will then either approve the purchase or make the determination to seek approval from the Executive Committee or Board of Directors.
5. The Board of Directors must approve any major unbudgeted purchase not approved during the planning and budgeting process.

Special Purchasing Conditions

Emergencies: When equipment, materials, parts, and/or services are needed, quotations and approvals will not be necessary if the health, welfare and safety of staff and protection of CAR property is involved.

Ethical Conduct in Purchasing

Staff who purchase goods or services occupy a special position of trust and responsibility. In order to avoid the potential problems of unethical behavior, the following principles should be followed: Strive to conduct all business with honesty, fairness, integrity. Consistently practice ethical behavior;

- Conduct ourselves in such a manner as to merit the respect of our employer, co-workers and peers;
- Refuse all gifts or gratuities \$50.00 or greater and do not enter into any transactions resulting in personal benefit;
- Exercise skill and good judgment to obtain the maximum value for each dollar of expenditure;
- Treat with discretion all information obtained in confidence unless disclosure is reasonably necessary, prudent, or consent to make the disclosure is consented to either expressly or impliedly; and
- Remain independent, free of obligation or suspicion, and be completely fair and impartial.

Conflicts of Interest Prohibited

No officer, board member, employee, or agent of CAR shall participate in the selection or administration of a vendor if a real or apparent conflict of interest is involved. Such conflict would arise if an officer, board member, employee or agent, or any member of their immediate family, or partner, or an Association that employs or has a financial or other interest in the vendor, is selected.

Directors and staff will review and sign a "Conflict of Interest" policy, to be maintained on file annually in conjunction with the start of CAR's fiscal year. See Appendix 1.

Required Solicitation of Quotations from Vendors

CAR requires a minimum of three bids for the following expenditures:

1. Printing – amounts exceeding \$5,000.00.
2. CR Magazine – bids will be obtained every three years.
3. Technology – bids will be obtained every three years.
4. Facilities Related – amounts exceeding \$5,000.
5. Events –, (see separate document for new language)
6. Professional Services – Any limited engagement of \$5,000 or more.
7. Other – expenses exceeding \$5,000.00.
8. Single /Source – Where there is only one supplier for required merchandise and no other product meets the stated needs or specifications, every effort should be made to negotiate the best possible price and other terms. Documentation should note the purchase as Single Source.

Affirmative Consideration of Minority, Small Business and Women-Owned Businesses

CAR will make every effort to employ small businesses, minority-owned firms, and women's business enterprises, when possible.

Non-Discrimination Policy

All vendors/contractors who are the recipients of Association funds, or who propose to perform any work or furnish any goods under agreements with CAR, will agree to the following principles:

Vendors/Contractors will not discriminate against any employee or applicant for employment on the basis of race, color, religion, creed, sex, age, marital status, national origin, mental or physical disability, political belief or affiliation, veteran status, or sexual orientation and any other class of individuals protected from discrimination under state or federal law.

508. ACCOUNTS RECEIVABLE MANAGEMENT

Credits and Other Adjustments to Accounts Receivable

Credits against accounts receivable from transactions other than payments and bad debts will occur. Examples of other credits include returned products and adjustments for billing errors. All credits shall be processed by an employee who is independent of the cash receipt's function. In addition, all credits shall be authorized by the COO or CFO.

Accounts Receivable Write-Off Authorization Procedures

It is the policy of CAR to ensure that all available means of collecting accounts receivable have been exhausted before write-off procedures are initiated. Write-offs are initiated monthly by the Department associated with the amount to be written off, in conjunction with Accounting. If an account receivable is deemed uncollectible, the COO or CFO must approve.

Reserve for Uncollectible Accounts

It is the policy of CAR to maintain a reserve for uncollectible accounts receivable.

Year-end adjustments to the reserve for uncollectible accounts shall be performed only with authorization from the COO and CFO.

509. ACCOUNTS PAYABLE MANAGEMENT

Overview

It is the policy of CAR that the recording of assets or expenses and the related liability is performed by an employee independent of ordering and receiving. Amounts recorded are based on vendor invoices for the related goods or services. Vendor invoices should be supported by approved purchase orders where necessary, and should be reviewed and approved by an ELT staff member or designee prior to being processed for payment.

The primary objective for accounts payable and cash disbursements is to ensure that:

1. Disbursements are properly authorized
2. Invoices are processed in a timely manner
3. Vendor credit terms and operating cash are managed for maximum benefits

Employee Expense Reports

Reimbursements for travel expenses, business meals, or other approved costs will be made only upon the receipt of a properly approved and completed Expense Statement Form. All receipts must

be attached, and a brief description of the 5 W's (who, what, when, where and why) must be noted on the form. See section 511 for Business and Travel expenses.

510. CASH MANAGEMENT POLICIES

Overview

Cash is CAR's most liquid asset. Therefore, it is the objective of CAR to establish and follow the strongest possible internal controls in this area.

CAR's purchasing and cash disbursements policies and procedures should demonstrate sound internal controls to prevent or detect disbursements frauds attempted by either outside parties or, more likely, employees. Segregation of duties is a key element of fraud prevention and detection. In that regard, at minimum, the following characteristics should be demonstrated through Association policies:

1. Authorization of purchases performed by individuals who do not have check-writing and recording abilities
2. Receipt of supplies and other assets ordered from vendors by someone other than the individual who has final approval to pay the vendor
3. Check signing by individuals who do not have the ability to record disbursements in the journal or general ledger
4. Bank reconciliations performed by individuals who do not prepare, sign, or record purchases or disbursements

Even with these basic elements in place, there are other aspects of segregation of duties and other controls that should be considered, some of which are identified throughout these model policies. If preventive controls over check-writing cannot be as strong as one would like, the final step from the preceding list becomes even more important as a detective control. Having someone independent of the check preparation and signing process be the first person to open and review the bank statement and review all debits on the statement becomes the primary detective control in these situations. This concept is illustrated later in this Policy Manual; however, users should keep these elements of segregation of duties in mind as they tailor these policies.

Cash Flow Management

The COO and CFO perform treasury management and cash flow needs to maximize investment returns as stated under Section 514 Investment Policy.

Petty Cash and cash register

CAR will maintain a petty cash fund.

It is the responsibility of the Staff person handling cash to ensure that cash funds are always under lock and key.

Wire Transfers

The CFO and COO shall be the only CAR employees authorized to transact wire transfers from and within CAR bank accounts. Confirmation of all wire transfers are delivered to the CFO.

Vendor Payments

It is the policy of CAR to pay suppliers on a weekly basis. Payments shall be prepared by A/P Coordinator who is independent of those who initiate or approve expenditures, as well as those who are authorized check signers. The preferred method of payment is ACH.

Check Signing

Checks in an amount greater than \$10,000 require two signatures. No checks will be signed prior to the check being completed in its entirety (no signing of blank checks). Check signers are the President, President-Elect, Treasurer, CEO, COO, or CFO. ACH payments require the approval of the CFO or CFO's designee. ACH payments will be reviewed weekly with the Treasurer.

Positive Pay System

It is the policy of CAR to utilize a Positive Pay system with its financial institution for all checks drawn on all accounts.

Mailing of Checks

After signature, checks are returned to the A/P Coordinator, who then mails checks immediately. Checks shall not be mailed by or returned to individuals who authorize expenditures unless approved by the COO or CFO.

Stale Dated Checks

It is the policy of CAR to adhere to the requirements Illinois Revised Uniform Unclaimed Property Act.

Corporate Credit Cards

As deemed necessary and approved by the CEO, COO or CFO, staff may be provided a Corporate Credit Card in order to conduct Association Business. Annually, the Board of Directors will review and approve the individual credit card limits for each employee.

Accounting will advise the CEO and COO of any employee with personal charges made to the employee's Corporate Credit Card more than three times per fiscal year, and/or exceeding total personal charges of \$250 per fiscal year. The Employee will be subject to suspension of their credit card privileges and/or further disciplinary action. The Executive Committee will be notified at their next regularly scheduled meeting, should this occur.

511. TRAVEL AND BUSINESS ENTERTAINMENT

Travel Expenses

This policy will be reviewed annually as part of drafting the annual budget. It is the policy of CAR to establish travel expense limitations and guidelines as follows:

The following paragraph applies to each section within Section 511.

Reimbursements for travel expenses, business meals, or other approved costs will be made only upon receipt of an approved and completed Association Expense Statement form or Certify. The expense form must include a brief description of the five W's (who, what, when, where and why) and all receipts must be attached and submitted within 30 days unless otherwise noted.

IR Meeting Travel Reimbursement

CAR will annually budget to send the President, the President-Elect, the Secretary-Treasurer, the Chief Executive Officer and other staff (at the discretion of the Chief Executive Officer) to all IR Business Meetings and Conferences. CAR will annually budget to send the Public Policy Coordinating Committee Chair and the RPAC Ambassadors Group Chair to the annual IR Public Policy Meeting.

Any CAR member (other than a CAR Officer), who serves as an IR Director, Committee Chair or Vice Chair and who does not receive a stipend from IR, shall receive up to \$250 per business

meeting or conference, up to three meetings per year. In order to receive this reimbursement, a copy of total receipts for the meeting must be submitted within 45 days of the meeting. Expenses not submitted within 45 days will not be reimbursed.

NAR Meeting/Convention Travel

CAR will annually budget to send the President, the President-Elect, the Secretary-Treasurer, the Chief Executive Officer, and other staff (at the discretion of the Chief Executive Officer) to the NAR REALTOR® Legislative Meetings & Trade Expo and the Annual NAR NXT Convention. CAR will annually budget to send the Chief Executive Officer and other staff (at the discretion of the Chief Executive Officer) to the NAR Association Executives Institute. NAR Directors shall be authorized to attend NAR Meetings and will be reimbursed per IR's policy by submitting original receipts and expense reports directly to IR within IR's prescribed policy.

CAR will reimburse the NAR Directors up to \$500 per meeting, for expenses greater than the approved IR stipend. In order to receive this expense reimbursement, a copy of total receipts for the meeting must be submitted within 45 days of the meeting along with proof of submission to IR for the Director Stipend. Expenses not submitted within 45 days will not be reimbursed.

NAR Directors, CAR Officers and staff attendance at the NAR President's Inaugural will be included as a part of the annual budget process should an Inaugural Gala be held. The NAR Realtors Legislative Meetings and the Annual NAR NXT Convention may also include a budgeted special "CAR night out" for Directors, staff, members and invited guests in attendance.

Any CAR member (other than a CAR Officer) who serves as a NAR Committee Chair or Vice Chair, and who does not receive a stipend from IR, shall receive a stipend of \$500 per business meeting or conference (per IR approved stipend), up to two meetings per year. In order to receive this stipend, a copy of total receipts for the meeting must be submitted within 45 days of the meeting. Expenses not submitted within 45 days will not be reimbursed.

Any CAR member who successfully graduates from the NAR Leadership Academy will receive a total reimbursement of \$1,000 towards tuition and travel costs. In order to receive this reimbursement, a copy of total receipts for the meeting must be submitted within 45 days of the graduation. Expenses not submitted within 45 days will not be reimbursed.

International Travel

The President (or the President's designee) and the CEO (or the CEO's designee) will have occasion to travel internationally, from time to time, as approved in the annual budget process. On such occasions, they will be entitled to business class flight arrangements. However, if traveling with a companion, they may waive this entitlement in lieu of two coach class tickets. Recommendations for international travel will be made annually by the Global Real Estate Council, as a part of the business planning and budgeting process. Final approval of attendance at international destinations and conferences shall be made by the Executive Committee.

All other international travel must be approved, in advance, by the Board of Directors.

Mileage or Parking

Mileage or parking will be reimbursed to Directors of CAR for automobile travel on official business of CAR. Mileage will be calculated at a rate established annually by the Internal Revenue Service minus their normal travel costs. Parking, tolls or transportation charges will be reimbursed when traveling on behalf of CAR. Parking at CAR headquarters will be reimbursed up to the CAR discounted rate.

Mileage will be reimbursed to Association employees for automobile travel on official business of CAR. Mileage will be calculated at a rate established annually by the Internal Revenue Service minus their normal travel costs. Parking, tolls or transportation charges will be reimbursed when traveling on behalf of CAR. Parking at CAR headquarters will not be reimbursed for parking during

the regular work-day. However, if parking is required on non-work days, parking will be reimbursed by CAR up to the CAR discounted rate.

Airfare

Air Travel Policy:

Directors and employees traveling to meetings by air must use cost-effective travel options available. Airfare should be purchased at least 14 days in advance whenever possible to obtain the best rates.

If travel expenses are not direct-billed to CAR, original receipts from the airline or online booking platform must be submitted for reimbursement.

Airfare reimbursement will not exceed the amount allocated in the approved annual budget unless prior written approval is obtained from the Chief Executive Officer before the purchase. **Any upgrades are the responsibility of the individual traveler and shall not be reimbursed by CAR.**

Refer to the International Travel Policy for any applicable exceptions.

Lodging

Lodging facilities are reimbursed for the room and tax only for standard hotel rooms. Upgrades are the responsibility of the individual.

Meals, Tips and Incidentals

In the event that CAR Directors and Employees are required to travel with an overnight stay on behalf of CAR (excluding IR and NAR business meetings and conferences), expenses will be reimbursed up to \$150 per day for meals, tips, and incidentals with proper documentation.

Car Rentals

Car rentals will be reimbursed if approved in advance by the CEO or COO. Employees should not request LDW (Loss Damage Waiver) coverage unless they do not have insurance. Receipts are required.

Entertainment

Concerts, plays, etc. generally are not reimbursable. Since maintaining relationships with various entities and individuals is critically important to advancing CAR's mission, the President and the CEO shall have the discretion to incur reasonable expenses in entertaining appropriate parties when and if necessary at such activities.

Presidential Discretionary Fund

CAR shall annually budget nominal funds to be used at the President's discretion to support activities that advance the mission and visibility of the Association. These funds may be used for purposes not otherwise budgeted and approved specifically within the annual budget, including but not limited to, presidential travel, social media coverage, lodging, professional development, and other similar expenses.

All expenditures must align with the strategic interests of the Association and must be approved by the CEO. The CEO will report the use of the discretionary funds to the Executive Committee for informational purposes.

The funds are intended to support the President's role and may not be used for companions, designees, or personal expenses.

512. INVENTORY

Description of Inventory

CAR maintains several inventoried goods for resale.

Accounting for Inventory

CAR will use the First-in, First-out (FIFO) method of inventory valuation.

Physical Counts

It is the policy of CAR to perform a physical count of inventory on a quarterly basis.

513. PREPAID EXPENSES

Accounting Treatment

It is the policy of CAR to treat payments of expenses that have a future benefit as prepaid expenses and to expense to the appropriate time period.

514. INVESTMENT POLICIES

Introduction

It is the policy of CAR to treat all assets of CAR, including those funds that are legally unrestricted, as though they are held by CAR in a fiduciary capacity for the purpose of accomplishing CAR's overall mission. As such, the policies described in this section are to be interpreted in light of that overall sense of stewardship, and the investment standards of CAR shall be those of a prudent investor.

Delegation of Authority

The Board of Directors of CAR has delegated supervisory authority over its investing activities to the Finance Committee. The Finance Committee is responsible for regularly reporting on CAR's investments to the full Board of Directors. The Finance Committee is authorized to retain one or more Investment Counselors subject to Board of Directors' approval to assume the investment management function. In that regard, the Finance Committee may enter into agreement with, delegate investment authority, pay compensation to, and receive reports from, one or more Investment Counselors.

Investment Objectives

CAR's investment objective is to earn an appropriate return on investments with the theory to take advantage of compounded interest and take advantage of diversification to minimize the losses during significant market decreases. Earning a reasonable return during market expansion. Maximizing returns without exposing the principal to undue risk.

This investment policy shall be reviewed annually at the beginning of the calendar year by the Finance Committee for any necessary revisions. Recommendations for any revisions or modifications will be made by the Finance Committee to be approved by the Board of Directors.

The following guidelines will be used to determine the dollar amounts placed in each of the three investment funds.

The CEO, COO, and CFO will determine the dollar amounts placed in each investment fund, subject to the limitations set forth. These placements will be reported at each Finance Committee for its review and approval.

Operating Fund Investments

Purpose:

The purpose of the Operating Fund is to provide sufficient cash to meet the financial obligations in a timely manner while meeting or exceeding the average bank rates of return. These investments are for less than 1 year.

Investment Objectives:

The investment objectives of the Operating Fund are:

Preservation of Capital;
Liquidity; and
Optimization of investments within the guidelines of the policy OR Optimize returns within the guidelines.

Investment Guidelines:

The COO and CFO shall be authorized to invest the Operating Fund as follows:

- Repurchase agreements in conjunction with bank sweep accounts and collateralized by U.S. Government obligations
- Federally (FDIC) insured certificates.
- Money Market funds federally (FDIC) insured
- Money Market funds that invest in government backed securities fully insured through SIPC
- U.S. Government Agency securities, including the Federal National Mortgage Association (FNMA), Federal Home Loan Bank (FHLB), Federal Home Loan Mortgage Corp. (FHLMC) and Federal Farm Credit Bank (FFC)

Operating Fund Investments shall be limited to less than one year. Maturities must be scheduled to allow redemption of securities as cash flow requirements dictate.

This fund is managed by the CFO.

The COO and CFO shall prepare a report for presentation to the Finance Committee, Executive Committee and the Board of Directors that will include:

- Acquisition date
- Method of acquisition (purchase or donation)
- Cost or basis at acquisition
- Description of investment
- Interest rate (if applicable)
- Date of maturity (if applicable)
- Holder/issuer of security

Short Term Investment Fund

Purpose:

The purpose of the Short-Term Investment Fund is to meet the expenses occurring as the result of short term unanticipated activities, to improve the return on funds held for expenditure over the next one to five years, and to manage investment risk while meeting or exceeding the one year Treasury Note.

Investment Objectives:

The investment objectives of the Short-Term Investment Fund are:

Preservation of Capital Liquidity

Optimization of investments within the guidelines of the policy OR Optimization of investments within the guidelines of the policy OR Optimize returns within the guidelines.

Investment Guidelines:

The COO and CFO shall be authorized to invest the Short-Term Investment as follows:

- Federally (FDIC) insured certificates of deposit.
- Money Market funds that invest in government backed securities fully insured through Securities Investor Protection Corporation (SIPC)
- Direct obligations of the U.S. Government (U.S. Treasury Bills)
- Corporate Bonds AA rated
- Municipal Bonds AA rated
- Short Term Bond Funds and GNMA Funds
- Mutual funds
- U.S. Government Agency securities, including the Federal National Mortgage Association (FNMA), Federal Home Loan Bank (FHLB), Federal Home Loan mortgage Corp (FHLMC) and Federal Farm Credit Bank (FFC).

Maturities must be scheduled to allow redemption of securities as cash flow requirements dictate. This fund is lead approximately 85% by the investment banker.

The COO and CFO shall prepare a report for presentation to the Finance Committee, Executive Committee and the Board of Directors that will include:

- Acquisition date
- Method of acquisition (purchase or donation)
- Cost or basis at acquisition
- Description of investment
- Interest rate (if applicable)
- Date of maturity (if applicable)
- Holder/issuer of security
- Current market value
- Unrealized gain or loss

Long Term Investment Fund**Purpose:**

The purpose of the Long-Term Investment Fund is to enhance the purchasing power of funds held for future expenditure and to maintain the financial stability of CAR.

Investment Objectives:

The objectives of the Long-Term Investment Fund represent a long term goal of maximizing returns without exposure to undue risk. Fluctuating rates of return are characteristic of the securities markets. The primary concern will be long term appreciation of the assets and consistency of total return.

The purpose of the equity portion of the Long-Term Investment Fund is to provide long-term capital appreciation which equals or exceeds TBD.

This fund is managed by the Investment Banker.

Investment Guidelines:

The COO and CFO shall be authorized to invest the long-term investments into any funds to achieve the objective except the following:

Prohibited Investments

Private Placements
Letter Stock
Derivatives
Commodities
Short Sales
Margin Transactions
Individual Stocks
Any speculative investment activities

The COO and CFO shall prepare a report for presentation to the Finance Committee, Executive Committee and the Board of Directors that will include:

- Acquisition date
- Method of acquisition (purchase or donation)
- Cost or basis at acquisition
- Description of investment
- Interest rate (if applicable)
- Date of maturity (if applicable)
- Holder/issuer of security
- Current market value
- Unrealized gain or loss

Asset Allocation Guidelines

To maximize the probability of achieving a balanced portfolio, in line with risk parameters and tolerance for short-term volatility, the following asset allocation ranges are acceptable:

Up to 70% of Bonds
Up to 60% of Equities

The asset allocation will be set to limit the specific risk associated with any single security, mutual fund or class of securities. The CEO and the CFO will periodically review the overall asset allocation to ensure proper diversification and make recommendations to the Finance Committee. This review will include the Association Investment Program (AIP), an investment service participated in by the National Association of REALTORS® (NAR).

Accounting Treatment

All purchased investments shall initially be recorded at cost. All investments acquired by donation to CAR shall initially be recorded at their fair market value as of the date of donation. Donated investments shall be recorded as unrestricted, temporarily restricted, or permanently restricted income and net assets based on the existence or absence of such restrictions, as defined earlier.

Subsequent to acquisition, it shall be the policy of CAR to carry all equity securities with readily determinable fair market values and all debt securities at their market values. Adjustments to market value shall be made monthly in the accounting records and financial statements of CAR to be compliant with Generally Accepted Accounting Principles (GAAP).

Adjustments to market value result in unrealized gains and losses on investments. Such gains and losses resulting from contributed investments (or from investments purchased with contributed funds) shall be classified as unrestricted, temporarily restricted, or permanently restricted based on the existence or absence of explicit restrictions on such appreciation and depreciation from the

donor, as defined earlier. Such unrealized gains and losses from investments purchased with unrestricted funds shall be classified as unrestricted.

Gifts Received

CAR will not accept gifts that are not publicly traded or easily liquidated into cash. CAR shall not at any time assume the role of brokering and liquidating gifts. Gifts received shall be discussed with CAR's broker.

Responsibility of the Investment Manager(s)

The services of a registered investment advisor will be utilized to manage portions of the investment portfolios of CAR Investment managers being considered will be evaluated by the Finance Committee on several factors, including but not limited to the needs of CAR, the pattern of the historical rates of return and the volatility to those returns, styles of management, adherence to style, research capability, staffing, fees, and other factors considered relevant and incorporating best practices. Each investment manager will have full discretion to make all investment decisions for the assets placed under his or her jurisdiction, while observing and operating within all policies, guidelines, constraints, and philosophies outlined in this section.

The investment manager shall be responsible for:

1. Discretionary investment management, including decisions to buy, sell, or hold individual securities, and to alter asset allocation within the guidelines established in this statement.
2. Communicating to CAR management any major changes to economic outlook, investment strategy, or other factors that affect implementation of the investment process, or fulfilling CAR's investment objectives.
3. Informing CAR management within 30 days regarding any qualitative change to investment management organization. Examples include changes in portfolio management personnel, ownership structure, investment philosophy, etc.
4. Voting proxies on behalf of CAR in its best interest.

Selection of Investment Managers

The Finance Committee selection of investment manager(s) must be based on prudent due diligence procedures, including consideration of prospective investment managers' performance, personnel, strategy, research capabilities, organizational and business matters, and other qualitative factors that impact their ability to achieve results. A qualifying investment manager must be a registered investment advisor under the Investment Advisors Act of 1940 or a bank or insurance company. The investment firm will be reviewed at least every five years. RFP's are to be received by at least three firms.

The following factors shall be considered by CAR in selecting an Investment Manager:

- The firm's reputation.
- The depth of the firm's understanding of and experience with not-for-profit associations
- The firm's demonstrated ability to provide the services requested in a timely manner
- The ability of firm personnel to communicate with Association personnel in a professional and congenial manner
- Customer Support / Communication
- Technology / On-Line Services
- Implementation/Transition
- Flexibility
- Forecasting Tools

It is the policy of CAR to issue a written Request for Proposal (RFP) to be sent to prospective investment firms. Information to be included:

- Complete description of the services requested
- Identification of meetings requiring their attendance, such as staff or Board of Director meetings
- Association chart of CAR
- Financial information about CAR
- Other information considered appropriate
- Description of proposal and format requirements
- Due date of proposals
- Overview of selection process (i.e. whether finalists will be interviewed, when a decision shall be made, etc.)
- Identification of criteria for selection

Minimum Proposal Requirements from prospective Investment firms should be:

- Firm background
- Biographical information (resumes) of key firm member who will serve CAR
- Client references
- Information about the firm's capabilities
- Firm's approaches
- Other resources available with the firm
- Expected delivery of reports
- Fees
- Other information as appropriate

To narrow down the proposals to the top selections, the COO & CFO shall meet with the prospective engagement teams from each proposing firm to discuss their proposals. Copies of all proposals shall be forwarded to each member of the Finance Committee. After the COO and CFO narrow down the field of prospective Investment firms, final interviews of each firm will be conducted by the Finance Committee, which makes the final selection.

Termination of a Manager

The Finance Committee and Finance Staff will evaluate periodically each of the investment manager's 12-24 month performance as well as rolling three and five-year period results.

Termination of an investment manager can occur for any reason, including:

1. The convenience of CAR.
2. Unacceptable justification of poor investment results given the discipline employed and risk parameters established.
3. Failure to adhere to Investment Policies, including communication and reporting requirements.
4. Significant changes to the investment management organization deemed adverse to the interests of CAR.

Investment Manager Performance Review and Evaluation

Performance reports generated by the investment management advisor shall be compiled at least semiannually and communicated to the Finance Committee for review. The investment performance of total portfolios, as well as asset class components, will be measured against commonly accepted performance benchmarks which correlate to the investment strategy. Investments in each asset class will be measured against their respective benchmarks. Peer group comparisons shall be utilized in measuring long term investment performance.

The Committee reserves the right to terminate a manager without cause or for any reason, including, but not limited to:

1. Investment performance which is significantly less than anticipated given the discipline employed and the risk parameters established, or unacceptable justification of poor results.
2. Failure to adhere to any aspect of the statement of investment policy, including communication and reporting requirements.
3. Significant qualitative changes to the investment management organization. Investment managers shall be reviewed regularly regarding performance, personnel, strategy, research capabilities, organizational and business matters, and other qualitative factors that may impact their ability to achieve the desired investment results.

515. PROPERTY AND EQUIPMENT

Capitalization Policy

Physical assets acquired with unit costs in excess of \$2,500 are capitalized as property and equipment on CAR's financial statements. Items with unit costs below this threshold shall be expensed in the year purchased, except for fixed assets such as chairs, desks, tables, personal computers, etc., where inclusion in our fixed asset system is appropriate. Capitalized property and equipment additions are accounted for at their historical cost and all such assets, except land and certain works of art and historical treasures, are subject to depreciation over their estimated useful lives.

A physical inventory of all assets capitalized will be taken every three years by CAR. This physical inventory shall be reconciled to the property log and adjustments made as necessary. All adjustments resulting from this reconciliation must be approved by the CFO.

Depreciation and Useful Lives

Property and equipment are depreciated over their estimated useful lives using the straight-line method, employing the half-year convention in the year of acquisition. Estimated useful lives of capitalized assets shall be determined by the Accounting Department in conjunction with the department or employee that shall utilize the asset. The following is a list of the estimated useful lives of each category of fixed asset for depreciation purposes:

Furniture and fixtures	Up to 10 yrs.
General office equipment	5 yrs.
Computer hardware and peripherals	3-5 yrs.
Computer software	2-3 yrs.
Leased assets	life of lease
Leasehold Improvements	remaining lease term

Leases

CAR adheres to generally accepted accounting principles and has adopted ASC 842 regarding Lease Accounting.

516. FINANCIAL STATEMENTS

CAR's fiscal year is October 1 through September 30.

Standard Financial Statements of CAR

The basic financial statements of CAR that are maintained on an Association-wide basis shall include:

1. Statement of Financial Position - reflects assets, liabilities and net assets of CAR and classifies assets and liabilities as current or non-current/long-term.
2. Statement of Activities - presents revenues and expenses for each department/program.
3. Statement of Cash Flows - reports the cash inflows and outflows of CAR in three categories: operating activities, investing activities, and financing activities.

Annual Financial Statements

A formal presentation of CAR's annual financial statements shall be provided by the Independent Auditor to the Audit Committee and then the full Board of Directors.

CAR shall utilize the services of a CPA Firm for its Annual Audit. CAR shall utilize the services of a CPA Firm for other consulting and budgetary needs as deemed appropriate by the CEO and the CFO. The decision to publish statements or otherwise make them available to membership will be made by the Board of Directors at its meeting following the issuance of statements. The authority to distribute statements to other individuals or firms requesting them will be left to the discretion of the CEO and CFO.

517. GOVERNMENT TAX RETURNS

Filing of Returns

It is the policy of CAR to become familiar with and to comply with all known filing requirements. The COO and CFO shall be responsible for identifying all filing requirements and assuring that CAR and its subsidiaries comply with all such requirements. It is also the policy of CAR to file complete and accurate returns with all authorities.

Public Access to Information Returns

CAR is subject to federal requirements to make the following forms available to the general public:

1. The three most recent annual federal form 990 information returns.
2. CAR's original application for recognition of its tax-exempt status, filed with IRS, and all accompanying schedules and attachments.

518. UNRELATED BUSINESS ACTIVITIES

It is the policy of CAR to properly identify and classify income-producing activities that are unrelated to CAR's tax-exempt purpose using the guidelines described in the Internal Revenue Code and underlying regulations and to file the required federal and State returns in a timely manner.

519. PLANNING & BUDGETING

Preparation and Adoption

It is the policy of CAR to prepare an annual budget on the accrual basis of accounting. It is the policy of CAR to adopt a final budget prior to the beginning of CAR's fiscal year.

Monitoring Performance

It is the policy of CAR to monitor its financial performance by comparing and analyzing actual results with budgeted results. This function shall be accomplished in conjunction with the monthly financial reporting process described earlier.

Budget Modifications

After a budget has been approved by the Board of Directors and adopted by CAR, reclassifications of budgeted expense amounts can be made by the COO and CEO and then filed with the Finance Committee and the Board of Directors. Adjustments need to be reviewed and approved by the Finance Committee and Board of Directors via a motion to adjust.

520. ANNUAL AUDIT

Role of the Independent Auditor

It is the policy of CAR to arrange for an annual audit of CAR's financial statements to be conducted by an independent accounting firm. The independent accounting firm selected by CAR will be required to communicate directly with CAR's Audit Committee upon the completion of its audit. Audited financial statements, including the auditor's opinion thereon, will be submitted and presented to the Board of Directors by the independent accounting firm after the financial statements have been reviewed and approved by the Audit Committee.

How Often to Review the Selection of the Auditor

CAR shall review the selection of its independent auditor in the following circumstances:

- Anytime there is dissatisfaction with the service of the current firm
- When a fresh perspective and new ideas are desired
- CAR will engage the CPA firm selected to audit CAR for a period not to exceed five years. At the end of this period the Audit Committee with the assistance of the COO, will interview a minimum of 3 CPA firms specializing in work for non-for-profit Associations and advise the Board of Directors of its final selection. Re-awarding the contract for accounting services to the existing firm is acceptable as long as the interview and selection criteria clearly indicate the firm is the most qualified and cost-effective. An exception can occur when the incumbent can rotate its partner. Then the term of the incumbent can extend up to three years, one time, before the Committee with the assistance of the COO interviews a minimum of three CPA firms. In the exception period the Committee will review annually its decision to extend the relationship with the current firm.

Selecting an Auditor

The following factors shall be considered by CAR in selecting an accounting firm:

- The firm's reputation in the nonprofit community
- The depth of the firm's understanding of and experience with not-for-profit associations
- The firm's demonstrated ability to provide the services requested in a timely manner
- The ability of firm personnel to communicate with Association personnel in a professional and congenial manner

It is the policy of CAR to issue a written Request for Proposal (RFP) to be sent to prospective audit firms. Information to be included:

- Period of services required
- Type of contract to be awarded (fixed fee, cost basis, etc.)
- Complete description of the services requested (audit, management letter, tax returns, etc.)
- Identification of meetings requiring their attendance, such as staff or Board of Director meetings
- Association chart of CAR
- Chart of account information
- Financial information about CAR
- Copy of prior year reports
- Other information considered appropriate
- Description of proposal and format requirements
- Due date of proposals
- Overview of selection process (i.e. whether finalists will be interviewed, when a decision shall be made, etc.)
- Identification of criteria for selection

Minimum Proposal Requirements from prospective CPA firms should be:

- Firm background
- Biographical information (resumes) of key firm member who will serve CAR
- Client references
- Information about the firm's capabilities
- Firm's approach to performing an audit
- Copy of the firm's most recent quality/peer review report, including any accompanying letter of findings
- Other resources available with the firm
- Expected timing and completion of the audit
- Expected delivery of reports
- Cost estimate including estimated number of hours per staff member
- Rate per hour for each auditor
- Other information as appropriate

To narrow down the proposals to the top selections, the CFO and COO shall meet with the prospective engagement teams from each proposing firm to discuss their proposals. Copies of all proposals shall be forwarded to each member of the Audit Committee. After the COO and CFO narrow down the field of prospective auditors, final interviews of each firm will be conducted by the Audit Committee, which makes the final selection.

521. INSURANCE

It is the policy of CAR to maintain adequate insurance against various liabilities, as well as coverage for property and equipment.

Coverages

CAR will utilize an insurance broker/risk management consultant to determine what insurance policies and coverage limits should be obtained in order to minimize CAR's financial exposure.

522. RECORD RETENTION

Policy

It is the policy of CAR to retain records as required by law and to destroy them when appropriate. The destruction of records must be approved by the COO and CFO, and properly documented.

The financial records of CAR will be kept as dictated by CAR's Record Retention Policy listed below.

Corporate	
Certificate of Incorporation	Permanent
Charter	Permanent
Minutes of Meeting	Permanent
Annual Reports	Permanent
IRS Letter of Determination of Exempt Status	Permanent
Correspondence	
General	4 years
Legal	Permanent
General Ledger and Books of Original Entry	
General Ledger	8 years
Journal Entries	8 years
Cash Receipt Book	10 years
Cash Disbursement Check Register	5 years

Accounting		
Bank Statements and Cancelled Checks	5 years	
Client Billings and Estimates	4 years	
Print Contracts	4 years	
Petty Cash Payments	4 years	
Employee Travel and Expense Reports	4 years	
Expense Bills	4 years	
Year End Accruals (Income& Non-billable items)	4 years	
Financial Reports		
Financial Statements Certified by CPA's	6 years	
Monthly Financial Statements	4 years	
Insurance		
Policies and declarations	5 years following expirations	
Group Insurance Reports	5 years following expirations	
Membership		
Applications	1 year	
Property (Tangibles and Intangibles)		
Fixed Assets Additions, Depreciation, etc.	Permanent until disposed	
Contracts		
Client Contracts and Agreements (after conclusion)	10 years	
Leases (after conclusion)	7 years	
Tax Returns other than Payroll		
Federal Income Tax Return & Work papers	Permanent	
State Income Tax Return & Work papers	5 years	
Sales and Miscellaneous Tax Returns Payroll	5 years	
Reports and Records		
Employment History	7 years	
Individual Employee Records (after termination)	7 years	
Payroll Register	7 years	
Time Cards and Sheets	2 years	
Unclaimed Wages (given to State after 3 yrs.)	3 years	
Cancelled Payroll Checks	7 years	Payroll
Tax Returns	5 years	
Withholding Tax Statements (W-2's)	7 years	
Interim Payroll Registers	4 years	
Pension and Profit Sharing		
Pension and Other Funded Plans Deferring	Permanent	
Compensation	8 years	
Pension Reports to Government (after filing return)	5 years	
Postage Meter Book	1 year	
Professional Standards		
Case Files	3 years	
Decisions	Permanent	
Purchasing		
Bids	7 years	
Capital Equipment	6 years	
Routine Items	3 years	
RPAC Records	3 years	
Sales		
Sales Orders	2 years	
Shipping Records	2 years	

523. TREASURY/BANKING MANAGEMENT

Introduction

It is the policy of the CAR to employ a banking institution to perform treasury management related functions.

How Often to Review the Selection of a Banking Institution

CAR shall review the selection of its banking relations in the following circumstances:

- Anytime there is dissatisfaction with the service of the current firm
- When a fresh perspective and new ideas are desired
- The CFO, with the assistance of staff, will every five years interview an appropriate number of banking institutions with a focus in work for non-for-profit Associations and make a recommendation to the Finance Committee. Re-awarding the contract for treasury management services to the existing bank is acceptable as long as the interview and selection criteria clearly indicate the firm is the most qualified and cost-effective. The Finance Committee (or a designated sub-group of such), with the assistance of the CFO, shall have the responsibility of making the recommendation to the Board of Directors.

Selecting a Banking Institution

The following factors shall be considered by CAR in selecting a bank:

- The reputation in the nonprofit community
- The depth of understanding of and experience with not-for-profit associations
- The demonstrated ability to provide the services requested in a timely manner
- The ability of personnel to communicate with Association personnel in a professional and congenial manner

524. WHISTLEBLOWER POLICY

CAR requires officers, directors, members, other volunteers, and staff to observe high standards of business and personal ethics in the conduct of their duties and responsibilities on behalf of CAR. Staff and representatives of the organization must practice honesty and integrity in fulfilling their responsibilities and comply with all applicable laws and regulations. The objectives of the CAR Whistleblower Policy are to establish policies and procedures for:

- The submission of concerns regarding questionable accounting or auditing matters or compliance with state or federal laws by officers, directors, volunteers, staff of the organization, on a confidential and anonymous basis.
- The receipt, retention, and treatment of complaints received by the organization regarding accounting, internal controls, or auditing matters or compliance with state and federal laws.
- The protection from retaliatory actions of officers, directors, volunteers, employees reporting concerns.

Reporting Responsibility

Each CAR officer, director, volunteer, member, and employee has an obligation to report in accordance with this Whistleblower Policy (a) questionable or improper accounting or auditing matters, and (b) violations and suspected violations of state or federal law (hereinafter collectively referred to as "Concerns").

Authority of Executive Committee

All reported Concerns will be forwarded to the CAR Audit Committee in accordance with the procedures set forth herein. The Audit Committee shall be responsible for investigating, and making appropriate recommendations to the Executive Committee, with respect to all reported Concerns.

No Retaliation

This Whistleblower Policy is intended to encourage and enable officers, directors, volunteers, members, and employees to raise Concerns within CAR for investigation and appropriate action. With this goal in mind, no officer, director, volunteer or employee who, in good faith, reports a Concern shall be subject to retaliation or, in the case of an employee, adverse employment consequences. Moreover, an officer, director, volunteer, member, or employee who retaliates

against someone who has reported a Concern in good faith is subject to discipline up to and including dismissal from the officer, director or volunteer position or termination of employment.

Process – CAR Employees

Employees should first discuss their Concern with their immediate supervisor. If, after speaking with his or her supervisor, the employee continues to have reasonable grounds to believe that a Concern is valid, the employee should report the Concern to the CEO. In addition, if the employee is uncomfortable speaking with his or her supervisor, or the supervisor is a subject of the Concern, the employee should report his or her Concern directly to the CEO.

If the Concern was reported orally to the CEO, the reporting individual, with assistance from the CEO, shall summarize the Concern in writing and provide as many details as possible. The CEO is required to promptly report the Concern to the Chair of the Audit Committee, who has specific and exclusive responsibility to investigate all Concerns. If the CEO, for any reason, does not promptly forward the Concern to the Audit Committee, the reporting individual should directly report the Concern to the Chair of the Audit Committee. Contact information for the Chair of the Audit Leadership Committee will be provided to all employees annually, as the Chair may change each year. The identity of the Chair of the Audit Committee can be located within the CAR Leadership Directory within the CAR Website. Concerns may also be submitted anonymously in writing and sent directly to the Chair of the Audit Committee.

Process – Directors, Volunteers, and Members

Officers, directors, volunteers, and members should submit Concerns in writing directly to the Chair of the Audit Committee. Contact information for the Chair of the Audit Committee can be obtained from the CEO.

Handling of Reported Violations

The Audit Committee shall address all reported Concerns. The Chair of the Audit Committee shall immediately notify the Audit Committee Members, the CEO and CAR's legal counsel of any such report. The Chair of the Committee will notify the sender, if not anonymous, and acknowledge receipt of the Concern within five business days.

All reports will be promptly investigated by the Audit Committee, and appropriate corrective action, if warranted by the investigation, will be recommended to the Executive Committee. In addition, action taken must include a conclusion and/or follow-up with the complainant for complete closure of the Concern.

The Audit Committee, if approved by the CEO and the President, has the authority to retain legal counsel, accountants, private investigators, or any other resource deemed necessary to conduct a full and complete investigation of the allegations.

Acting in Good Faith

Anyone reporting a Concern must act in good faith and have reasonable grounds for believing the information disclosed indicates an improper accounting or auditing practice, or a violation of state or federal law. The act of making allegations that prove to be unsubstantiated, and that prove to have been made maliciously, recklessly, or with the foreknowledge that the allegations are false, will be viewed as a serious disciplinary offense and may result in discipline, up to and including termination of that position and civil lawsuit.

Confidentiality

Reports of Concerns, and investigations pertaining thereto, should be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation. Disclosure of reports of Concerns to individuals not involved in the investigation may constitute a serious disciplinary

offense and may result in discipline, up to and including termination of employment, grounds for removal from office, loss of membership, and civil action.

525. APPENDICES

APPENDIX 1

CONFLICT OF INTEREST AND CONFIDENTIALITY STATEMENT

For Officers, Directors, Chairmen and Employees

Conflict of Interest

A conflict of interest exists in any situation where a person having official responsibilities for the Association ("Association Representative") has been empowered to make decisions on behalf of the Association and, who as a result of that power, can potentially benefit personally, directly or indirectly, from an entity or person conducting business with the Association. Examples of possible conflict of interest include, but are not limited to:

- The Association Representative's personal business provides goods or services to the Association for consideration (that is, for some kind of payment or other form of consideration).
- A friend or relative of the Association Representative provides goods or services to the Association for consideration.
- A vendor or business acquaintance with which the Association Representative has an outside business relationship provides goods or services to the Association for consideration.
- The Association Representative receives a referral fee or preferential discount, gift, or other valuable consideration from a vendor, paid promoter, fundraising event sponsor, or any other outside party, for referring Association business to such party.

All potential conflicts of interest, no matter how small or seemingly insignificant, and whether only in appearance, are to be reported to the Association's Board of Directors or Committee prior to engaging in a possible conflict of interest situation. The Board of Directors or Committee will then make a decision as to whether the relationship is an appropriate one for the Association or if the individual with the potential conflict should refrain from participation in any decision on such matter.

Confidential Information

Following execution of this Agreement, the Association Officer, Director, Committee volunteer, member, or employee signing this Agreement shall exercise reasonable care to prevent the unauthorized disclosure or use of Confidential Information. "Confidential Information" means all information disclosed by the Association, as well as information materially developed as a result of the Association's disclosure, except any portion of that information that:

- is known to the recipient before receipt of such information under this Agreement, or is independently generated by or for the recipient, as evidenced by recipient's written records;
- is disclosed to the recipient, without restriction, after acceptance of this Agreement by an independent third party having a legal right to make such a disclosure; or
- is or becomes part of the public domain through no breach of this Agreement.

In the event that an Association Officer, Director, Committee volunteer, member, or employee is unsure if information obtained from the Association is "Confidential Information," the individual

has a responsibility to check with their supervisor or appropriate employee of officer before disclosure.

Acknowledgement

The representation set forth below is to be signed annually by each Officer, Director, Committee volunteer and Staff person of the Chicago Association of REALTORS®.

I, _____ (name – please print)
understand the concepts of a conflict of interest and confidentiality of the Association's Confidential Information. I represent that I have not been a party to a possible conflict of interest situation that has not been previously disclosed to the Association's Board of Directors or Committee. I agree to report any potential future conflicts of interest to the Board of Directors or Committee prior to engaging in any possible conflict of interest situation. I also agree to report to the Board of Directors any breach of which I become aware of the duty not to disclose or use the Association's Confidential Information.

At this time, I am a Board Member or Employee of the following Associations:

Signature

Date

For Fiscal Year _____:

I serve on the following Chicago Association of REALTOR® Committees:

6. GENERAL POLICIES

601. DIVERSITY, EQUITY, & INCLUSION (DEI) POLICY

CAR is committed to fostering a professional environment grounded in mutual respect, understanding, civility, and inclusivity. CAR actively promotes a culture where all individuals are treated with dignity and fairness, free from discrimination, harassment, or violence.

CAR provides equal professional service to all existing and prospective members without regard to race, color, religion, sex, gender identity, disability, familial status, national origin, sexual orientation, or any other protected characteristic.

Further, CAR is dedicated to advancing a diverse, inclusive, and equitable real estate industry in the Chicago area by:

- Promoting best practices and training in fair housing and inclusive service.
- Building strategic partnerships and coalitions to advocate for fair housing to the public.
- Promoting and supporting NAR's Cultural Diversity and Fair Housing programs among our membership.
- Increasing CAR's visibility, impact, and relevance within historically underrepresented communities.
- Collaborating with NAR and Illinois REALTORS® (IR) to address the business and political issues impacting minority members.
- Encouraging and supporting diversity in the real estate workplace.
- Fostering leadership and volunteer opportunities that are accessible and welcoming to all members.
- Partnering with NAR and IR to develop, advocate for, and implement equitable housing policies.
- Supporting and promoting the work of the CAR D77 Diversity Committee in advancing inclusivity, advocacy, and representation across all of Chicago's 77 neighborhoods.

To reinforce our commitment, **all Board of Directors, Foundation Trustees, Committee Chairs, Vice Chairs, and staff members are required to attend annual DEI leadership training.**

602. CONFLICT OF INTEREST POLICY

Directors, all volunteers and staff will review and sign a "Conflict of Interest" policy, to be maintained on file, not less than annually in conjunction with the start of CAR's fiscal year.

603. HARASSMENT AND EMPLOYEE & MEMBER/VOLUNTEER RELATIONS POLICIES

Harassment.

CAR is committed to maintaining a productive work environment that is free from discriminatory, harassing, or disruptive activity. In keeping with this commitment, we will not accept harassment of any CAR employee, officer, director, member, volunteer, visitor, vendor, or client, regardless of gender, by a CAR employee, officer, director, member, or volunteer. If CAR determines that a CAR employee, officer, director, member, or volunteer has engaged in any discriminatory, harassing, or disruptive activity, or violated CAR's Bylaws, Policy Manual, or law in any way, CAR may impose appropriate discipline, up to, and including, termination of employment or membership.

Harassment includes 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 or other activities related to the association by creating a hostile, intimidating or offensive work or other association-related environment. Harassment also includes unwelcome conduct, whether verbal, physical, or visual, that is based on a person's protected status, such as race, color, religion, ancestry, national origin,

citizenship status, age, sex, sexual orientation, marital status, disability, veteran's status, or other protected group status as defined by applicable Federal, State or Local laws and regulations.

Sexual harassment deserves special mention. Unwelcome sexual advances, requests for sexual favors, and other physical, verbal, or visual conduct based on sex may constitute sexual harassment when:

1. Submission to the conduct is an explicit or implicit term or condition of employment,
2. Submission to or rejection of the conduct is used as the basis for an employment decision, or
3. The conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment.

Sexual harassment may include explicit sexual propositions, sexual innuendo, suggestive comments, sexually oriented "kidding" or "teasing", practical jokes, jokes about gender-specific traits, foul or obscene language or gestures, display of foul or obscene printed or visual material, and physical contact such as patting, pinching, or brushing against another person's body.

CAR has established complaint procedures for any member or employee who believes they have suffered discriminatory or harassing behavior. Please contact the CEO or Human Resources for more information. CAR's policy is to investigate all complaints thoroughly and promptly. All complaints of unlawful harassment will be handled in as discreet and confidential a manner as is possible under the circumstances.

CAR urges and encourages any member or employee to immediately report any suspected impropriety or discrimination or harassment. Members needing to make a report should contact the CEO. If an employee needs to make a report, the employee should immediately report the matter to his or her supervisor. If that person is not available, is the subject of the report, or if the employee feels it would be unproductive to inform that person, the employee should immediately contact that supervisor's superior, human resources, or the CAR CEO. Once the matter has been reported it will be promptly investigated and any necessary and appropriate corrective action will be taken. CAR may have limited ability to investigate and take action if reports are not timely filed. The procedure for reporting discriminatory, harassing, or disruptive activity is not intended to impair, replace, or limit the right of any person to seek a remedy under available state or federal law.

Additionally, when a report against a volunteer leader of CAR is made, the employee, member, or volunteer will be offered the opportunity to speak to CAR's legal counsel, who will bring the report to the Board for consideration in accordance with the Bylaws and this Policy Manual.

CAR forbids retaliation against anyone for reporting discriminatory, harassing, or disruptive activity; assisting in making a report; or cooperating in an investigation.

Training on workplace harassment prevention will be held regularly and/or as needed as identified.

Employee & Member/Volunteer Relations

CAR establishes the following CAR Employee and Member/Volunteer Relations policy in order to promote a cordial, pleasant and legally compliant working environment between CAR employees and its members.

Since CAR is a member services organization with revolving tenancies in the Board of Directors and CAR Committees, this policy is established to preserve continuity of authority and responsibility within the work environment.

Policies, Programs and Services

1. The Board of Directors shall establish the scope of CAR policies, programs and services. CAR staff is responsible to carry out the policies, programs and services established by the Board of Directors.
2. No member shall be provided with services beyond the scope of services made available to all members.
3. Any request by a member for services outside the scope of an employee's authorization must be forwarded to the CEO. This request must contain information on the unique circumstances of the situation, which prompted the member to request that extraordinary measures be considered for their benefit. The CEO may then determine if an exception should be made, with input from the appropriate CAR officer, or if the request should be brought to the attention of the Board of Directors for resolution.

Committee Support

1. A CAR employee should render all possible technical and administrative assistance to the committees to which the employee is assigned, but should never assume the committee's prerogative. The CAR employee is involved to assist the committee or working group, to answer questions, offer suggestions, or raise questions, when appropriate, and to conduct research or carry out tasks as assigned by the committee chairman.
2. A CAR employee is expected to be knowledgeable on CAR policy, committee scope and the subject under discussion.

Staff & Member/Volunteer Relations

1. The CEO is responsible to and takes their instructions from the Board of Directors (as a collective body). All other CAR employees are responsible to and take instruction from the CEO.
2. Interaction between CAR employees and members/volunteers shall be maintained at a professional level characterized by mutual respect, courtesy, effort and cooperation to resolve issues. Under no circumstance should CAR employees or members/volunteers engage in discourteous or unprofessional behavior (i.e. use of profanity, disparagement of another employee or member, use of physical force, etc.).
3. Any behavior by a member/volunteer, which unreasonably or inappropriately interferes with or compromises a CAR employee's job performance or satisfaction, is not acceptable. A CAR employee may, at their sole discretion, terminate any conversation with a member/volunteer that is considered to be offensive. All such incidents should be reported promptly to the CEO, Human Resources, or the President for appropriate action.
4. Members/volunteers are not responsible for and may not discipline a CAR employee. Any unprofessional behavior or unacceptable performance by a CAR employee, which is observed by a member/volunteer, should be promptly reported to the CEO or President for appropriate action.

604. MEMBER BENEFITS ENDORSEMENT POLICY

The following shall be the policy of CAR on the Member the Benefits Program: CAR may endorse various products and/or services by firms outside CAR pursuant to the following policies and procedures, subject to review and final approval of the Board of Directors.

1. Products/services to be considered for inclusion in the Member Benefits Program must offer a direct benefit to the membership (i.e., discounted prices or services not generally available through other sources.). Educational offerings will not be included as a member benefit, as they are a core service of CAR.

2. Non-dues revenue for CAR should be a consideration when evaluating a potential affinity relationship but should not be viewed as a necessity if the product/service will otherwise provide a benefit for the membership.
3. In evaluating a potential endorsement, the COO, or other assigned staff, shall take steps to secure information on the following on an approved form:
 - (a) Description of the product/service.
 - (b) Potential legal ramifications and indemnifications required
 - (c) Other groups that may have already given endorsements.
 - (d) Identify REALTORS® who are currently using the product/service and seek their comments.
 - (e) Amount of revenue that may be produced for CAR and basis for calculation.
 - (f) List of benefits for members.
 - (g) Method of distribution and marketing.
 - (h) Identify any administrative burden to CAR.
 - (i) The Board of Directors shall periodically review and evaluate all products/services currently endorsed and determine whether or not continued endorsement is of benefit to CAR and its membership.
4. Provided however, nothing herein shall prevent CAR from periodically offering services or benefits to its Members without a written contract if benefits options arise that are not long-term in nature.
5. In the endorsement of any product or service, CAR will memorialize with the entity providing the product or service and with its members that CAR does not make any warranties or guaranties with regard to the product or service. An endorsement will simply mean that CAR is making a product or service available to its members under special arrangements provided as a member benefit, but endorsements will not mean that CAR is legally responsible for the quality and/or the delivery of the product or service.

605. OPEN/CLOSED MEETING POLICY

Unless there are reasons for confidentiality, all meetings of CAR are open to members. The following Committees are authorized to conduct closed meetings: Board of Directors, Executive Committee, Audit Committee, Finance Committee, Grievance Committee, Nominating Committee, Professional Standards Committee, Public Policy Coordinating Committee, REALTOR® Awards Committee, RPAC Ambassadors Group and certain designated Committees, forums, and advisory groups. Guests are not invited to participate in any discussions unless called upon by the Chairperson.

606. SPECIAL EVENTS POLICY

CAR has created special event policies in order to facilitate the successful planning and execution of CAR special events.

Various Advisory and Committees have general planning oversight for special events within their specified area. Their focus should be on developing themes, identifying speakers (if applicable), soliciting sponsors and actively promoting attendance at the events. The Meeting & Events staff is responsible for timing of the event, site selection and those items noted below.

Planning & Budgeting

The Meetings & Events Department is responsible for the planning and execution of any special events and is required to complete a timeline and work with the Marketing and Communications department to develop a marketing plan. This plan should be followed as a part of the regular business planning and budgeting process.

Insurance

As a part of its general liability insurance policy, CAR has off-site event coverage for special events. Should revenue protection insurance be desired, it will need to be planned for and purchased separately.

Contracts

Any event requiring contracts related to securing a venue, venue event orders or banquet event orders, must be planned and executed by the Meetings & Events Department. All contracts must be reviewed by the Chief Communications Officer, before signing. Any contracts related to special events must be in conformance with approved policy (see financial policies).

Reporting

The Meetings & Events Department is required to report the status of major action items 90 days, 60 days, 30 days, 14 days and 1 week out from the event to the Chief Operating Officer. This report should include notice on any budgetary overruns and/or failure to meet any major benchmarks by the planned completion dates.

Sponsorships and Ticket Sales

The ability to raise sponsorships and sell tickets is critical to the success of any special event. The budgeting and ultimate expenditure of expenses is driven by these two factors. The Chief Communications Officer, along with the event-planning Committee must pay particular attention to these areas and work with the Sponsorship Sales Coordinator to set realistic sponsorship and ticket sales goals, with specific time frames for obtaining these goals. In setting ticket prices, they should take into effect the cost to host the event. Alternative strategies should be generated if these goals are not met by the planned time frames.

To ensure the event's success, sponsorships and ticket sales should be collected prior to all events, unless ticket sales are planned to occur at the door. All promotional deadlines for sponsorships and ticket sales should be clearly indicated to facilitate on-time payments. Registrations and payments for events will be offered online on the event's website.

If the event has not achieved 60% of budgeted ticket sales and sponsorships at least 14 days prior to the event, the Chief Communications Officer will notify the advisory or Committee staff liaison, Chair and Vice Chair, COO and CEO of the shortfall.

Any attendees who have unpaid balances from past events, must pay those balances prior to committing to new sponsorships and/or purchasing event tickets.

Cancellation of Event

There may be times when the cancellation of a special event needs to be considered (e.g., due to poor ticket sales, natural or other disasters, key speaker cancellations, etc.). In the event that a cancellation is considered, both the "human" factor and the "financial" factor need to be weighed in the ultimate decision to cancel an event.

Should it be deemed necessary to consider the cancellation of any special event, the following individuals are jointly authorized to make the decision, after consultation with Committee staff liaison, Chair and Vice Chair: 1) the Chief Communications Officer 3) the Chief Executive Officer.

If it is determined that the special event is to be cancelled, any and all steps should be taken to mitigate any financial or other loss to CAR.

607. SPONSORSHIP AND ADVERTISING POLICY

All advertising and sponsorship activities must be processed through the CEO's internal or contractual designee. Staff, Chairs, Directors and Committee members may not unilaterally commit CAR to these activities.

608. VOLUNTEER LEADERSHIP COMMUNICATIONS POLICY

In the course of a volunteer leader's activities with CAR, it is likely that members and/or media shall contact them with questions, complaints, comments or concerns, related to CAR. In order to most effectively respond, all such inquiries should be handled as follows:

1. Initial inquiry will be referred to the CEO for action/resolution.
2. The most "senior" volunteer leader should be the only one responding (i.e. the President, or the Committee Chair). Such response by the volunteer should be:
 - a. Limited to acknowledgement of inquiry, noting that it has been forwarded to CAR staff for investigation and response.
 - b. Response should thank them and be neutral in tone.
3. Upon investigation and resolution, CAR staff will notify all parties who were included in the initial communications of the status of resolution.

609. CEO ABSENCE/SUCCESSION PLAN

This plan will be reviewed periodically by the CEO to assess relevance and need for revision. Recommendations will be taken to the Board of Directors for approval.

As a strategic initiative, this plan is designed to establish a CEO absence/succession plan which provides for seamless, continuing, operation of CAR and its affiliated entities, with three distinct scenarios:

1. Temporary absence of CEO – up to 1 month
2. Extended temporary absence of CEO - in excess of 1 month
3. Permanent absence of CEO – a new CEO is to be identified and hired

Chief Executive Officer

As the most senior role in CAR, the Chief Executive Officer is responsible for overseeing the day to-day operations of CAR while facilitating interaction between staff, membership, and the Board.

Executive Leadership Team

Each of the following individuals is a part of CAR's Executive Leadership Team. Within their respective, functional areas, they are experienced and seasoned association management professionals who oversee day-to-day activities and administrative functions. Each individual has several direct reports who handle various aspects of these activities.

While each of these individuals is charged with responsibility for decisions within their respective areas, they meet regularly to discuss broad Association matters, as well as cross-department collaboration. Several of these individuals have key roles within the same functional areas, where each has defined areas of responsibility within the function.

All of these staff members have a "global" understanding of CAR's operations, strategic goals and business plans. They regularly report to the Board of Directors and are utilized by that body as primary resources for information and expertise within their functional areas. Organizational charts and job descriptions for each of the following position titles are available to the Board of Directors, upon request.

The Executive Leadership Team is as follows:

Chief Executive Officer

Areas of Responsibility: CAR, IR and NAR Director relations, Board of Directors, Executive Committee, CAR Foundation, Nominations, REALTOR® Awards, External Relations and Community Outreach, Leadership Development, Strategic & Business Planning, local Industry

Partners Initiative, Human Resources (Note: CAR contracts with an outsourced HR specialist, who works with the CEO on HR oversight, policies, etc.).

General oversight of: Gov. Affairs, Commercial Services, Communications and Events, Media Relations, Dispute Resolution, Member Services and Outreach, MLS services, CAR Foundation, Industry and External Relations

Chief Operating Officer (reports to CEO)

Areas of Responsibility: Association operations and facilities management, day-to-day staff management, business development, strategic planning, staff professional development.

General oversight of: Internal Technology, Facilities, Professional Development, Business Development, Member Benefits.

Chief Financial Officer (reports to CEO)

Areas of Responsibility: Direct oversight of all Association finances, leading and guiding the Accounting Staff, planning, organizing and directing Association Accounting operations for both non-profit and for-profit entities.

Chief Communications Officer (reports to CEO)

Areas of Responsibility: Direct oversight of Marketing for CAR and R.R.E.S., internal and member communications, leadership communications, community outreach communications, liaison to outsourced PR/Media firm. Direct oversight of YPN activities and all Signature and other events (over 50 per year), All Signature Event advisory groups, Outreach events.

Vice President of Membership & Professional Standards (reports to COO)

Areas of Responsibility: Direct oversight of Member Care (call center, billing, etc., new member orientation); Affiliates; Dispute Resolution (Grievance Committee and Professional Standards Committee); Sponsoring Broker for CAR's LFRO - NIREIN

Head of Social Impact & Strategy (reports to CEO)

Areas of Responsibility: Direct oversight of the External Affairs department, strategize and execute structure, programming, guidelines, vision, staffing, troubleshooting and outcomes for D77 & CAR Foundation, increase impact and visibility of The CAR Foundation.

CEO Absence - SCENARIO 1

This scenario assumes a temporary absence of the CEO, up to 1 month, due to industry commitments and/or meetings, illness, vacation, personal leave, etc. This is most typical form of CEO absence. Terms of the existing CEO Employment Contract are enforceable.

1. Each of the ELT continues to have oversight and direct decision-making within their respective functional areas.
2. When possible, the CEO will meet ahead of time with the appropriate ELT staff to assign additional duties during her temporary absence.
3. The COO assumes the role of CEO, on broad issues and those requiring ELT discussion and/or collaboration. ELT staff is directed to inform the COO of key issues impacting the COO's department, and to consult with them on issues that might normally require the input of the CEO

4. The Chief Communications Officer will substitute for the CEO at key member events that would normally require the CEO's attendance.

CEO Absence - SCENARIO 2

This scenario assumes an extended, temporary absence of the CEO, in excess of 1 month. A further assumption is that the CEO is unavailable for contact and consultation during this time frame. Terms of the existing CEO Employment Contract are enforceable. After 60 days, the Board of Directors will be consulted on an acceptable length of this temporary absence, which is dependent upon the specific circumstances of the absence.

1. The COO would assume the title of "Acting CEO" with the accompanying responsibilities and authority. They would use their judgment in delegating duties within the functional area of the CEO to appropriate staff during the CEO's absence. They would report directly to the Board of Directors and be accountable to them.
2. When possible, the CEO will meet ahead of time with the appropriate ELT staff to assign additional duties during their extended, temporary absence.
3. Each of the ELT continues to have direct oversight and direct decision-making within their respective areas of responsibility.
4. The Executive Assistant will continue overall administration for CAR Board of Directors, IR and NAR Directors and other CEO Committees.
5. The Chief Communications Officer will substitute for the CEO at key member events that would normally require the CEO's attendance.
6. The CFO will provide direct staff liaison support to the Finance and Audit Committees.

CEO Succession - SCENARIO 3

This scenario assumes a new CEO needs to be recruited and hired. Terms of the existing CEO Employment Contract are enforceable.

1. If the CEO is available for a specified period of time, they would continue in their current capacity and will assist the Board of Directors with the recruitment and hiring of a new CEO
2. If the CEO is not available, the ELT would operate under the direction of the "Acting CEO" as outlined in Scenario 2, until a new CEO is recruited and hired. A temporary adjustment in salary in accordance with market rate and an appropriate title change should be determined by the Board of Directors for the "Acting CEO" Other temporary salary adjustments may be considered by the Board of those taking over key portions of the CEO's regular duties and responsibilities.

Search Firm

It is recommended that CAR utilize the services of an executive search firm that specializes in executive association management recruitment, and/or specific REALTOR® association management recruitment.

Recruitment Plan

The purpose of the plan is to keep the search focused on key areas, such as the strategic direction of CAR, position competencies and executive attributes, budget and timeline to ensure the best candidate is hired within CAR's resources.

A Search Committee should be established and play a key role in the recruitment process. The Executive Committee will appoint the Search Committee, which will be comprised of a: Chair, three Past Presidents and three current Board of Director members.

The roles and level of involvement of the Committee should be determined at the beginning of the process. If available and appropriate, the CEO may act as the liaison for the Committee. Suggested responsibilities for the committee in conjunction with the executive search firm would be to:

1. Receive direction from the Board of Directors on the future direction of CAR and key desired attributes and qualifications of the new CEO
2. Determine the budget for the search
3. Develop a recruiting plan and timeline
4. Select and work with the recruiting consultant
5. Review the position description and determine position competencies
6. Determine a competitive compensation package
7. Develop interview questions and establish interview format
8. Interview top candidates
9. Recommend the top candidate to the BOD for approval
10. Negotiate a compensation package, employment agreement terms and start date

In addition to assisting the Search Committee with the above, the executive search firm would be responsible for:

1. Develop a transition plan
2. Write a job posting
3. Post the position ensuring diversity of candidate pool
4. Contact peers within the field to identify potential candidates
5. Source resumes
6. Conduct initial phone interviews
7. Do background screening
8. Conduct reference checks
9. Prepare candidates for formal interview process
10. Guide the interview process and aid the Search Committee's discussions
11. Conduct final debrief with Search Committee
12. Establish a follow-up date to assess new hire suitability.

Internal Candidates

In comparable size associations, it is not uncommon for an internal candidate(s) to arise. It is critical that both the BOD, Search Committee and anyone involved in the recruitment and selection process remain neutral. They cannot act on behalf of, or in opposition to, any internal candidate. It must be clearly communicated with the staff candidate that the same criteria and expectations imposed upon external candidates will apply to them, as well.

Transition Realities

For the well-being of the organization, it is critical that the volunteer leadership allow the new CEO sufficient time to analyze the organization's systems, finances, structures and human resources, as well as the culture of the volunteer leadership and relations with IR and NAR. As such, the Executive Committee should work closely with the new CEO over the course of a year's time frame (one full cycle within CAR), to ensure that expectations are clearly established at the time of hire and to hold a formal evaluation at the end of the first six months and one year of service, unless this would conflict with the CEO's employment contract.

Volunteer leadership can expect uncertainties among staff as they interact with the new CEO. This is normal, and leadership should expect that there to be some tension initially. It is strongly advised that volunteer leaders do not interject themselves into day-to-day management decisions, allowing

the new CEO to make personnel decisions that the CEO believes best serve the organization. Again, leadership should be neutral in this capacity.

610. WEAPONS CONCEAL/CARRY POLICY

CAR members, students, volunteers, staff, and any visitors, are prohibited from possessing weapons in CAR's offices or at functions sponsored by CAR. This prohibition applies regardless of whether the aforementioned has a permit to carry the weapon. The determination of whether an item is a weapon is exclusively in the discretion of CAR and will be broadly defined and includes firearms, knives with blades greater than 3" in length (excluding food preparation implements used in Association functions) and switchblades. Violations of this policy may result in disciplinary action up to, and including, expulsion from the membership, termination of employment, or, in the case of visitors, eviction from CAR's facilities and events.

611. SECURITY OF PROPERTY POLICY

No Member responsible for a real estate listing shall provide any third-party access to the listed real estate without the seller's consent and pursuant to the terms and conditions that the seller may reasonably request. No Member shall provide lockbox codes or similar access devices or information to unauthorized third-parties in a manner that violates the terms of any Sentrilock or other lockbox agreement or policies. No Member who holds, possesses, or is responsible for an electronic keycard or mobile application shall allow that electronic keycard or mobile application to be used by any person other than a person authorized to use the keycard or mobile application. No Member shall give an electronic code or combo code to any person not authorized to use or possess the code. Except as specifically authorized by its owner, no Member shall tamper with, destroy, or remove a lockbox or similar security device. In addition to the provisions of this Section, Members shall comply with all rules and regulations that CAR may from time-to-time adopt and promulgate regarding the security of listed and other real estate.

Subject to notice and an opportunity to be heard on and appeal any fine or other punishment imposed pursuant to this Section, any Member that violates Section 8.8 of the Bylaws, this Section, or any of the rules and regulations that CAR adopts and promulgates regarding the security of listed and other real estate shall be subject fines and other sanction, including, without limitation, the suspension or termination of CAR membership, pursuant to the procedure set forth below. Such sanctions may be in addition to any fines or penalties imposed by Sentrilock for violating its agreements and policies.

Procedures

- A member of CAR, the public, or any other Realtor Board may file a written security access complaint regarding alleged violations of Section 8.8 of the Bylaws or this Section. These complaints must be filed within 180 days immediately after the occurrence of the alleged violation, or within 180 days immediately after the complainant learns of the alleged violation.
- Complaints will be forwarded to the CAR Professional Standards Staff (for purposes of this Section, "PS Staff"), which will notify members of the Professional Standards Committee (for the purposes of this Section, the "Committee").
- PS Staff will contact the complainant to confirm that the alleged violation is to Section 8.8 of the Bylaws or this Section. PS Staff will also provide instruction to the complainant necessary to allow for the completion of the "Access Violation Procedure Complaint Form" and applicable documentation (for the purposes of this Section, the "Complaint").
- Upon a complete Complaint having been submitted, the PS Staff will review the Complaint to determine whether the Complaint states a legitimate basis for a determination that there has been a violation of Section 8.8 of the Bylaws or this Section.
- If the PS Staff, in consultation with two members of the Committee, concludes that there is not a sufficient factual basis to support the alleged violation, then the PS Staff will provide notice to the complainant that the complaint has been dismissed.

- Otherwise, the PS Staff, in consultation with two members of the Committee, shall thoroughly review the Complaint and any other materials submitted to, or otherwise obtained by, CAR regarding the alleged violation, and make a determination of whether there has been a violation of Section 8.8 of the Bylaws or this Section. If no violation is found, then the PS Staff will notify the complainant that the Complaint has been dismissed.
- If a violation or violations are found, the PS Staff shall impose a fine of \$2,500. If the respondent is a Sentrilock subscriber, the PS staff may also revoke Sentrilock services from the respondent for violating the terms of use of the Sentrilock Agreement.
- All fines shall be due within 30 days of receipt of notice of the fine.
- Upon receipt of the fine notice, the individual, company, or entity alleged to have violated Section 8.8 of the Bylaws or this Section ("Respondent") may (i) pay the fine within 30 days, (ii) take no action, or (iii) request a hearing on the Complaint.
- If the Respondent pays the fine, then the issue shall stand resolved and CAR official records shall reflect that the fine was been paid in full.
- If the Respondent takes no action within 30 days, then the procedures and rules for non-payment of financial obligations in Section 208 of this Policy Manual shall apply.
- If the Respondent requests a hearing, then the Respondent must (within 30 days of receipt of the notice of the fine), file a request for a hearing with the PS Staff. The Committee will proceed to hold a hearing at which all sides will have a fair and open opportunity to demonstrate whether there has been a violation of Section 8.8 of the Bylaws or this Section.
- The Committee will hold the hearing and make its decision as soon thereafter as is practicable. The Committee may uphold the PS Staff determination or reverse the PS Staff determination. The Committee shall provide prompt notice to the Respondent of the Committee's final decision.
- The Committee hearing and related procedures will generally follow the hearing process used for arbitration disputes under the Code of Ethics and Arbitration Manual. The Committee may determine, in its reasonable discretion, not to utilize all of the arbitration process requirements that are contained in the Code of Ethics and Arbitration Manual, provided that the requirements that are not used are not otherwise necessary to ensure a fair process for the Respondent.
- If the Committee reverses the initial decision, then the Complaint shall be dismissed, the issue shall stand resolved, and CAR official records shall reflect that the Complaint was dismissed and no fine was imposed.
- If the Committee upholds the initial determination, the Respondent may (i) pay the fine within 30 days, (ii) take no action, or (iii) request a procedural review appeal to the CAR Board of Directors.
- If the Respondent pays the fine, then the issue shall stand resolved and CAR official records shall reflect that the fine was paid in full.
- If the Respondent takes no action within 30 days, then the procedures and rules for non-payment of financial obligations in Section 208 of this Policy Manual shall apply.
- If the Respondent seeks an appeal, then the Respondent shall (within 30 days of notice of the Committee's decision), file a request for procedural review citing the alleged procedural deficiencies or other irregularities that the Respondent alleges constitute a deprivation of due process (for example, fraud, coercion, bias, prejudice, evident bias, etc.) on the part of the Committee.
- The request for procedural review will generally follow the procedural review process in arbitration disputes under the Code of Ethics and Arbitration Manual. The CAR Board may determine, in its reasonable discretion, not to utilize all of the procedural review requirements that are contained in the Code of Ethics and Arbitration Manual, provided that the requirements that are not used are not otherwise necessary to ensure a fair process for the Respondent.
- The Board of Directors, or a panel of the Board of Directors, shall hear the request for procedural review. The Board shall issue its decision as soon as is practicable after the request has been heard. The Board may (i) uphold the Committee's decision or (ii) reverse the Committee's decision on procedural grounds and order that a new hearing be held before the Committee. The Board shall provide prompt notice to the Respondent of the Board's final decision.
- If the Board upholds the Committee's decision, then the Respondent may (i) pay the fine within 30 days or (ii) take no action.

- If the Respondent pays the fine, then the issue shall stand resolved and CAR official records shall reflect that the fine was paid in full.
- If the Respondent takes no action within 30 days, then the procedures and rules for non-payment of financial obligations in Section 208 of this Policy Manual shall apply.
- If the Respondent has previously been fined under these rules, then for any subsequent violation of this Section, the Respondent may be suspended or expelled by the Board of Directors, after a hearing as provided in the Code of Ethics and Arbitration Manual.
- In the event of any conflict between these rules and the rules and procedures set forth in the Code of Ethics and Arbitration Manual, these rules shall control.

612. FORMS AND CONTRACTS TERMS OF USE

1. The form documents published by CAR, including but not limited to contracts, listing agreements, disclosures, and addenda (collectively, "Real Estate Forms"), that are made available to members through CAR's website and other approved vendors, are subject to copyright and are the intellectual property of CAR. Unauthorized use or distribution of the Real Estate Forms may violate applicable copyright, trademark or other intellectual property laws.
2. The Real Estate Forms are available only for the use and benefit of CAR members and must be accessed only with the use of proper usernames and passwords. The Real Estate Forms shall not be reproduced, republished, distributed, sold, transferred, stored, archived, modified, or posted on any other website without the express advanced written permission of CAR.
3. CAR provides the Real Estate Forms solely for informational purposes to its Members. CAR does not make any representation, warranty, or guarantees concerning the accuracy, reliability, or legal effect of the Real Estate Forms, or that the content of any of the Real Estate Forms are suitable or appropriate for any specific real estate transaction. By downloading or using any of the Real Estate Forms, members agree that they and their clients should consult with an attorney before deciding which Real Estate Forms to use, which Real Estate Forms not to use, and which provisions in the Real Estate Forms should be edited prior to use for any transaction.
4. By downloading or using any Real Estate Forms, members further agree to indemnify, hold harmless and, at CAR's option, defend CAR, its affiliates, and their respective officers, employees, attorneys, and agents to the fullest extent of the law from any and all damage, costs, loss, risk, liability, and expense (including attorneys' fees and costs) from claims that may be asserted at any time against any of those parties in connection with the member's use or dissemination of the Real Estate Forms or violation of the Real Estate Forms terms of service; provided, however, that this indemnity does not, and will not, apply to willful misconduct or gross negligence on the part of CAR. By downloading or using any Real Estate Forms, members agree to waive any rights to monetary damages against CAR, its affiliates, and their respective officers, employees, attorneys, and agents related to the Real Estate Forms.
5. Any Member that violates this Section shall be subject to a fine of \$500.00 for their first violation. All fines shall be due within 30 days of receipt of notice of the fine. If the Member takes no action within 30 days, then the procedures and rules for non-payment of financial obligations in Section 208 of this Policy Manual shall apply. If the Member requests a hearing, then the Member must (within 30 days of receipt of the notice of the fine) file a request for a hearing before the Board of Directors. The Board of Directors will hold a hearing, at which the Member will have a fair and open opportunity to demonstrate whether there has been a violation of this Section.

In addition, in the event that the Member has posted any Real Estate Forms on the internet or otherwise made Real Estate Forms available for unauthorized distribution, the Member must, within five business days, remove the Real Estate Forms from the internet or other source of distribution and provide proof of removal to CAR.

6. If a Member (i) refuses to remove a Real Estate Form from the internet or other source of distribution in accordance with this Section or refuses to provide proof of doing so to CAR in a timely manner, or (ii) violates this Section more than once, the Member must appear before the Board of Directors for a hearing and the Board of Directors may fine and sanction the Member,

which sanctions may include, without limitation, the suspension or termination of CAR membership.

613. ARTIFICIAL INTELLIGENCE (AI) POLICY

CAR values the need for artificial intelligence usage, provided that artificial intelligence is used in a responsible, ethical, and legal manner. To this end, in the event that any officer, committee member, member, or CAR volunteer is provided by CAR any membership, financial, or other confidential information (whether marked confidential or such information should reasonable be presumed to be confidential due to its nature), that officer, committee member, member, or CAR volunteer is prohibited from inputting that information into any “Open AI Source.” An Open-AI Source is defined as AI models where the model and the information uploaded into them may be publicly available for viewing, use, modification, or improvement. Examples of prohibited Open AI Sources include, without limitation, ChatGPT, Meta’s Llama, Mistral, and Hugging Face models.

To preserve the integrity, confidentiality and human engagement in Association meetings, the use of AI bots or automated tools is not permitted by CAR members at committee or volunteer meetings. This includes the use of generative AI platforms for real-time participation, note-taking, or decision-making. All CAR members and volunteers are expected to participate as individuals and contribute personally to the conversation.

Map of C.A.R. Regions

