



LEADERSHIP GUIDE

2021

Building Back Better

UPDATED JUNE 2021

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ADAM RODELL
PRESIDENT-ELECT

JOYCE ENDO
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- Matt Clements
- Danielle Corliss
- Paula J. Cosenza
- Rick Cosenza
- Michael L. DeLeon
- Olesya Drozdova
- Lisa Dunn
- Joyce Y. Endo
- Leslie Eskildsen
- Dorinda D. Francois
- Christina Fu
- Suzanne Gignoux
- Michele Harrington
- Bob W. Hartman
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- Spencer Hoo
- Jeffrey B. Jackson
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- Liz Lewis
- Harrison K. Long
- Mindy Luong
- Len Malena
- Mary Aileen Matheis
- Conrad Mazeika
- Ed Molina
- Charleen Nagata Newhouse
- Lori Namazi
- Tammy Newland-Shishido
- Eileen L. Oldroyd
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- Sylvia Prata
- J. Michael Roberts
- Adam Rodell
- Jamie M. Saltman
- Rita Tayenaka
- Gary Thomas
- Jean Tietgen
- Colleen Trujillo
- Scott White
- Wayne Woodyard
- Daniel Wu
- Eric Wu

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- Lori Namazi
- Eileen L. Oldroyd
- Adam Rodell
- Rita Tayenaka
- Gary Thomas, Past NAR President
- Wayne Woodyard, State Allocated NAR Large Firm

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- | | |
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| • Nancy Hunt | 1995 & 1996 |
| • J. Michael Roberts | 1997 |
| • Sherry Mancini | 1998 |
| • Sally Frey-Reinholdt | 1999 |
| • Max Harris | 2000 |
| • David Silver-Westrick | 2001 |
| • Ron Burkhart | 2002 |
| • Jan Lloyd | 2003 |
| • Paula Cosenza | 2004 |
| • Barbara Delgleize | 2005 |
| • Cas Pinkowski | 2006 |
| • Michael Caruso | 2007 |
| • Don Readinger | 2008 |
| • Mary Jane Cambria | 2009 |
| • Gary Macrides | 2010 |
| • Jean Tietgen | 2011 |
| • Maria Elena Banks | 2012 |
| • Len Herman | 2013 |
| • Mike DeLeon | 2014 |
| • Rita Tayenaka | 2015 |
| • Wayne Woodyard | 2016 |
| • Craig Borner | 2017 |
| • Tammy Newland-Shishido | 2018 |
| • Matt Clements | 2019 |
| • Danielle Corliss | 2020 |
| • Lori Namazi | 2021 |

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THE L.E.A.S.E. PLAN

2021-2023

OUR MISSION To promote the REALTOR® Code of Ethics; to provide education, services and resources to our members; and to advocate the protection of real property rights.



LEAD

Expand our reputation as a premiere Association of REALTORS®.

LEADERSHIP

Identify, develop and position REALTORS® and Affiliates for leadership opportunities within and outside the Association through education and succession planning.

COLLABORATION

Identify opportunities to build member value through shared services and collaborative opportunities with other real estate industry organizations and partners.

FINANCIAL STRENGTH

Continue or exceed goals in stewardship of OCR assets and diversification through prudent financial management and oversight.

INVESTMENT IN BUSINESS STRUCTURE

Utilize innovative technology, use of efficient facilities with professional staffing to improve member value and services.



EDUCATE

Elevate careers and enhance professionalism.

FAIR HOUSING AND EQUAL OPPORTUNITY

Initiate programs which improve awareness of fair housing for members and the public.

PROFESSIONAL STANDARDS SUPPORT AND EDUCATION

Deliver education on Professional Standards while offering dispute resolution services for grievances and other conflicts.

MULTIMEDIA PROGRAM DELIVERY

Provide educational content through multiple platforms for members.

SIGNATURE EVENTS, EDUCATION AND SPEAKERS

Anticipate trends and opportunities to provide valuable programs, professional certifications and designations, all featuring dynamic speakers/trainers.



ADVOCATE

Mobilize members on critical issues and inform decision makers.

HOUSING POLICY AND PRIVATE PROPERTY RIGHTS

Monitor issues, build relationships with regulators, and champion housing policy with federal, state, and local officials.

ENGAGEMENT OF MEMBERS

Ensure members understand the value of advocacy and the opportunities to participate in community efforts, including the promotion of fair housing policies.

LOCAL INVOLVEMENT

Encourage members to serve in their local communities by participating in government, civic groups and being a community leader to promote real estate friendly candidates and issues.

VOTE, ACT, AND INVEST IN RAF

Educate members as to the importance of participating in and supporting public policy and government advocacy.



SERVE

Enrich communities through REALTOR® activity and contributions.

COMMUNITY ORGANIZATIONS

Partner with local organizations to amplify the REALTOR® impact on the community.

OUTREACH INITIATIVES

Encourage and assist REALTOR® involvement through volunteering and sharing expertise which enhances their respective communities.

PROMOTE THE BENEFITS OF AREALTOR®

Increase the public awareness of the role and value of REALTORS® and the REALTOR® brand through education and outreach.

MEMBER CARE

Continue to offer members in need financial relief through OCAR Cares and other well-being support services.



ENGAGE

Stage signature events and provide products and services which support member success.

GROWTH AND RESOURCES

Provide essential tools, benefits, and services to support the growth and success of our members.

DIVERSITY, EQUITY, AND INCLUSION

Promote opportunities to improve member DEI awareness and provide programs which further a culture where all members feel welcome.

CONNECTIONS AND NETWORKING

Facilitate opportunities to strengthen the relationships between members, the Association, and other REALTOR® organizations.

MEMBER EXPERIENCE

Provide exceptional customer service to all, which cultivates member satisfaction and the pride of belonging to a premier REALTOR® Association.

ROBERT'S RULES CHEAT SHEET - PART 1

To:	Say:	Interrupt Speaker	Second Needed	Debatable	Amendable	Decided by:
Adjourn	"I move to adjourn."	No	Yes	No	No	Majority vote
Recess	"I move to recess for/until..."	No	Yes	No	Yes	Majority vote
Complain about hearing, comfort, etc.	"Point of privilege..."	Yes	No	No	No	Chair
End debate and vote on question	"I move the previous question."	No	Yes	No	No	Majority vote
Suspend further consideration of something	"I move to table this matter."	No	Yes	No	No	2/3 vote
Postpone deciding the question	"I move to postpone this matter until..."	No	Yes	Yes	Yes	Majority vote
Amend a motion	"I move to amend this motion by..."	No	Yes	Yes	Yes	Majority vote
Introduce business (a main motion)	"I move that..."	No	Yes	Yes	Yes	Majority vote

The motions and points listed above are in order of preference. When a motion or point of inquiry is pending, only those listed above the pending point may be raised.

ROBERT'S RULES CHEAT SHEET - PART 2

To:	Say:	Interrupt Speaker	Second Needed	Debatable	Amendable	Decided by:
Redress any violation of the body's Rules	"Point of order..."	Yes	No	No	No	Chair
Request information	"Point of inquiry..."	Yes	No	No	No	N/A
Verify a recent voice vote by actual count (before next motion only)	"I call for division."	Yes	No	No	No	Majority vote
Prevent body from considering a matter	"I object to considering this question."	Yes	No	No	No	2/3
Consider a suspended matter	"I move to take from " the table..."	Yes	Yes	No	No	Majority
Reconsider a previous motion	"I move to reconsider..."	Yes	Yes	No	No	2/3
Consider something out of schedule	"I move to suspend the rules to consider..."	No	Yes	No	No	2/3
Vote on the Chair's decision	"I appeal the Chair's decision."	Yes	Yes	Yes	No	Majority

The motions and points above have no precedence. Any of them may be raised in response to any motion or question, with the exception of the three items in gray (motion to adjourn, motion to recess, and point of privilege).

MAIN MOTIONS

To Introduce New Business

Obtaining and assigning the floor

- A member raises their hand (or rises, depending on your rules) and waits to be acknowledged
- The chair recognizes the member by name

Note. It is never proper to raise your hand or rise to be acknowledged while another is speaking. If your point or motion is one of the kind that can interrupt the speaker, make your point or motion without waiting for recognition.

How the Motion is Brought Before the Assembly

- The member makes the motion: *I move that (or "to") ...* and resumes his seat.
- Another member seconds the motion: *I second the motion* or *I second it* or *second*.
- The chair states the motion: *It is moved and seconded that ... Are you ready for the question?*

Consideration of the Motion

- Members can debate main motions before the question is voted on or otherwise decided.
- Before speaking in debate, members must obtain the floor.
- The maker of the motion has first right to the floor.
- Debate must be confined to the merits of the motion.
- Debate can be closed only by order of the assembly (2/3 vote) or by the chair if no one seeks the floor for further debate.

The chair puts the motion to a vote

- The chair asks: *Are you ready for the question?*
- If no one rises to claim the floor, the chair proceeds to take the vote.
- The chair says: *The question is on the adoption of the motion that ... As many as are in favor, say 'Aye'.* (Pause for response.) *Those opposed, say 'Nay'.* (Pause for response.) *Those abstained please say 'Aye'.*
- Depending on your rules, some kinds of business may call for a vote by show of hands.

The chair announces the result of the vote.

- *The ayes have it, the motion carries, and ...* (indicating the effect of the vote) or
- *The nays have it and the motion fails*

If the count may be incorrect, a member calls for division

- If any member feels that the tally of voice votes is incorrect, they may call for division.
- Any call for division, unless the result of the previous vote was obvious (e.g. a unanimous or nearly-unanimous vote) must be honored.
- The chair will instruct the body on how to vote (e.g. by show of hands or by standing), and the body will vote accordingly.

WHEN DEBATING YOUR MOTIONS

- Listen to the other side
- Be polite
- Focus on issues, not personalities
- Avoid questioning motives

MOTIONS, GENERALLY

MAIN MOTION

You want to propose a new idea or action for the group.

- After recognition, make a main motion.
- Member: "Madame Chairman, I move that _____."

AMENDING A MOTION

You want to change some of the wording that is being discussed.

- After recognition, "Mister Chairman, I move that the motion be amended by adding the following words _____."
- After recognition, "Mister Chairman, I move that the motion be amended by striking out the following words _____."
- After recognition, "Mister Chairman, I move that the motion be amended by striking out the following words, _____, and adding in their place the following words _____."

REFER TO A COMMITTEE

You feel that an idea or proposal being discussed needs more study and investigation.

- After recognition, "Madame Chairman, I move that the question be referred to a committee made up of members Smith, Jones and Brown."

POSTPONE DEFINITELY

You want the membership to have more time to consider the question under discussion and you want to postpone it to a definite time or day, and have it come up for further consideration.

- After recognition, "Mister Chairman, I move to postpone the question until _____."

PREVIOUS QUESTION

You think discussion has gone on for too long and you want to stop discussion and vote.

- After recognition, "Madam Chairman, I move the previous question."

LIMIT DEBATE

You think discussion is getting long, but you want to give a reasonable length of time for consideration of the question. After recognition, "Mister President, I move to limit discussion to two minutes per speaker."

POSTPONE INDEFINITELY

You want to kill a motion that is being discussed.

- After recognition, "Mister Chairman, I move to postpone the question indefinitely."

RECESS

You want to take a break for a while.

- After recognition, "Mister Chairman, I move to recess for ten minutes."

ADJOURNMENT

You want the meeting to end.

MOTIONS, GENERALLY

- After recognition, "Madame Chairman, I move to adjourn."

PERMISSION TO WITHDRAW A MOTION

You have made a motion and after discussion, are sorry you made it.

- After recognition, "Mister Chairman, I ask permission to withdraw my motion."

CALL FOR ORDERS OF THE DAY

At the beginning of the meeting, the agenda was adopted. The chairman is not following the order of the approved agenda.

- Without recognition, "Call for orders of the day."

SUSPENDING THE RULES

The agenda has been approved and as the meeting progressed, it became obvious that an item you are interested in will not come up before adjournment.

- After recognition, "Madam Chairman, I move to suspend the rules and move item 5 to position 2."

POINT OF PERSONAL PRIVILEGE

The noise outside the meeting has become so great that you are having trouble hearing, or the temperature in the room is uncomfortable, or some other concern.

- Without recognition, "Point of personal privilege."
- Chairman: "State your point."
- Member: "There is too much noise, I can't hear."

COMMITTEE OF THE WHOLE

You are going to propose a question that is likely to be controversial and you feel that some of the members will try to kill it by various maneuvers. Also you want to keep out visitors and the press.

- After recognition, "Mister Chairman, I move that we go into a committee of the whole."

POINT OF ORDER

It is obvious that the meeting is not following proper rules. E.g. a motion is passed without the right kind of vote, or a member is breaking the rules of debate.

- Without recognition, "I rise to a point of order," or "Point of order."

POINT OF INQUIRY

You are wondering about some of the facts under discussion, such as the balance in the treasury when expenditures are being discussed.

- Without recognition, "point of inquiry."

POINT OF PARLIAMENTARY INQUIRY

You are confused about some of the parliamentary rules.

- Without recognition, "Point of parliamentary inquiry."

APPEAL FROM THE DECISION OF THE CHAIR

The Chair has made a decision that you wish the body to vote on.

- Without recognition, "I appeal from the decision of the Chair."

IMPORTANT CONTACT INFORMATION

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DESIGNATED REALTORS®: **(213) 739-8350**car.org/helplines/legal-hotline-access**NATIONAL ASSOCIATION OF REALTORS®****(800) 874-6500**nar.realtor**CRMLS****(800) 925-1525**crmls.org**CRMLS LISTING VIOLATION SUPPORT****COMPLIANCE@CRMLS.ORG****CALIFORNIA DEPARTMENT OF REAL ESTATE****(877) 373-4542**dre.ca.gov**DRE ENFORCEMENT ONLINE COMPLAINT SYSTEM****(877) 373-4542**eocs.dre.ca.gov**SUPRA****(877) 699-6787**supraekey.com**ZIPFORM® PLUS****(586) 840-0140**car.org/transactions/zipform

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**BYLAWS OF THE
ORANGE COUNTY REALTORS®
DBA Orange County Association of REALTORS®
Last adopted November 4, 2020
TABLE OF CONTENTS**

ARTICLE I – NAME AND OFFICES	4
SECTION 1. Name.	4
SECTION 2. Offices.	4
SECTION 3. REALTORS® Membership Mark in Name of Association.	4
ARTICLE II-OBJECTIVES.....	4
SECTION 1. Objectives.....	4
ARTICLE III - NATIONAL AND STATE MEMBERSHIPS.....	5
SECTION 1. Association Membership in NAR and C.A.R.	5
SECTION 2. Ownership and Use of REALTOR® Membership Marks.	5
SECTION 3. Adoption and Enforcement of NAR Code of Ethics; Compliance with NAR and C.A.R. Governing Documents and Policies.....	5
SECTION 4. Other Association Rules, Regulations, and Policies.	5
ARTICLE IV-JURISDICTION	5
SECTION 1. Description of Jurisdiction.	5
SECTION 2. Jurisdictional Rights.....	5
ARTICLE V - MEMBERSHIP, QUALIFICATION, APPLICATION AND ACCEPTANCE.....	5
SECTION 1. Classes of Membership.	6
SECTION 2. Qualifications of REALTOR® Members.	6
SECTION 3. Qualifications of Licensed Assistants Employed by REALTOR®.	8
SECTION 4. Qualifications of Unlicensed Assistants Employed by REALTOR®.....	8
SECTION 5. Qualifications of Institute Affiliate Members.	8
SECTION 6. Qualifications of Affiliate Members.	8
SECTION 7. Qualifications of Public Service Members.....	8
SECTION 8. Qualifications of Honorary Members.	8
SECTION 9. Qualifications of Honorary REALTOR® Members for Life.....	8
SECTION 10. Qualifications of Student Members.....	8
SECTION 11. Membership Application.....	9
SECTION 12. Prior Membership Records	9
SECTION 13. Application Review and Acceptance.	10
SECTION 14. New Member Code of Ethics Orientation.....	11
SECTION 15. Orange County REALTORS® Orientation.	11
SECTION 16. Continuing Member Code of Ethics.....	11
SECTION 17. Status Change.....	11
SECTION 18. Resignation.....	12
ARTICLE VI - PRIVILEGES AND DUTIES OF MEMBERSHIP.....	12
SECTION 1. Member Compliance with Bylaws, Policies, and Procedures of OCR.	12
SECTION 2. Member Discipline.....	12

SECTION 3. Resignation with Pending Arbitration or Disciplinary Hearing.....	13
SECTION 4. Voting Rights and Eligibility for Elective Office.	13
SECTION 5. Privileges and Duties of REALTOR® Members.....	13
SECTION 6. Privileges and Duties of Licensed Assistant Members.	14
SECTION 7. Privileges and Duties of Unlicensed Assistant Members.....	14
SECTION 8. Privileges and Duties of Institute Affiliate Members.	14
SECTION 9. Privileges and Duties of Affiliate Members.....	14
SECTION 10. Privileges and Duties of Public Service Members.	14
SECTION 11. Privileges and Duties of Honorary Members.....	15
SECTION 12. Privileges and Duties of Honorary REALTOR® Members for Life	15
SECTION 13. Privileges and Duties of Student Members.	15
SECTION 14. Certification by Designated REALTOR®	15

ARTICLE VII - PROFESSIONAL STANDARDS AND ARBITRATION..... 15

SECTION 1. Professional Standards and Arbitration.....	15
SECTION 2. Member Compliance with NAR and C.A.R. Constitution, Bylaws, Policies, Rules, Regulations and REALTOR® Code of Ethics.....	15

ARTICLE VIII - USE OF THE TERMS REALTOR® AND REALTORS® 15

SECTION 1. Use and Control of REALTOR® Membership Marks.	15
SECTION 2. Jurisdictional Limits on Use of REALTOR® Membership Marks.	16
SECTION 3. Use of REALTOR® Membership Marks Dependent on Status of Firm Principals.	16
SECTION 4. Institute Affiliate Members Ineligible to Use REALTOR® Membership Marks. ...	16

ARTICLE IX-DUES AND ASSESSMENTS 16

SECTION 1. Processing Fee.....	16
SECTION 2. Dues.....	16
SECTION 3. Dues Payable.	18
SECTION 4. Non-payment of Financial Obligations	19
SECTION 5. Reinstatement After Termination for Non-payment of Financial Obligations.	19
SECTION 6. Deposit.	20
SECTION 7. Notice of Delinquent Dues, Fees, Fines, Assessments and Other Financial Obligations of Members.....	20

ARTICLE X-DIRECTORS AND OFFICERS 20

A. DIRECTORS.....	20
SECTION 1. Powers and Duties of the Board of Directors.....	20
SECTION 2. Number and Classes of Directors.....	20
SECTION 3. Selection of Directors.....	23
SECTION 4. Vacancies of Directors.	24
SECTION 5. Attendance of Directors.	24
SECTION 6. Removal of Directors	24
SECTION 7. Term Limits of Directors.....	25
SECTION 8. Firm Limitations of Directors.	25
B. OFFICERS	25
SECTION 1. Officers of the Corporation.	25
SECTION 2. Powers and Duties of Officers	26
SECTION 3. Selection of Officers.....	26
SECTION 4. Vacancies of Officers.....	27
SECTION 5. Termination of Officer(s.).....	27

C. EXPENDITURES	27
D. CONFLICT OF INTEREST	28

ARTICLE XI-MEETINGS..... 28

SECTION 1. Annual Meeting.....	28
SECTION 2. Meetings of Directors.....	28
SECTION 3. Other Meetings.....	28
SECTION 4. Notice of Meetings.....	28
SECTION 5. Quorum	29

ARTICLE XII – COMMITTEES 29

SECTION 1. Formation of Committees.	29
SECTION 2. Standing Committees.	29
SECTION 3. Additional Standing Committees.	29
SECTION 4. Special Committees.....	29
SECTION 5. Chair and Vice Chairs.	29
SECTION 6. Membership.....	29
SECTION 7. Terms of Committee Membership.	30
SECTION 8. President.	30
SECTION 9. Removal.	30

ARTICLE XIII-FISCAL AND ELECTIVE YEAR..... 30

SECTION 1. Fiscal Year.....	30
SECTION 2. Elective Year.	30

ARTICLE XIV-RULES OF ORDER 30

SECTION 1. Robert's Rules of Order.....	30
---	----

ARTICLE XV-AMENDMENTS..... 30

SECTION 1. Amendments Upon Majority Vote of the Board of Directors.....	30
SECTION 2. Notice	30
SECTION 3. Approval of Amendments by NAR.....	31

ARTICLE XVI – DISSOLUTION 31

SECTION 1. Dissolution.	31
------------------------------	----

ARTICLE XVII – INDEMNIFICATION 31

SECTION 1. Indemnification.	31
----------------------------------	----

ARTICLE XVIII - MULTIPLE LISTING SERVICE..... 31

SECTION 1. Authority and Governing MLS Rules	31
SECTION 2. Purpose.	31
SECTION 3. MLS Committee.....	31
SECTION 4. Access to Comparable and Statistical Information.	31
SECTION 5. Participation.	32
SECTION 6. Copyright Ownership.	33
SECTION 7. Supervision.....	33
SECTION 8. Appointment of Regional MLS Directors.....	33

**BYLAWS OF THE
ORANGE COUNTY ASSOCIATION OF REALTORS®
(adopted November 4, 2020)**

ARTICLE I – NAME AND OFFICES

SECTION 1. Name.

The corporate name of this organization shall be the Orange County REALTORS®, doing business as the ORANGE COUNTY ASSOCIATION OF REALTORS®, herein referred to as "OCR" or "A.O.R."

SECTION 2. Offices.

OCR shall maintain an office within the County of Orange, and may have such other offices, either within or without the County of Orange, as may be established at any time by the Board of Directors.

SECTION 3. REALTORS® Membership Mark in Name of Association.

Inclusion and retention of the registered collective membership mark "REALTORS®" in the name of the Association shall be governed by the Constitution and Bylaws of the National Association of REALTORS®, herein referred to as NAR as from time to time amended.

ARTICLE II-OBJECTIVES

SECTION 1. Objectives.

The objectives of the Association are:

- (a) To unite those engaged in the recognized branches of the real estate profession for the purpose of exerting a beneficial influence upon the profession and related interests. The recognized branches of the real estate profession include buying, selling, exchanging, renting or leasing, managing, appraising for others for compensation, counseling, financing, building, developing or subdividing real estate.
- (b) To promote and maintain high standards of conduct in the real estate profession as expressed in the Code of Ethics of the National Association of REALTORS®.
- (c) To provide a unified medium for real estate owners and those engaged in the real estate profession, whereby their interests may be safeguarded and advanced.
- (d) To further the interests of home and other real estate property ownership.
- (e) To unite those engaged in the real estate profession in this community with the California Association of REALTORS®, herein referred to as C.A.R. and NAR thereby furthering their own objectives throughout the state and nation, and obtaining the benefits and privileges of membership therein.
- (f) To designate for the benefit of the public, those individuals within the state of California authorized to use the Term REALTOR® AND REALTORS® as licensed, prescribed and controlled by NAR.
- (g) To approach governance in a "strategic" rather than "operational" manner.
- (h) To provide education, services, and resources to our members.

ARTICLE III - NATIONAL AND STATE MEMBERSHIPS

SECTION 1. Association Membership in NAR and C.A.R.

OCR shall be a member of NAR and C.A.R. as defined in the governing documents of NAR and C.A.R. By reason of the A.O.R.'s membership's in NAR and C.A.R., each REALTOR® member of OCR shall be entitled to membership in NAR and C.A.R. without future payment of dues. OCR shall continue as a member of NAR and C.A.R., unless by a majority vote of all of its REALTOR® members the decision is made to withdraw, in which case NAR and C.A.R. shall be notified at least one month in advance of the date designated for the termination of OCR's membership.

SECTION 2. Ownership and Use of REALTOR® Membership Marks.

OCR recognizes the exclusive property rights of NAR in the terms REALTOR® and REALTORS®. OCR may use the terms while it is a member in good standing of NAR. OCR shall discontinue use of the terms in any form in its name, upon ceasing to be a member of NAR, or upon a determination by the Board of Directors of NAR, that it has violated the conditions imposed upon the use of the terms.

SECTION 3. Adoption and Enforcement of NAR Code of Ethics; Compliance with NAR and C.A.R. Governing Documents and Policies

OCR adopts the NAR Code of Ethics and agrees to enforce the Code among its REALTOR® members. OCR and all of its members, as a condition of membership agree to abide by the Constitution, Bylaws, Rules and Regulations and policies of NAR and C.A.R.

SECTION 4. Other Association Rules, Regulations, and Policies.

OCR may adopt any Rules and Regulations or policies not inconsistent with the Constitution, Bylaws, Rules and Regulations, Code of Ethics, and policies of NAR and C.A.R. and these Bylaws. Any inconsistencies between OCR's Policies and Procedures and these Bylaws shall be controlled by these Bylaws.

ARTICLE IV-JURISDICTION

SECTION 1. Description of Jurisdiction.

The territorial jurisdiction of OCR as a member of NAR includes the cities and areas of Huntington Beach, Fountain Valley, Irvine, Lake Forest, Laguna Niguel, Laguna Woods, Laguna Hills, Mission Viejo, Aliso Viejo, Rancho Santa Margarita, San Clemente, San Juan Capistrano, Dana Point, and any new cities formed in these areas or cities, and any unincorporated areas in the original Association's jurisdiction; and in the County of Orange, State of California.

SECTION 2. Jurisdictional Rights.

Territorial jurisdiction is defined to mean the right and duty to control the use of the terms REALTOR® and REALTORS® subject to the conditions set forth in these Bylaws and those of NAR, and to protect and safeguard the property rights of NAR in those terms.

ARTICLE V - MEMBERSHIP, QUALIFICATION, APPLICATION AND ACCEPTANCE

SECTION 1. Classes of Membership.

There shall be nine classes of classes of membership:

- (a) REALTOR® Members
- (b) Licensed assistants employed by REALTORS®
- (c) Unlicensed assistants employed by REALTORS®
- (d) Institute Affiliate Members
- (e) Affiliate Members
- (f) Public Service Members
- (g) Honorary Members
- (h) Honorary Members for Life
- (i) Student Members

SECTION 2. Qualifications of REALTOR® Members.

[2.1] REALTOR® members, whether primary or secondary, who are principals, (“principals” are defined, herein and throughout these bylaws when this terminology is used, as sole proprietors, partners, corporate officers or branch office managers of real estate firms) shall:

- (a) Maintain a current, valid California Real Estate broker or salesperson license or California real estate appraisal certification or license; and
- (b) Act as a sole proprietor, partner, corporate officer of a real estate firm or office manager of a real estate firm acting on behalf of the firm’s principal(s); and
- (c) Remain actively engaged in the real estate profession (“engaged in the real estate profession” is defined, herein and throughout these bylaws when this terminology is used, as buying, selling, exchanging, renting or leasing, managing, counseling, appraising for others for compensation, building, developing or subdividing real estate); and
- (d) Maintain or be associated with a real estate office located within the state of California or a state contiguous thereto; and
- (e) Have no record of official sanctions rendered by the courts or other lawful authorities for (i) violations of civil rights laws or real estate license laws within the past three years or (ii) criminal convictions within the past ten years where the crime was punishable by death or imprisonment in excess of one year under the law under which the applicant was convicted (ten years is measured from the date of the conviction or the release of the applicant from the confinement imposed for that conviction, whichever is the later date).

[2.2] REALTOR® members, whether primary or secondary, other than principals, shall:

- (a) Maintain a current valid California real estate broker or salesperson license or California real estate appraisal certification or license; and
- (b) Remain actively engaged in the real estate profession;
- (c) Remain employed by or affiliate as an independent contractor with a REALTOR® member who meets the requirements in Section 2.1 of this Article V for any Association in California or a state contiguous thereto; and
- (d) Have no record of official sanctions rendered by the courts or other lawful authorities for (i) violations of civil rights laws or real estate license laws within the past three years or (ii) criminal

convictions within the past ten years where the crime was punishable by death or imprisonment in excess of one year under the law under which the applicant was convicted (ten years is measured from the date of the conviction or the release of the applicant from the confinement imposed for that conviction, whichever is the later date).

[2.3] REALTOR® members may be franchise corporate officers as described below in Article V, Section 2.8.

[2.4] Designated REALTORS®. Each firm shall designate in writing one (1) “Designated REALTOR®” member who shall be responsible for the conduct of individuals affiliated with the firm(s) and accountable to OCR for all duties and obligations of OCR membership, including, but not limited to, certification as set forth in Article VI, Section 14. The designated REALTOR® must be the sole proprietor, partner, corporate officer or a branch office manager acting on behalf of the firm’s principal(s), and must have the authority to bind the firm in arbitrations, and must meet all the other qualifications for REALTOR® membership set forth in Article V, Section 2 of the Bylaws.

[2.5] (a) Primary Membership. Licensees affiliated with a REALTOR® firm may choose as their “Primary” Association any Association within California where the firm maintains a “Designated REALTOR®”. If a REALTOR® is a primary member of OCR, the member pays their C.A.R. and NAR dues through OCR. An individual is a primary member of the A.O.R. if the A.O.R. pays C.A.R. and N.A.R. dues based on such member. One of the principals in a real estate firm must be a Designated REALTOR® of the A.O.R. in order for the licensees affiliated with the firm to select the A.O.R. as the “primary” Association.

(b) Secondary Membership. A REALTOR® who has joined another Association as a primary member may join OCR as a secondary member. There need not be a Designated REALTOR® member of OCR for licensees to select OCR as the secondary Association. The conditions for secondary membership shall be no more stringent than for primary membership, and the privileges of membership shall be the same including the right to vote and hold office.

[2.6] Each principal of the real estate firm who is actively engaged in the real estate profession within California or within a state contiguous thereto shall be required to become a REALTOR® member if any other principal of such firm, partnership or corporation is a REALTOR® member within those states. Each is required to hold REALTOR® membership individually in a local Association in California if they meet all the other qualifications set forth in Article V, Sections 2.1, 2.2, or 2.3 of the Bylaws (except as provided in Section 2.7). Each principal of the real estate firm or franchise corporate officers shall be ineligible for any class of membership other than REALTOR® membership unless they otherwise qualify for Institute Affiliate membership as described in Article V, Section 3.

[2.7] Required REALTOR® Membership Of Offices and Partners. In the case of a real estate firm, partnership or corporation whose business activity is substantially all commercial, only those principals actively engaged in the real estate business in connection with the same office, or any other offices within the jurisdiction of OCR in which one of the firm’s principals holds REALTOR® membership shall be required to hold REALTOR® membership unless otherwise qualified for Institute Affiliate Membership as described in Article V, Section 3.

[2.8] Notwithstanding any other provision herein, franchise corporate officers of real estate brokerage franchise organizations with at least one hundred fifty franchises located within the United States, its insular possessions and the Commonwealth of Puerto Rico, may be elected to membership pursuant to the Constitution and Bylaws of NAR (hereinafter “Franchise Corporate Officers”). Franchise Corporate Officers may or may not be licensed for California real estate broker or salesperson or appraisal

activities. Franchise Corporate Officers shall enjoy all of the rights, privileges, and obligations of REALTOR® membership, including compliance with the Code of Ethics, except: obligations related to OCR mandated education, meeting attendance, or indoctrination classes or other similar requirements, if any; the right to use the term REALTOR® in connection with their franchise organization's name; and the right to hold elective office in OCR, C.A.R., and NAR.

SECTION 3. Qualifications of Licensed Assistants Employed by REALTOR®.

Licensed assistants employed by REALTORS® shall be licensees employed by the REALTOR® and acting in an administrative capacity as an assistant to the REALTOR®. Licensed assistants are subject to the same obligations and privileges as other REALTORS®, including the assessment of local, state and national association dues.

SECTION 4. Qualifications of Unlicensed Assistants Employed by REALTOR®.

Unlicensed assistants employed by REALTORS® shall be employed by the REALTOR® and acting in an administrative capacity in compliance with California State law and California Department of Real Estate regulations and policies as an assistant to the REALTOR®.

SECTION 5. Qualifications of Institute Affiliate Members.

Institute Affiliate members shall be individuals who hold a professional designation awarded by an Institute, Society or Council affiliated with NAR that addresses a specialty area other than residential brokerage or individuals who otherwise hold a class of membership in such Institute, Society or Council that confers the right to hold office. Any such individual, if otherwise eligible, may elect to hold REALTOR® membership, subject to payment of applicable dues for such membership.

SECTION 6. Qualifications of Affiliate Members.

Affiliate members shall be individuals or members of firms engaged in activities related to the real estate profession, who have interests requiring information concerning real estate and are in sympathy with the objectives of OCR. Any person, member of a firm, or entity that establishes an office within OCR's jurisdiction qualifies to become an affiliate member of OCR.

SECTION 7. Qualifications of Public Service Members.

Public Service members shall be those members who maintain an interest in the real estate profession as employees or affiliates of educational, public utility, governmental or other similar organizations and who are not engaged in the real estate profession on their own account or in association with an established real estate business.

SECTION 8. Qualifications of Honorary Members.

Honorary Members shall be those persons recognized by the Board of Directors as persons who have performed notable service for the real estate profession, for OCR, or for the public though not engaged in the real estate profession.

SECTION 9. Qualifications of Honorary REALTOR® Members for Life.

Honorary REALTOR® Members for Life, shall be those REALTOR® members recognized by the Board of Directors as persons who have performed notable service for the real estate profession and OCR.

SECTION 10. Qualifications of Student Members.

Student members shall be students enrolled in an undergraduate or graduate degree program at an institution of higher education with a specialization or major in real estate, or who are seeking to obtain a real estate license or appraiser's license but who are not eligible for REALTOR® membership.

SECTION 11. Membership Application.

(a) Each applicant for membership shall submit an application in such manner and forms as may be prescribed by OCR Board of Directors (hereinafter “Board of Directors”) and give his or her consent that the Board of Directors, through OCR Membership Department or otherwise, may obtain information about the applicant from any member, other persons or Associations and that any information furnished to the Board of Directors by any member, other persons or Association shall not form the basis of any action for slander, libel or defamation of character. The Board of Directors, through its Membership Department or otherwise, may consider the following in determining an applicant’s qualifications for membership:

- (1) All final findings of NAR Code of Ethics violations and violations of other membership duties in any other Association within the past three (3) years;
- (2) Pending ethics complaints or hearings;
- (3) Unsatisfied discipline pending;
- (4) Pending arbitration requests or hearings;
- (5) Unpaid arbitration awards or unpaid financial obligations to any other Association or Association Multiple Listing Service (“MLS”).

(b) Applicants for membership shall be familiar with and agree to abide by the Bylaws and Rules and Regulations of OCR, the Bylaws of C.A.R. and the NAR Constitution, Bylaws and Code of Ethics, to the extent they are applicable, and pass such reasonable and nondiscriminatory written examination thereon as may be required by the Membership Department. Applicants must also attend an orientation program as may be required by the Board of Directors, Membership Department, or otherwise.

(c) Applicants for REALTOR® membership shall certify: that they have no record of official sanctions rendered by the courts or other lawful authorities for (i) violations of civil rights laws or real estate license laws within the past three years or (ii) 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 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 and
- (3) that they have not been suspended or expelled from an Association the past three years for violations of the NAR Code of Ethics.

(d) Applicants who are sole proprietors, general partners, corporate officers, or branch office managers (Article V, Section 2) of a real estate firm must disclose:

- (1) Whether they or their firms are subject to any pending bankruptcy proceedings; and
- (2) Whether they or their firms have been adjudged bankrupt within the past three (3) years. If the applicant is party to pending bankruptcy or insolvency proceedings or has been adjudged bankrupt within the past three (3) years, the applicant may be required to pay cash in advance for OCR and MLS fees for up to one year from the date that membership is approved or from the date that the applicant is discharged from bankruptcy, whichever is later. If the Board of Directors determines that such prepayments will not protect the interests of OCR or its members, such applicants may be rejected.

SECTION 12. Prior Membership Records

OCR may consider information received from other Associations in determining whether an applicant satisfies the A.O.R.’s membership requirements. OCR may request from any Association where the applicant held prior membership, minimum “core” information including:

All final findings of Code of Ethics violations and violations of other membership duties within the past three (3) years.

- (a) Pending complaints alleging violations of the Code of Ethics or alleging violations of other membership duties;
- (b) Incomplete or (pending) disciplinary measures;
- (c) Pending arbitration requests (or hearings);
- (d) Unpaid arbitration awards or unpaid financial obligations to the Association or its MLS; and
- (e) Any misuse of the term REALTOR® or REALTORS® in the name of the applicant's firm.

OCR shall consider all final findings of Code of Ethics violations and violations of other membership duties in OCR within the past three (3) years.

SECTION 13. Application Review and Acceptance.

The procedure for membership acceptance shall be as follows:

- (a) The Membership Committee shall determine whether the applicant is applying for the appropriate class of membership. If the A.O.R. does not have a standing Membership Committee, the AOR's Executive Officer/staff may act in this capacity. The Membership Committee may request "core" information as defined in Article V, Section 9, from any Association of which the applicant was previously a member. The Membership Committee shall thereafter make a written report of its findings. The Membership Committee shall conduct all proceedings with strict attention to the principles of due process and compliance with the Bylaws.
- (b) If the recommendation is to reject the application, the Membership Department shall specifically state its reasons in writing and provide information to both the applicant and the Board of Directors. The applicant shall also be notified of his/her right to appear before the Board of Directors.
- (c) The Board of Directors shall review the qualifications of the applicant and the recommendations of the Membership Department and then vote on the applicant's eligibility for membership. If the applicant appears, he or she may be represented by counsel, call witnesses on his or her behalf and make such statements as he or she deems relevant. The Board of Directors may also have counsel present. If the applicant receives a majority vote of the Board of Directors, he or she shall be declared accepted as a member and shall be advised by written notice. An application for Institute Affiliate Membership shall be acted upon by the Board of Directors within forty-five (45) days from the date of application for membership.

If the Board of Directors determines that the application should be rejected, it shall record its reasons. If the Board of Directors believes that denial of membership to the applicant may become the basis of litigation and a claim of damage by the applicant, it may specify that denial shall become effective upon entry in a suit by OCR for a declaratory judgment by a court of competent jurisdiction of a final judgment declaring that the rejection violates no rights of the applicant.

- (d) The Board of Directors, through its Membership Committee or otherwise, may grant "provisional" membership to an applicant in instances where the applicant for membership has unsatisfied discipline pending in another Association (except for violations of the Code of Ethics), provided all

other qualifications for membership have been satisfied. Provisional members shall be considered REALTORS® and shall be subject to all of the same privileges and obligations of REALTOR® membership. The Board of Directors may reconsider the membership status of provisional members when all unsatisfied discipline has been resolved or if such matters are not resolved within six (6) months from the date that provisional membership is approved. At the time of reconsideration, if the Board of Directors determines that the individual has not satisfactorily resolved the unsatisfied discipline, at the discretion of the Board of Directors, membership may be terminated.

- (e) Article IV, Section 2 of the NAR Bylaws prohibits a Member Association from knowingly granting REALTOR® or REALTOR®- Associate membership to any applicant who has an unfulfilled sanction pending which was imposed by another Association for violation of the Code of Ethics.

SECTION 14. New Member Code of Ethics Orientation.

Applicants for REALTOR® membership and provisional REALTOR® members (where applicable) shall complete an orientation program on the Code of Ethics, meeting the minimum criteria established by NAR for new member ethics training. This requirement does not apply to applicants for REALTOR® membership or provisional members who have completed comparable orientation in another Association, provided that REALTOR® membership has been continuous, or that any break in membership is for one year or less. Failure to satisfy this requirement within 90 days of the date of application (or, alternatively, by the date that provisional membership was granted) will result in denial of the membership application or termination of provisional membership.

SECTION 15. Orange County REALTORS® Orientation.

Applicants for REALTOR® membership shall be required to take an OCR Orientation class. Each applicant will have two (2) opportunities to attend the orientation. Failure to attend shall be considered a violation of membership duty for which membership shall be suspended until such time as the training is completed.

SECTION 16. Continuing Member Code of Ethics.

Every three-year period, starting with the period from January 1, 2019 through December 31, 2021, and for successive three-year periods thereafter, each REALTOR® member of the A.O.R. shall be required to complete a course on the Code of Ethics, meeting the minimum criteria established by N.A.R. for ethics training. This requirement will be satisfied upon presentation of documentation that the member has completed such course of instruction conducted by this or another REALTOR® Association, C.A.R. or N.A.R., which meets the learning objectives and minimum criteria established by N.A.R. from time to time. REALTOR® members who have completed training as a requirement of membership in another Association and REALTOR® members who have completed the New Member Code of Ethics Orientation during any three-year cycle shall not be required to complete additional ethics training until a new three-year period commences.

Failure to satisfy this requirement shall be considered a violation of a membership duty and will result in suspension of membership for the first two months (January and February) of the year following the end of any three-year cycle or until the requirement is met, whichever occurs sooner. On March 1 of that year, the membership of a member who is still suspended as of that date for failure to complete the training requirement will be automatically terminated.

SECTION 17. Status Change.

- (a) REALTORS® who change the conditions under which they hold membership shall be required to provide written notification to OCR within thirty days. A non-principal REALTOR® who becomes a principal in the firm with which he/she has been licensed or, becomes a principal in a new firm with

which he/she has been licensed or, becomes a principal in a new firm which will be comprised of REALTOR® principals, may be required to satisfy any previously unsatisfied membership requirements applicable to principal REALTOR® members.

During the period of transition from one status of membership to another, such members shall be subject to all the privileges and obligations of principal REALTOR® members. The Board of Directors, at its discretion, may waive any qualifications, which the member has already fulfilled in accordance with the Bylaws of the Association. If the REALTOR® does not satisfy the requirements established in these Bylaws for the category of membership to which they have transferred within thirty days of the date they advised the Association of their change in status, their application for change of status will terminate automatically unless otherwise so directed by the Directors of the Association.

(b) Should the license status of any member be terminated, his/her membership in the Association shall terminate automatically. Should any member cease to meet any other ongoing qualification of membership, his/her membership shall be terminated by the Board of Directors. Each member shall have the affirmative duty to notify the Association of any change in their licensee status.

(c) Any processing fee related to a change in membership shall be reduced by an amount equal to any processing fee previously paid by the applicant. Dues shall be prorated from the first day of the month in which the member is notified of acceptance by the Board of Directors of his/her change in status and shall be based on the new membership status for the remainder of the year.

SECTION 18. Resignation.

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

ARTICLE VI - PRIVILEGES AND DUTIES OF MEMBERSHIP

SECTION 1. Member Compliance with Bylaws, Policies, and Procedures of OCR.

It shall be the duty of every member of OCR to abide by these Bylaws, Policies, and Procedures of OCR. Any member of OCR may be reprimanded, fined, placed on probation, suspended or expelled, in accordance with due process and ratified by the Board of Directors, for a violation of the Bylaws or the Policies and Procedures of OCR. If a hearing is required it shall be held in accordance with the California Code of Ethics and Arbitration Manual.

Although only REALTOR® members are subject to the Code of Ethics and its enforcement by OCR, all members are encouraged to abide by the principles established in the Code of Ethics of the National Association of REALTORS® and to conduct their business and professional practices accordingly. Further, any non-REALTOR® member may, upon recommendation of a hearing panel of the Professional Standards Committee, be subject to discipline as described above for any conduct, which in the opinion of the Board of Directors reflects adversely on the real estate industry or the terms REALTOR® or REALTORS® and for conduct that is inconsistent with or adverse to the objectives and purposes of this OCR, C.A.R. or NAR.

SECTION 2. Member Discipline.

(a) Any REALTOR® member of OCR may be disciplined by the Board of Directors of OCR for violations of the Code of Ethics or other duties of membership after a hearing as described in the

California Code of Ethics and Arbitration Manual, provided that the discipline imposed is consistent with N.A.R. policy as set forth in the *California Code of Ethics and Arbitration Manual*.

(b) Any Member of OCR, as defined herein by Article V Section 1 of these Bylaws to all classes of membership, may be reprimanded, placed on probation, suspended or expelled or removed from any office or committee for violation of the Orange County REALTORS® Policies and Procedures Relating to Inappropriate Behavior and Harassment following an investigation and decision process as set forth in said Policy. Orange County REALTORS® Policies and Procedures Relating to Inappropriate Behavior and Harassment may be amended at any time by majority vote of the Board of Directors, with such amendment effective for any conduct the last instance of which occurred after the date the amendment to the policy was adopted.

(c) Nothing in this section is intended to preclude discipline of Members for other reasons as may be provided for in the Constitution or other sections of the Bylaws of OCR.

SECTION 3. Resignation with Pending Arbitration or Disciplinary Hearing.

If a member resigns from OCR or otherwise causes membership to terminate with a disciplinary complaint pending, the complaint shall be processed until the decision of the A.O.R. with respect to disposition of the complaint is final by this A.O.R. (if respondent does not hold membership in any other Association) or by any other Association in which the respondent continues to hold membership. If an ethics respondent resigns or otherwise causes membership in all Associations to terminate before an ethics complaint is filed alleging unethical conduct occurred while the respondent was a REALTOR®, the complaint, once filed, shall be processed until the decision of the Association with respect to disposition of the complaint is final. In any instance where an ethics hearing is held subsequent to an ethic respondent's resignation or membership termination, any discipline ratified by the Board of Directors shall be held in abeyance until such time as the respondent rejoins an Association of REALTORS®. If a member resigns or otherwise causes membership to terminate, the duty to submit to arbitration continues in effect even after membership lapses or is terminated provided that the dispute arose while the former member was a member.

SECTION 4. Voting Rights and Eligibility for Elective Office.

Only REALTOR® members, whether primary or secondary, in good standing whose financial obligations to OCR are paid-in-full, shall be entitled to vote and hold elective office in OCR, consistent with Article X, Section 3. Proxy voting is not allowed.

SECTION 5. Privileges and Duties of REALTOR® Members.

(a) It shall be the duty and responsibility of every REALTOR® member of OCR to abide by the Constitution and Bylaws of C.A.R. and NAR and to abide by the Code of Ethics of NAR as set forth in Article VI, Section 1 of these Bylaws.

(b) REALTOR® members shall have the primary responsibility to safeguard and promote the standards, interests, and welfare of OCR and the real estate profession.

(c) REALTOR® members may use the term REALTOR® and REALTORS® subject to provisions of Article VIII. If a REALTOR® member who is a sole proprietor, principal in a firm, partner in a partnership, officer of a corporation, or designated REALTOR® is suspended or expelled, his/her firm partnership or corporation shall not use the terms REALTOR® or REALTORS® in connection with its business during the period of suspension or expulsion and the membership of all other principals, partners or corporate offices shall suspend or terminate during the period of suspension or expulsion unless (1) the disciplined member severs his/her connection with the firm, partnership or corporation; or (2) the disciplined member relinquishes management control of the firm.

(d) The membership of REALTORS® who are employed, or affiliated as independent contractors with disciplined member shall be suspended or terminated during the period of suspension or expulsion unless:

(1) The disciplined member severs his/her connection with the firm, partnership or corporation; and

(2) The disciplined member relinquishes management control of the firm; and

(3) The non-principal REALTOR® member elects to sever his/her connection with the disciplined member and affiliates with another REALTOR® member in good standing in OCR. If a REALTOR® member other than a sole proprietor in a firm, partner in a partnership, an officer of a corporation or designated REALTOR® is suspended or expelled, the use of the terms REALTOR® or REALTORS® by the firm, partnership or corporation shall not be affected. Removal of an individual from any form or degree of management control must be certified to OCR by the disciplined member and by the individual who is assuming management control. The signatures on such certification must be verified in writing and submitted to OCR. The foregoing is not intended to preclude a suspended or expelled member from functioning as an employee or independent contractor, provided no management control is exercised.

(e) In any action taken against a principal REALTOR® member for suspension or expulsion, notice of such action shall be given to all REALTORS® employed by or affiliated as independent contractors with such REALTOR® member and they shall be advised that the provisions of this Article VI, Section 5 shall apply.

SECTION 6. Privileges and Duties of Licensed Assistant Members.

Licensed Assistant members shall have the rights and privileges and be subject to the obligations prescribed by the Board of Directors consistent with the NAR Constitution and Bylaws.

SECTION 7. Privileges and Duties of Unlicensed Assistant Members.

Unlicensed Assistant members shall have the rights and privileges and be subject to the obligations prescribed by the Board of Directors consistent with the NAR Constitution and Bylaws.

SECTION 8. Privileges and Duties of Institute Affiliate Members.

Institute Affiliate members shall have the rights and privileges and be subject to the obligations prescribed by the Board of Directors consistent with the NAR Constitution and Bylaws.

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

SECTION 9. Privileges and Duties of Affiliate Members.

Affiliate members shall have the rights and privileges and be subject to the obligations prescribed by the Board of Directors consistent with the Constitution and Bylaws of the National Association of REALTORS®.

SECTION 10. Privileges and Duties of Public Service Members.

Public Service Members shall have the rights and privileges and be subject to the obligations prescribed by the Board of Directors.

SECTION 11. Privileges and Duties of Honorary Members.

Honorary membership shall confer only the right to attend meetings and participate in discussions.

SECTION 12. Privileges and Duties of Honorary REALTOR® Members for Life.

Honorary REALTOR® Members for Life shall have all the rights and privileges of REALTOR® membership, subject to obligations and restrictions prescribed by the Board of Directors consistent with the NAR Constitution and Bylaws.

SECTION 13. Privileges and Duties of Student Members.

Student members shall have the rights and privileges and be subject to the obligations prescribed by the Board of Directors.

SECTION 14. Certification by Designated REALTOR®.

Designated REALTORS® shall certify to OCR during the first month of each fiscal year, on a form provided by OCR, a complete listing of all individuals licensed or certified under California law, with the REALTOR® firm(s), and shall designate the primary association, if any, for each individual. These declarations shall be used for purposes of calculating dues under Article IX, Section 2 of the Bylaws. Designated REALTOR® members also shall notify OCR of any additional individual(s) licensed or certified with the firm(s) and of any individual whose affiliation with the firm was severed within thirty days of the date of affiliation or severance of the individual(s).

ARTICLE VII - PROFESSIONAL STANDARDS AND ARBITRATION**SECTION 1. Professional Standards and Arbitration.**

The responsibility of OCR and its members relating to the enforcement of the Code of Ethics, the discipline of members, the arbitration of disputes and the organization and procedures incident thereto shall be governed by the California Code of Ethics and Arbitration Manual as published by C.A.R. and from time to time amended by C.A.R. which by this reference is made a part of these Bylaws.

SECTION 2. Member Compliance with NAR and C.A.R. Constitution, Bylaws, Policies, Rules, Regulations and REALTOR® Code of Ethics.

It shall be the duty and responsibility of every REALTOR® member of this OCR to abide by the Constitution and Bylaws and the Policies and Procedures of OCR, the Constitution and Bylaws of C.A.R., the Constitution, Bylaws and Code of Ethics of NAR including the duty to arbitrate controversies arising out of real estate transactions as specified by Article 17 of the Code of Ethics and as further defined and in accordance with the procedures set forth in the *California Code of Ethics and Arbitration Manual* as from time to time amended by C.A.R.

By becoming and remaining a member, every REALTOR® member agrees that he/she and the corporation or firm for which he/she acts as a partner, officer, principal or designated REALTOR® or branch office manager, will submit to arbitration by the Association's facilities all disputes with any other member or member of the public subject to the conditions set forth in the *California Code of Ethics and Arbitration Manual*.

ARTICLE VIII - USE OF THE TERMS REALTOR® AND REALTORS®**SECTION 1. Use and Control of REALTOR® Membership Marks.**

Use of the terms REALTOR® and REALTORS® by members shall at all times, be subject to the provisions of the Constitution and Bylaws of NAR and the Rules and Regulations prescribed by its Board of Directors. OCR shall have the authority to control, jointly and in full cooperation with

NAR, use of the terms within its jurisdiction. Any misuse of the terms by members is a violation of a membership duty and may subject members to disciplinary action by the Board of Directors after a hearing as provided for in the C.A.R. Code of Ethics and Arbitration Manual.

SECTION 2. Jurisdictional Limits on Use of REALTOR® Membership Marks.

REALTOR® member of OCR shall have the privilege of using the terms REALTOR® and REALTORS® in connection with their places of business within the state of California so long as they remain REALTOR® members in good standing. No other class of members shall have this privilege.

SECTION 3. Use of REALTOR® Membership Marks Dependent on Status of Firm Principals.

A REALTOR® member who is a principal of a real estate firm, partnership or corporation may use the terms, REALTOR® and REALTORS® only if all the principals of such firm, partnership or corporation who are actively engaged in the real estate profession within California, or a state contiguous thereto, are REALTOR® members.

In the case of a REALTOR® member who is a principal of a real estate firm, partnership or corporation whose business activity is substantially all commercial, the right to use the term REALTOR® or REALTORS® shall be limited to office locations in which a principal, partner, corporate officer or branch office manager of the firm, partnership or corporation holds REALTOR® membership. If a firm, officer or branch office manager holds REALTOR® membership, the term REALTOR® or REALTORS® may not be used in any reference to those additional places of business.

SECTION 4. Institute Affiliate Members Ineligible to Use REALTOR® Membership Marks.

Institute Affiliate Members shall not use the terms REALTOR® or REALTORS® or the imprint of the emblem seal of NAR.

ARTICLE IX-DUES AND ASSESSMENTS

SECTION 1. Processing Fee.

The Board of Directors may adopt a reasonable processing fee for membership in OCR. The processing fee for REALTOR® membership shall not exceed three (3) times the amount of the annual dues for REALTOR® membership. The processing fee shall be required to accompany each application for membership in OCR and shall become the property of OCR upon final approval of the application. The A.O.R. shall collect all C.A.R. and N.A.R new member and application fees, if any.

SECTION 2. Dues.

(a) The Board of Directors shall annually determine the amount of dues to be paid by each class of membership.

(b) The dues of each Designated REALTOR® member shall be a base amount plus an amount multiplied by the number of real estate licensed salespersons and licensed and certified appraisers under California law to which he or she certified under Article VI, Section 14, and who:

- (1) Are employed by or affiliated as independent contractors, or who are otherwise directly or indirectly licensed or certified with such REALTOR® members; and
- (2) Who are not REALTOR® members of any Association within California or a state contiguous thereto or Institute Affiliate members of the Association.

In calculating the dues payable to the OCR by a Designated REALTOR® member, non-member licensees as defined in (1) and (2) of this subparagraph shall not be included in the computation of dues if the Designated REALTOR® has paid dues based on non-member licensees to another

Association within the state of California or a state contiguous thereto, provided the Designated REALTOR® notifies OCR in writing of the identity of the Association to which dues have been remitted.

A REALTOR® with a direct or indirect ownership interest in an entity engaged exclusively in soliciting and/or referring clients and customers to the REALTOR® for consideration on a substantially exclusive basis (“LFRO”) shall annually file with OCR on a form approved by OCR a list of the licensees affiliated with that entity and shall certify that all of the licensees affiliated with the entity are solely engaged in referring clients and customers and are not engaged in the real estate profession as defined in Article V, Section 2 (c) (buying, selling, exchanging, renting or leasing, managing, counseling, appraising for others for compensation, building, developing or subdividing real estate) and are not participants or subscribers in a Multiple Listing Service (“MLS”). The individuals disclosed on such form shall not be deemed to be licensed with the REALTOR® filing the form for purposes of this Article IX, Section 2 (b) and shall not be included in calculating the annual dues and assessments of the Designated REALTOR®. It shall be considered a violation of a membership duty for a REALTOR® to falsely certify LFRO status. Moreover, the exemption for any licensee included on the certification form for a LFRO shall automatically be revoked upon the individual being engaged in the real estate profession as defined in Article V, Section 2 (c) other than for referrals, or for being a participant or subscriber of any MLS, and dues and assessments for the entire current fiscal year shall be immediately due and payable in full. Licensee may not reapply for a LFRO exemption until the following fiscal year.

A REALTOR® with a direct or indirect ownership interest in an entity engaged in the real estate business which provides services for which a Mortgage Loan Originators (“MLO”) license endorsement is required may annually file with OCR, on a form approved by OCR, a list of the MLO licensees and certify that the listed licensees (1) have a MLO license or endorsement, (2) are not engaged in the real estate profession as defined in Article V, Section 2 (c) (buying, selling, exchanging, renting or leasing, managing, counseling, appraising for others for compensation, building, developing or subdividing real estate) except for licensed activities for which an MLO is required, and (3) are not participants or subscribers in any MLS. The individuals disclosed on such forms shall not be deemed to be licensed with the REALTOR® filing the form for purposes of this Article IX, Section 2(b) and shall not be included in calculating the annual dues and assessments of the Designated REALTOR®. It shall be considered a violation of a membership duty for a REALTOR® to falsely certify MLO status.

Moreover, the exemption for any licensee, included on the certification form for an MLO exemption, shall automatically be revoked upon the individual being engaged in the real estate profession as defined in Article V, Section 2 (c) other than in those activities for which an MLO license or endorsement is required or upon their joining an MLS, and dues and assessments for the entire current fiscal year shall be immediately due and payable in full. Licensee may not reapply for a MLO exemption until the following fiscal year.

The exemption for any licensee included on the certification form for an LFRO shall automatically be revoked upon the individual being engaged in real estate licensed activities (listing, selling, leasing, renting, managing, counseling, appraising or arranging financing for real property), other than referrals, or being a participant or subscriber of any MLS, and dues for the current fiscal year shall be due and payable.

The exemption for any licensee, included on the certification form for an MLO exemption, shall automatically be revoked upon the individual being engaged in real estate licensed activities other

than those activities for which an MLO license or endorsement is required or upon their joining an MLS, and dues for the current fiscal year shall be due and payable.

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

(c) In accordance with Article VI, Section 14, the Designated REALTOR® has an affirmative and ongoing duty to keep dues and assessment formulations current and accurate and shall notify the A.O.R. within 30 days of any changes, additions or deletions of any real estate licensees and licensed or certified appraisers employed by or affiliated as independent contractors or who are otherwise directly or indirectly licensed or certified with such Designated REALTOR®.

(d) The annual dues and assessments of REALTOR® members shall not include any allocation for C.A.R., if the member is a member of an Association of C.A.R. and that Association has paid C.A.R. dues and assessments for the member. The annual dues and assessments of REALTOR® members shall not include any allocation for N.A.R., if the member is a member of an Association of N.A.R. and that association has paid N.A.R. dues and assessments for the member.

(e) The annual dues and assessments of each Institute Affiliate Member shall be as established in Article II of the Bylaws of the NATIONAL ASSOCIATION OF REALTORS®. NOTE: The Institutes, Societies and Councils of the National Association shall be responsible for collecting and remitting dues to the National Association for Institute Affiliate Members (\$75.00). The National Association shall credit \$25.00 to the account of a local association for each Institute Affiliate Member whose office address is within the assigned territorial jurisdiction of that association, provided, however, if the office location is also within the territorial jurisdiction of a Commercial Overlay Board (COB), the \$25.00 amount will be credited to the COB, unless the Institute Affiliate Member directs that the dues be distributed to the other board. The National Association shall also credit \$25.00 to the account of state associations for each Institute Affiliate Member whose office address is located within the territorial jurisdiction of the state association. Local and state associations may not establish any additional entrance, initiation fees or dues for Institute Affiliate Members, but may provide service packages to which Institute Affiliate Members may voluntarily subscribe.

(f) In the case of a Designated REALTOR® member of a firm, partnership, or corporation whose business activity is substantially all commercial, any assessments for non-member licensees shall be limited to licensees affiliated with the Designated REALTOR® (as defined in sub-paragraph (b) of this Section) in the office where the Designated REALTOR® holds membership and any other offices of the firm located within the jurisdiction of OCR.

(g) The annual dues of each Institute Affiliate Member of OCR shall be as established in Article II of the Bylaws of the National Association of REALTORS®.

(h) The annual OCR dues for Affiliate members shall be maintained on an individual basis in an amount determined annually by the Board of Directors.

SECTION 3. Dues Payable.

Local OCR dues for all members shall be payable annually in advance on the first day of January or as otherwise determined by the Board of Directors. Dues shall be computed from the first day of the month in which a new member makes application for membership and shall be prorated for

the remainder of the year. Any member who initiates bankruptcy proceedings may be placed on a “cash basis” from the date the bankruptcy petition is filed until one year from the date that the member has been discharged from bankruptcy. All dues or fees paid to OCR are nonrefundable, except for those dues returned to a terminated provisional member as provided in Article V, Section 13.

SECTION 4. Non-payment of Financial Obligations

(a) If dues, fees, fines or other assessments including amounts owed to OCR or its Multiple Listing Service are not paid within one (1) month after the due date as established by OCR; the non-paying member is subject to suspension. Three (3) months after the due date, membership of the non-paying member shall automatically terminate unless within that time the amount due is paid. However, no action shall be taken to suspend or expel a member for nonpayment of disputed amounts until the accuracy of the amount owed has been confirmed by the Board of Directors. Furthermore, no member shall be suspended or expelled until twenty (20) days after notice of a proposed suspension or expulsion and the reason, therefore, has been mailed by regular first class mail to him or her, which notice may be given before or after the expiration of the one-month limit, two-month limit, or three-month limit

(b) If within ten (10) days after the mailing/emailing of notice, the Member requests a hearing, the effective date of the suspension or expulsion shall be deferred until after such hearing. The Board of Directors shall mail to the member at least five (5) days before the hearing a notice of the time and place of the hearing. At the hearing, the Board of Directors shall receive evidence from the member and any other person on the issue for whether the member was delinquent in the payment of fees or charges and on the issue of whether it would be in the best interest of OCR to suspend or expel the member.

(c) If the Board of Directors determines that the member was delinquent, the Board of Directors may decide, as it deems in the best interest of OCR, to suspend or expel the member, to decline to suspend or expel the member on condition that the member pays the delinquency and the late payment penalty, if any, in specified installments on or before specified dates. The member shall be automatically suspended or expelled without further hearing if the member fails to perform such condition.

(d) Any suspension or expulsion occurring after a hearing shall be effective five days after notice is mailed to the member, subject to the right of the Board of Directors to specify that in a suit by OCR for declaratory relief, of the final judgment of a Court of competent jurisdiction declaring the suspension or expulsion violates no rights of the member.

(e) A member who has been expelled may apply for reinstatement in the manner prescribed for new applicants for membership, upon making full payment of all past due accounts, together with interest at the rate of .5% or \$5.00 per month, whichever is larger, on each item comprising the accounts, from its due date until paid, and after complying with all sanctions imposed by a disciplinary panel together with the payment of the processing fee required of new applicants.

(f) In the event the membership of a salesperson who holds REALTOR® membership is terminated for nonpayment of local, state and/or national dues, and the licensee remains affiliated with same firm, the dues obligation of the designated REALTOR® as set forth in these Bylaws will be increased to reflect the addition of a non-member licensee. Dues shall be calculated from the first day of the current fiscal year and are payable within thirty days of the notice of termination.

SECTION 5. Reinstatement After Termination for Non-payment of Financial Obligations.

A former member who has had his/her membership terminated for nonpayment of fees, fines or other assessments duly levied in accordance with the provisions of these Bylaws or the provisions of other Policies and Procedures of OCR, or any of its services, departments, divisions or subsidiaries may

apply for reinstatement in a manner prescribed for new applicants for membership only after making payment in full of all accounts due as of the date of termination.

SECTION 6. Deposit.

All monies received by OCR for any purpose shall be deposited to the credit of OCR in a financial institution or institutions selected by recommendation of the Finance Committee or by resolution of the Board of Directors.

SECTION 7. Notice of Delinquent Dues, Fees, Fines, Assessments and Other Financial Obligations of Members.

All delinquent dues, fee, fines, assessments and other financial obligations to OCR or its Multiple Listing Service shall be noticed to the delinquent member in writing setting forth the amount owed and the due date.

ARTICLE X-DIRECTORS AND OFFICERS

A. DIRECTORS

SECTION 1. Powers and Duties of the Board of Directors.

- (a) Subject to the provisions of the California Nonprofit Corporation Law and any limitations in the Articles or Bylaws relating to action required to be approved by the members or a majority vote of all the members, the activities, and affairs of OCR shall be conducted by, and all management powers shall be exercised by or under the direction of the Board of Directors. The Board of Directors may delegate the management of the activities of OCR to the CEO or any Committee as long as the ultimate direction is provided by the Board of Directors. In the event the Board of Directors enters into a contract for the management of the day-to-day operations of OCR, the contract shall prevail over the provisions of this section.
- (b) The Board of Directors shall have sole authority over strategic planning and related activities.
- (c) As more specifically set forth below, the directors shall include Elected Directors and Appointed Directors. Each Appointed Director shall have all rights and duties of an Elected Director, excluding the right to serve as an Officer. Ratification and review of ethics cases can only be done by REALTOR® members.
- (d) The Board of Directors with the assistance of the CEO and Management Team, shall adopt a *Policies and Procedures Manual* to set forth the criteria described in the Bylaws, including but not limited to, the orientations, the election or appointment of Directors and/or Officers, the duties and limitations of officers, the duties and limitations of committees or task forces, and any other matter not in conflict with these Bylaws or California law.

SECTION 2. Number and Classes of Directors.

The number of directors of OCR shall be the total of all directors set forth below, and shall be comprised of persons from the following categories:

- (a) *Elected Directors.* There shall be fifteen (15) “Elected Directors,” selected as set forth below, comprising those persons elected directly by the membership of OCR. The terms of each Elected Director position shall commence from 12:01 a.m. of January 1st and expire at 11:59 p.m. December 31st.

The term for each Elected Director position shall be for three (3) years and shall be staggered so that only five (5) positions will be elected each calendar year, provided, however, in the event of a vacancy, as defined in Section 4 below, the vacancy shall be addressed in accordance with the provisions of Section 4 below.

(b) *Large Broker Directors.* There shall be up to four Large Broker Directors. The term shall be for one-year commencing from 12:01 a.m. January 1st and expire at 11:59 p.m. on December 31st

The Large Broker Directors shall be selected by allowing each of the four (4) largest brokerages having a minimum of one hundred (100) active primary members affiliated with OCR to have their Designated REALTOR® broker assume the position of one of the Large Broker Directors.

The Designated REALTOR® Broker may designate a REALTOR® to act on their behalf as the Large Broker Director.

This authorization must be made in writing and submitted to the elected Board of Directors at their organizational meeting for their approval.

In the event, one of the four (4) largest brokerages declines to identify a representative by written notice to the OCR CEO within ten (10) days of receiving written notice of eligibility, that office shall be removed from consideration for a Broker Director position for one (1) calendar year.

All Large Broker Directors must be Primary members of OCR. The Large Broker Director seat assignments will be confirmed annually based on the member office count as determined by OCR as of September 30th of the previous year.

In the event the entity appointing a Large Broker Director is no longer in business or their firm has been acquired by an existing large brokerage (as an appointed Large Broker) or has been the subject of disciplinary proceedings by the California Department of Real Estate resulting in the revocation or suspension of their license without stay or stipulation to perform corrective measures, or for whatever reason ceases to be qualified for membership or maintain membership in good standing, the person appointed by the entity and serving as a Large Broker Director shall be deemed removed from their position without the need for further specific action by the Board of Directors. In such event, the President shall appoint, subject to approval by the Board of Directors, a replacement Large Broker Director commencing with offering the position to the next largest broker who is not already seated on the Board of Directors. Any Large Broker who was offered and declined a position of Large Broker Director within the preceding twelve months is not eligible.

In the event the person serving as a Large Broker Director resigns, is no longer affiliated with the broker designated as an entity entitled to name a Large Broker Director, has been the subject of disciplinary proceedings by the California Department of Real Estate resulting in the revocation or suspension of their license without stay or stipulation to perform corrective measures, ceases to be qualified for membership, fails to maintain their membership in good standing, or is no longer eligible or able to serve as a Large Broker Director, the broker of the entity entitled to appoint that Large Broker Director shall appoint, subject to approval of the Board of Directors, a replacement to serve as a Large Broker Director for the remainder of the term.

(c) *Independent Broker Director.* There shall be one (1) Director appointed by the President known as Independent Broker Director, subject to approval by the Board of Directors. The term of the Independent Broker Director shall be for one (1) year commencing when their term begins at 12:01 a.m. of January 1st and expiring at 11:59 p.m. on December 31st.

The appointee shall have a primary affiliation with OCR and be the Designated Broker or Office Manager with an independent broker office with less than 100 active REALTOR® members affiliated with OCR. The Independent Broker Director Office counts will be confirmed annually based on the member office count as determined by OCR as of September 30 of the previous year.

The Independent Broker Director must be a Primary Member of OCR. In the event of any change in the status of the Independent Broker Director or the brokerage, including, but not limited to the closing of the office, resignation of the broker from the office, discipline imposed by the Department of Real Estate suspending or revoking the license of the broker or company or any other occurrence that no longer causes the person filling the position to be eligible to be an Independent Broker Director, the Board of Directors shall remove the person serving, and the President shall, subject to approval by the Board of Directors, designate a replacement for the firm for the remainder of the term.

(d) *At-Large Director.* The President may appoint, subject to the Board of Directors approval, two At Large Director appointments.

These two additional directors may be appointed for the purpose of achieving greater diversity. The appointees must be primary OCR members in good standing, and the appointments are for a one-year term from midnight on January 1st and expire at 11:59 p.m. on December 31st.

The At-Large Directors may be re-appointed to serve an additional one (1) more year; however, they are subject to term limitations outlined in Section 7 below.

In the event of any change in the status of an At-Large Director, including, but not limited to discipline imposed by the Department of Real Estate suspending or revoking the license of the At-Large Director or any other occurrence that no longer causes the person filling the position to be eligible to be a At-Large Broker Director, the Board of Directors shall remove the person serving, and the President shall, subject to approval by the Board of Directors, shall designate a replacement for the At-Large Director for the remainder of the term.

(e) *Affiliate Directors.* The President shall appoint, subject to Board of Directors approval, one (1) or two (2) Affiliate members to serve as Affiliate Directors. This shall be a one (1) year appointment from 12:01 a.m. on January 1st and expire at 11:59 p.m. on December 31st. Appointments may be renewed subject to term limitations outlined in Section 7 below. The position of Affiliate Director shall be deemed to be vacant when a designated Affiliate Director dies, resigns, is no longer an affiliate of OCR, has a license revoked or suspended by the government agency responsible for issuing the affiliate a license, is convicted of a misdemeanor or felony, is incapacitated or is no longer able to serve.

(f) *The Immediate Past President.* The Immediate Past President shall serve as a member of the Board of Directors for the one (1) year period following their service as President provided they continue to remain a member in good standing of OCR and are in good standing with the California Department of Real Estate for the previous twenty-four (24) months.

(g) *Chief Executive Officer (CEO).* The CEO shall serve as an ex-officio member of the Board of Directors and shall have all rights of participation in the affairs of the Board of Directors except voting right.

SECTION 3. Selection of Directors

(a) On or before May 31st of each year OCR shall conduct an election for Elected Directors' terms expiring at 12:01 a.m. on January 1st. The election to be governed by OCR Bylaws and procedures as outlined in the *Policies and Procedures Manual*.

The election of Elected Directors shall be staggered so that one-third 1/3 (5) of the Elected Director positions shall expire each year.

In addition to the five (5) positions to be elected each year, in the event a position of Elected Director is occupied by a person appointed to fill an unexpired term in accordance with Section 4 below, and that term does not expire at the end of the current calendar year, the remainder of the unexpired term also shall be filled at the current election.

(b) A Credentials Committee shall be appointed by the President, subject to ratification by the Board of Directors, no later than the February Board of Directors' Meeting.

Candidates who are running for an elected position may not serve on the Credentials Committee. The purpose of the Credentials Committee shall be to screen announced candidates for qualification and to resolve any issues relating to qualification and the conduct of election activities.

The Credentials Committee shall affirm the results of the electronic ballot at the conclusion of the Election.

(c) To be qualified to run for the position of an Elected Director, a candidate must have been a REALTOR® member in good standing of OCR continuously during the twenty-four (24) months immediately prior to being seated. They must have completed a one (1)-year term of service on any one of OCR's committees within the past two years preceding the nomination, and must have satisfied the attendance requirements for service on that committee or, as an alternative to the committee service requirement must have satisfactorily completed OCR's Leadership Academy prior to the Credentials Committee meeting to vet candidates.

Service is defined as having attended a minimum of 75% of the regular or special meetings of the committee during the year.

The member also must be in good standing with the California Department of Real Estate for the previous twenty-four (24) months and not have any disciplinary issues, suspensions or other findings of a violation of the real estate licensing laws or regulations pending.

(d) Candidates meeting the qualification requirements shall submit their application to run on forms adopted by the Credentials Committee.

(e) The names of candidates will be disseminated to the general membership on or before April 20th and may be disseminated by electronic mail. Voting shall commence on the second Monday in May, (unless it conflicts with the State Legislative Meetings in which case voting will commence on the second Monday after the end of State Meetings), unless the date falls on a weekend or holiday in which event it shall commence on the next business day following, and voting shall be completed by the close of business 14 days later. Voting shall take place either in person at the Association offices, at off-site events monitored by Association staff, or by electronic balloting. Proxy or absentee ballots will not be accepted. The Credentials Committee will count the ballots and verify the results of the election at the conclusion of voting time period. The winning candidates shall be those candidates with the highest number of votes. In the event a partial term is being filled, the candidates with the highest number of

votes shall be named to the available three-year terms. The candidate with the next highest number of votes shall be named to the longest partial term, and so on, until all available terms are filled.

SECTION 4. Vacancies of Directors.

A vacancy shall be deemed to exist when Director resigns, is disqualified from serving, dies, is unable to serve, is removed from office or for whatever reason is no longer serving as a Director.

(a) Elected-Director Vacancies Occurring at End of the Current Calendar Year. In the event of a vacancy in an Elected-Director position terminating at the end of the current calendar year, the vacancy shall be filled by appointment by the President and approved by the Board of Directors.

The person so appointed and approved shall serve only through the remainder of the calendar year.

(b) Elected-Director Vacancies Occurring at a Time Other than the Current Calendar Year. In the event of a vacancy in an Elected-Director position terminating at some time other than end of the current calendar year; and prior to the commencement of the nomination process described in Section 3 the vacancy shall be filled by appointment by the President and approved by the Board of Directors, and the person so appointed and approved shall serve through the remainder of the current calendar year. The position shall be subject to election during the next election cycle, and the person elected shall serve for the remainder of the unexpired term.

(c) Vacancies occurring after the commencement of the nomination process described in Section 3 of a position terminating at some time other than the end of the current calendar year, shall be filled by appointment by the President and approved by the Board of Directors, and the person so appointed and approved shall serve through the remainder of the following calendar year. Provided the term does not expire at the end of the following calendar year, the position shall be subject to the election during the next election cycle, and the person elected shall serve for the remainder of the unexpired term.

(d) Other Directors: Vacancies to any other director positions outlined in Sections 2.c), 2.d), and 2.e), occurring during the year shall be filled by appointment of the President, subject to approval by the Board of Directors, following the criteria set forth for each category of director outlined in Section 2, above. Such appointee shall serve until the end of the current calendar year, but may be re-elected or re-appointed provided the person is in compliance with all terms of election or selection, including Section 7 relating to terms limits.

(e) Compliance with Section 7: No person may be appointed to fill an unexpired term that would otherwise not be eligible to serve during that calendar year because of the term limit provisions of Section 7.

SECTION 5. Attendance of Directors.

If a Director misses three (3) consecutive or five (5) total meetings within a twelve (12) month period, the director will have been deemed to resign their position, unless said director provides to the Board of Directors, in writing, justification for missing the meetings and said justification is accepted by the Board of Directors.

SECTION 6. Removal of Directors

In the event that a Director is deemed to be incapable of fulfilling the duties for which he or she has been chosen, or has missed three (3) consecutive or five (5) total meetings within a twelve-month period without obtaining approval of justification by the Board of Directors, and refuses to resign from voluntarily, the Director may be removed under the following procedure and a replacement selected in accordance with Section 4, above:

- (a) Any Director failing to meet the attendance requirements or deemed incapable of fulfilling the duties for which he or she has been elected may be removed from the Board of Directors by a three-fourths vote of the Directors. A motion must first be adopted by a simple majority vote setting forth the reasons the individual has failed to meet the attendance requirements or that the director is deemed unqualified for further service. Within seven (7) days of the adoption of this motion, notice shall be made to all voting members OCR of the proposed removal. Notice may be by electronic mail or first-class mail, or a combination of both in the event all members do not have e-mail capability.

After a period of no less than fourteen (14) days for member comment, the Directors may adopt a motion removing the named Director by a three-fourths (3/4) majority vote.

- (b) The membership of OCR may remove a Director by following the following procedure:
1. A petition requiring the removal of a Director and signed by not less than one-third (1/3) of the voting membership or a majority of all Directors may be filed with the President, or if the President is the subject of the petition, with the next ranking officer, and shall specifically set forth the reasons the individual is deemed to be disqualified from further service.
 2. Upon receipt of the petition, and not less than twenty (20) days or more than forty-five (45) days thereafter, a special meeting of the voting REALTOR® membership of OCR shall be noticed in accordance with these Bylaws, and the sole business of the meeting shall be to consider the removal of the director on the grounds set forth in the notice of meeting.
 3. The special meeting shall be presided over by the President unless the President's continued service in office is being considered at the meeting. In such case, the next ranking officer will conduct the meeting. Provided a quorum is present, a three-fourths (3/4) vote of members present and voting shall be required for removal from office. Abstaining members shall be counted toward the quorum but shall not be counted in determining whether the motion has passed by a three-fourths (3/4) vote.

SECTION 7. Term Limits of Directors.

All individuals appointed and elected directors are limited to no more than six (6) consecutive years, excluding service by ascendancy to the position of President and Immediate Past President. After serving six (6) consecutive years, all individual appointed and elected directors cannot serve on the Board of Directors for two (2) years thereafter. Presidential appointment does not count towards the six-year term limit for a first-time director. An individual appointed to fill an unexpired term may serve six (6) consecutive years beginning on January 1st of the following year.

SECTION 8. Firm Limitations of Directors.

There shall be no more than two (2) Elected Directors from any one (1) firm owned by the same entity with a maximum of three (3) total Directors (elected and appointed) serving on the Board of Directors from any one firm. The Immediate Past President shall not be counted for this purpose.

B. OFFICERS

SECTION 1. Officers of the Corporation.

The Officers of OCR shall be the President, President-Elect, and Treasurer, and the Immediate Past President. This group shall constitute the Executive Committee.

The officers shall be selected annually by the Board of Directors.

The term of each office shall be one (1) year. The term of the outgoing President shall terminate at 11:59 p.m. on December 31st and the term of the new President shall begin at 12:01 a.m. on January 1st. Unless the Board of Directors determines otherwise, the President-Elect shall become President upon the expiration of his or her term as President-Elect.

No person shall hold more than one (1) office at the same time.

Officers shall be members of the Board of Directors.

The CEO shall not be a corporate officer as that term is used in the California Corporations Code, but shall be the person deemed to be delegated pursuant to Article X, Section 1, responsible for the operation of OCR and shall be an ex-officio member of the Board of Directors and a non-voting attendee at all Executive Committee meetings.

SECTION 2. Powers and Duties of Officers

The powers and duties of the officers shall be such as their titles, by general usage, indicate and such as may be assigned to them by the Board of Directors.

It shall be the duty of the CEO to maintain the records of the Board of Directors and to communicate with persons and entities on behalf of the corporation, as authorized by the Board of Directors.

It shall be the duty of the CEO to perform other actions and duties as instructed by the Board of Directors.

The duties of the Executive Committee include those duties assigned by the Board of Directors.

The Executive Committee meets as needed or as approved by the Board of Directors.

The Executive Committee may make time sensitive operating decisions requiring action that should not await attention at the next regularly scheduled meeting of the Board of Directors, providing the action is consistent with OCR's policies, governing documents and budget.

SECTION 3. Selection of Officers

(a) The newly elected Board of Directors and those elected Directors continuing their terms, the current President, along with all current appointed Directors shall meet at the July meeting of the Board of Directors and select from the Elected Directors the following officers: President-Elect, Secretary/Chief Financial Officer (Treasurer).

Candidates for the office of Secretary/Chief Financial Officer (Treasurer) must have served for a minimum of one (1) year of the last three (3) years on the Finance Committee.

The President-Elect must have previously served at least one (1) year on OCR's Board of Directors prior to taking office. If there are no directors willing, able and qualified to serve as Secretary/Chief Financial Officer (Treasurer), the Board of Directors shall appoint a Secretary/Chief Financial Officer (Treasurer), from the general membership who meets the qualifications.

No person may serve more than two (2) consecutive terms in the same office.

(b) Candidates wishing to run for President-Elect or Secretary/Chief Financial Officer (Treasurer) are required to submit a “Declaration of Running for Office” Form no later than the midnight of the June Board of Directors meeting.

(c) At the June Board of Directors meeting any Director eligible to vote (see Section (a)) may nominate any eligible Director for the office of President-Elect or Treasurer. If the nomination is accepted by said Director, then the nominated Director must submit a “Declaration of Running for Office” Form no later than the midnight of the June Board of Directors meeting.

(d) Should all potential Officer Nominees withdraw before the July election then the Board of Directors will entertain nominations from the floor during the July meeting. Nominees will be allowed time to address the Board of Directors and then the Election will proceed immediately.

(e) Notwithstanding the provision in these Bylaws relating to term limits set forth in Article X, Section A, item 7., the President-Elect may serve as President in the year after his or her term as a director would otherwise have ended, and may be seated as a Director during the year in which the person is the President and the following year when serving as the Immediate Past President.

SECTION 4. Vacancies of Officers.

Vacancies among the officers shall be filled by a simple majority vote of the Board of Directors until the next annual election.

Presidential vacancies shall automatically be filled by the President-elect.

If an officer is unable to assume office after being elected, his/her seat becomes vacant and shall be filled by the Board of Directors in the same manner.

All persons appointed to serve unexpired terms shall serve until the expiration of the current term unless the new Board of Directors for the subsequent year appoints the person to a new term. Except as set forth in Article X, Section B.3., above, anyone affected by or subject to term limitations in that year shall be deemed ineligible for appointment.

If an officer misses three (3) consecutive or five (5) total meetings, within a twelve (12) month period, the Board of Directors may, in their sole discretion, remove the person from office.

SECTION 5. Termination of Officer(s.)

In the event that an Officer is deemed to be incapable of fulfilling the duties of which he or she has been chosen, or has missed three consecutive or five total meetings within a twelve (12) month period without an excuse acceptable to the Board of Directors, but will not resign from office voluntarily, the Officer may be removed from the office by a three-fourths (3/4) vote of the Board of Directors. Any Officer or Director who is under consideration for discipline or termination is not allowed to participate in a vote on his or her disciplinary matter.

C. EXPENDITURES.

The Board of Directors shall administer the finances of OCR. Total unbudgeted capital expenditures in excess of 20% of the annual operating budget may not be made unless authorized by a majority of OCR members eligible to vote and present at a duly held membership meeting. However, unbudgeted expenditures required for the protection of capital assets or to respond to emergency situations may be incurred by the Board of Directors without the prior approval of the full membership of OCR. Capital expenditures are those expenditures for long-term improvements chargeable to the capital asset account.

D. CONFLICT OF INTEREST.

Unless specifically approved by the Board of Directors, no director or officer shall participate in any matter in which that director has a conflict of interest.

Any director or officer serving on the Board of Directors of another entity, or involved in that entity as a shareholder, officer, or director shall refrain from participation in any matter relating to that entity and this corporation, and shall recuse themselves from any discussions or voting while sitting as a director or officer of this corporation.

Any director or officer having a personal financial interest in any matter affecting this corporation shall recuse themselves from participating in any discussion or voting while serving as an Officer or member of the Board of Directors.

This same provision may be extended to committee members by resolution of the Board of Directors. It is the purpose of this Conflict of Interest provision to assure Officers, Directors, and Committee Members do not have the appearance of conflicting interests between this corporation and the interests of other entities.

ARTICLE XI-MEETINGS

SECTION 1. Annual Meeting

The annual meeting of OCR shall be held no later than June 30th of each year; the date, place and hour to be designated by the Board of Directors.

SECTION 2. Meetings of Directors.

The Board of Directors shall designate a regular time and place of meetings. Absence from three (3) consecutive regular meetings or five (5) total meetings within a twelve (12) month period without an excuse acceptable to the Board of Directors shall be construed as resignation.

SECTION 3. Other Meetings.

Meetings of the members may be held at other times as the President, or Board of Directors may determine, or upon written request of at least 10% of the members eligible to vote. The President, President-Elect or Chief Executive Officer may call a special meeting on twenty-four (24)-hour notice. Written notice of the special meeting may be made by personal delivery, by messenger, by certified mail, or by e-mail, and may be confirmed by telephone. The meeting may be held in person or by conference call.

SECTION 4. Notice of Meetings.

Notice of membership meetings shall be sent by regular first class mail, by fax and/or by E-mail to the office or home address on the current OCR records of every member entitled to participate in the meeting at least seven calendar days preceding all meetings. OCR also may publish notice of membership meetings in any publication regularly sent to all members of OCR. If a special meeting is called it shall be accompanied by a statement of the purpose of the meeting.

SECTION 5. Quorum

A quorum for the transaction of business by the general membership shall consist of 1% of the members eligible to vote. A quorum for the transaction of business by the Board of Directors shall consist of 51% of the Directors.

ARTICLE XII – COMMITTEES**SECTION 1. Formation of Committees.**

The President shall have the power to create, rename, and disband any committee, subject to confirmation of the Board of Directors, which is not mandated by NAR or otherwise required by these Bylaws.

SECTION 2. Standing Committees.

OCR shall maintain the following standing committees:

- (a) Bylaws
- (b) Executive
- (c) Finance
- (d) Grievance
- (e) MLS
- (f) Credentials Committee
- (g) Professional Standards

SECTION 3. Additional Standing Committees.

The President may create, subject to confirmation of the Board of Directors, additional standing committees. These committees shall be listed in and operate in accordance with OCR's policies and procedures manual. The President may "sunset" additional standing committees with confirmation of the Board of Directors.

SECTION 4. Special Committees.

The President may appoint, subject to confirmation by the Board of Directors, special committees, sub-committees, and task forces as deemed appropriate. These committees shall be listed in and operate by OCR's Policies and Procedures Manual. The President may "sunset" a special committee, sub-committee, or task force with confirmation of the Board of Directors.

SECTION 5. Chair and Vice Chairs.

The President shall appoint from among the membership and subject to confirmation by the Board of Directors, committee chairs and vice chairs, except as otherwise specified in these Bylaws. The committees may be chaired or vice-chaired by non-REALTOR® members consistent with the Policies and Procedures Manual.

SECTION 6. Membership.

Standing Committee Chairs shall appoint members of his or her committee from among OCR members in good standing, subject to confirmation by the Board of Directors. The Board of Directors reserves the right to require committee members to be REALTOR® members.

The President shall appoint from among OCR members, subject to confirmation of the Board of Directors, members of special committees, sub-committees, and task forces, except as otherwise specified by these Bylaws or in accordance with OCR's policy and procedures manual.

SECTION 7. Terms of Committee Membership.

Committee members shall be appointed to one (1)-year terms and ratified by the Board of Directors. Terms shall begin at 12:01 a.m. on January 1st and expire at 11:59 p.m. on December 31st. The Committee Chair may appoint non-REALTOR® members to committees where REALTOR® membership is not required in either the Bylaws or the *Policies and Procedures Manual*.

SECTION 8. President.

The President shall be an ex-officio voting member of all standing committees except the Grievance and Professional Standards, and shall be notified of the committee meetings.

SECTION 9. Removal.

The President shall have the power, subject to confirmation by the Board of Directors, to remove any member from a committee. Any committee member, who fails to attend seventy- five percent (75%) of the regular or special meetings of the committee without an excuse acceptable to the President and Chair of the committee, shall be deemed to have resigned from the committee, subject to Board of Directors approval. The vacancy shall be filled as provided for original appointees.

ARTICLE XIII-FISCAL AND ELECTIVE YEAR

SECTION 1. Fiscal Year.

The fiscal year of OCR shall be the calendar year beginning January 1st and ending December 31st.

SECTION 2. Elective Year.

The elective year shall begin. at 12:01 a.m. on January 1st and expire at 11:59 p.m. on December 31st.

ARTICLE XIV-RULES OF ORDER

SECTION 1. Robert's Rules of Order.

Robert's Rules of Order, latest edition, shall be recognized as the authority governing the meetings of OCR, its Board of Directors, and committees, in all instances wherein its provisions do not conflict with the California Nonprofit Corporations Code, these Bylaws, or the *Policies and Procedures Manual*.

ARTICLE XV-AMENDMENTS

SECTION 1. Amendments Upon Majority Vote of the Board of Directors.

These Bylaws may be amended by a majority vote of the Directors present at any regular or special meeting at which a quorum is present, provided the substance of such proposed amendment(s) shall be plainly stated in the call for the meeting and the membership has been notified at least ten days in advance of the Board of Directors meeting to consider the proposed amendments(s). Amendments shall become effective upon notification from NAR that the Amendments conform, and the Association is covered by the NAR E&O insurance policy. Other Amendments mandated by C.A.R. and NAR policy shall be deemed effective immediately upon receipt of notice from C.A.R. or NAR.

SECTION 2. Notice

Notice of all Board of Directors meetings at which amendments are to be considered shall be distributed to every member at least ten (10) days before the Board of Directors meeting.

SECTION 3. Approval of Amendments by NAR

Amendments to these Bylaws affecting the admission or qualification of REALTOR® and Institute Affiliate members, the use of the terms REALTOR® and REALTORS® or any alteration in the territorial jurisdiction of OCR shall become effective upon their approval as authorized by the Board of Directors of NAR.

ARTICLE XVI – DISSOLUTION**SECTION 1. Dissolution.**

Upon the dissolution of OCR, the Board of Directors, after providing for the payment of all obligations, shall distribute any remaining assets to C.A.R. or, within its discretion, to any other non-profit tax exempt organization.

ARTICLE XVII – INDEMNIFICATION**SECTION 1. Indemnification.**

The Officers, Directors, Employees, Agents and authorized representatives of OCR shall be entitled to and are granted, such indemnification as is authorized and applicable under the laws of the State of California. OCR shall maintain at its expense, a policy of Director's liability insurance in an amount to be determined by the Directors and covering all elected and appointed Directors.

ARTICLE XVIII - MULTIPLE LISTING SERVICE**SECTION 1. Authority and Governing MLS Rules**

OCR may maintain for the use of licensed real estate brokers and salespersons, and licensed or certified appraisers, a Multiple Listing Service ("MLS") which shall be subject to the Bylaws of OCR and the California Regional Multiple Listing Service (CRMLS) rules and regulations. CRMLS Rules and Regulations will be updated annually by CRMLS as may be hereinafter adopted by the Board of Directors.

SECTION 2. Purpose.

A Multiple Listing Service is a means by which authorized MLS broker participants establish legal relationships with other participants by making a blanket unilateral contractual offer of compensation and cooperation to other broker participants; by which information is accumulated and disseminated to enable authorized participants real property; by which participants engaging in real estate appraisal contribute to common databases; and is a facility for the orderly correlation and dissemination of listing information among the participants so that they may better serve their clients and the public.

SECTION 3. MLS Committee.

All members of the committee shall be MLS participants or subscribers. The actions of the MLS Committee are subject to the approval of the Board of Directors.

SECTION 4. Access to Comparable and Statistical Information.

Providing the MLS generates such publications, OCR members who are actively engaged in real estate brokerage, management, mortgage financing, appraising, land development or building, but who do not participate in the MLS, are nonetheless entitled to receive, by purchase or lease, information other than current listing information that is generated wholly or in part by the MLS including "comparable" information, "sold" information and statistical reports. This information is provided for the exclusive

use of OCR members and individuals affiliated with OCR members who are also engaged in the real estate business.

Except as otherwise specified in the MLS Rules and Regulations, this information may not be transmitted, retransmitted or provided in any manner to any unauthorized individual, office or firm. OCR members who receive such information are subject to the applicable provisions of the MLS Rules and Regulations whether they participate in the MLS or not.

SECTION 5. Participation.

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

The key is that the Participant or potential Participant actively endeavors to make or accept offers of cooperation and compensation with respect to properties of the type that are listed on the MLS in which participation is sought. This requirement does not permit an MLS to deny participation to a Participant or potential Participant that operates a Virtual Office Website (“VOW”) (including a VOW that the Participant uses to refer customers to other participants) if the Participant or potential Participant actively endeavors to make or accept offers of cooperation and compensation. An MLS may evaluate whether a Participant or potential Participant “actively endeavors during the operation of its real estate business” to “offer or accept cooperation and compensation” only if the MLS has a reasonable basis to believe that the Participant or potential participant is in fact not doing so. The membership requirement shall be applied in a nondiscriminatory manner to all Participants and potential Participants. (Adopted 11/08) A nonmember applicant for MLS participation who is a principal, partner, corporate officer, or branch office manager acting on behalf of a principal, shall supply evidence satisfactory to the membership committee that he/she has no record of recent or pending bankruptcy; has no record of official sanctions involving unprofessional conduct; agrees to complete a course of instruction (if any) covering the MLS Rules and Regulations and computer training related to MLS information entry and retrieval, and shall pass such reasonable and non-discriminatory written examination thereon as may be required by the MLS; and shall agree that if elected as a participant, he/she will abide by such rules and regulations and pay the MLS fees and dues, including the nonmember differential (if any), as from time to time established.

Under no circumstances is any individual or firm entitled to MLS participation or membership unless they hold a current, valid real estate broker’s license and offer or accept compensation to and from other Participants, or are licensed or certified by an appropriate state regulatory agency to engage in the appraisal of real property. Use of information developed by or published by an association multiple listing service is strictly limited to the activities authorized under a participant’s licensure(s) or certification, and unauthorized users are prohibited.

Further, none of the foregoing is intended to convey participation or membership or any right of access to information developed by or published by an association multiple listing service where access to such information is prohibited by law. (Amended 11/08)

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

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

SECTION 6. Copyright Ownership.

All right, title and interest in each copy of every MLS Compilation created by OCR and the computerized MLS database, and in the copyrights therein, shall at all times remain vested in

OCR. Participants and authorized subscribers affiliated with such participants are authorized to use the MLS compilations and database only in accordance with the MLS Rules and Regulations as they are from time to time promulgated by the Board of Directors.

SECTION 7. Supervision.

The MLS shall be supervised by the Multiple Listing Service Committee, subject to Board of Director's review and approval, in accordance with the MLS Rules and Regulations.

SECTION 8. Appointment of Regional MLS Directors.

The President shall appoint, subject to confirmation by the Board of Directors, the Regional MLS Director candidates for election to a Director Position consistent with the policies and Bylaws of CRMLS.

ORANGE COUNTY REALTORS® (OCR) Policies Manual

Table of Contents

Article I – Name and Offices	3
Article II – Objectives.....	3
Article III – State and National Membership.....	3
Article IV – Jurisdiction.....	3
Article V – Membership, Qualifications and Application	3
Article VI – Privileges and Duties	3
1. ORANGE COUNTY REALTORS® GENERAL CONDUCT POLICIES AND PROCEDURES AT EVENTS AND MEETINGS (Adopted and/or reaffirmed on November 22, 2019 by Board of Directors)	3
2. ORANGE COUNTY REALTORS® POLICIES AND PROCEDURES RELATING TO INAPPROPRIATE CONDUCT AND HARASSMENT (Adopted and/or reaffirmed on November 22, 2019 by Board of Directors, updated November 4, 2020).....	9
3. SOCIAL MEDIA POLICY.....	17
4. OC REALTORS® AFFILIATE CODE OF CONDUCT	23
5. ORANGE COUNTY REALTORS® WHISTLEBLOWER POLICY FOR STAFF, MEMBERS, AND VOLUNTEERS.....	23
6. INSPECTION AND COPYING ORANGE COUNTY REALTORS® RECORDS.....	24
7. PRIVACY POLICY.....	24
Article VII Professional Standards and Arbitration.....	25
Article VIII Use of REALTOR® Membership Mark.....	25
Article IX Dues & Assessments.....	25
Article X Directors & Officers.....	25
1. BOARD OF DIRECTORS	25
2. CHIEF EXECUTIVE OFFICER	28
3. PRESIDENT	30
4. PRESIDENT-ELECT	32
5. TREASURER	32
6. IMMEDIATE PAST PRESIDENT	33
7. GENERAL TRAVEL POLICY.....	34
8. TRAVEL TASK FORCE POLICIES AND PROCEDURES:	37
9. POLICY FOR DIRECTORS UNABLE TO ATTEND MEETING.....	38
10. TRAVEL SCHOLARSHIP PROGRAM POLICY:	38
11. APPLICATIONS AND AGREEMENTS.....	39
Article X – Expenditures	39

1. FINANCE COMMITTEE	39
2. STATEMENT OF INVESTMENT POLICY, OBJECTIVES, AND GUIDELINES	40
3. AWARDS AND GIFTS	48
4. FRAUD AWARENESS AND PREVENTION	48
Article XII – Committees	48
1. ALL COMMITTEES	48
2. BYLAWS COMMITTEE	53
3. EXECUTIVE COMMITTEE	54
4. MLS COMMITTEE	55
5. CREDENTIALS COMMITTEE	56
6. LEADERSHIP AND PERSONAL DEVELOPMENT COMMITTEE	60
7. PROFESSIONAL STANDARDS COMMITTEE	61
8. AFFILIATES COMMITTEES – NORTH & SOUTH	68
10. INDEPENDENT BROKER ALLIANCE	70
11. LOCAL GOVERNMENTAL RELATIONS COMMITTEE (NORTH & SOUTH)	71
12. O.C. YPN (YOUNG PROFESSIONALS NETWORK)	72
13. OCAR CARES FOUNDATION	73
14. POLITICAL AFFAIRS AND ELECTIONS COMMITTEE	74
15. RISK MANAGEMENT COMMITTEE	80
16. GLOBAL BUSINESS ALLIANCE	81
17. EDUCATION/ORIENTATION COMMITTEE	82
18. REALTOR AND AFFILIATE OF THE YEAR TASK FORCE	83
19. GRIEVANCE COMMITTEE	85
20. MARKETING AND PREVIEW SESSION GUIDELINES	87
21. COMMITTEE APPLICATION AND CHAIR/VICE CHAIR AGREEMENT	93
Article XVII Indemnification	93
Article XVIII MLS	93
EXHIBIT A	94
EXHIBIT B	122
EXHIBIT C	136

Article I – Name and Offices

No related policies

Article II – Objectives

No related policies

Article III – State and National Membership

No related policies

Article IV – Jurisdiction

No related policies

Article V – Membership, Qualifications and Application

No related policies

Article VI – Privileges and Duties

1. ORANGE COUNTY REALTORS® GENERAL CONDUCT POLICIES AND PROCEDURES AT EVENTS AND MEETINGS (Adopted and/or reaffirmed on November 22, 2019 by Board of Directors)

A. GENERAL CODE OF CONDUCT AND POLICY FOR PARTICIPANTS, MEMBERS, AND NON-MEMBERS

1. All participants, members and non-members, are expected to exhibit appropriate behavior at all times participating or attending any event or meeting conducted or sponsored by the Association.
2. The following guidelines are designed to provide safe, productive, and enjoyable experiences for all participants:
 - a. Be respectful to all participants, presenters, and Association staff.
 - b. Prepare for meetings, as needed. This includes reviewing any documents provided before the meetings and being prepared to discuss anticipated issues.
 - c. Be properly attired when representing the Association at a meeting or event.
 - d. Act appropriately at all times, refrain from inappropriate conduct or harassment. Engaging in inappropriate conduct toward other attendees or anyone while at a meeting or event is grounds for member discipline pursuant to Association policy. Association policies include, but are not limited to, non-recruiting policy, non-solicitation policy,

anti-competitive and anti-trust behavior avoidance, conflict of interest, confidentiality, inappropriate conduct and anti-harassment policy.

3. Policy Applicable to Guests

a. All guests must first request and be granted permission from the Committee Chair or the Association President before attending an OCR task force, committee, or board of directors meeting. Guests who are not members of the Association must be invited by the Committee Chair or Association President.

b. Guests do not have voting privileges and do not count toward a quorum.

4. The Association reserves the right to deny the right of any individual to attend any event or meeting.

B. NON-RECRUITING POLICY:

Members of Orange County REALTORS® are not allowed to facilitate any agent recruitment during participation at ORANGE COUNTY REALTORS® events and activities, or through any member publications, including but not limited to:

1. OC Realtor Magazine advertisement
2. Marketing Previews
3. New Member Orientation
4. Education and training events
5. Charitable events and activities
6. Community outreach hosted or sponsored by ORANGE COUNTY REALTORS®.

The Association reserves the right to deny any non-member or guest who violates the Association's Conduct Policies from attending future Orange County REALTORS® events. Members who violate this policy may be subject to discipline and may receive written notice of this violation of membership. Continued violation of this policy may result in suspension or termination of membership.

C. NON-SOLICITATION POLICY:

There shall not be any solicitation, recruitment or any other activity at a function of the Orange County REALTORS® except for the subject matter of the function. This prohibition pertains to all activity outside of the subject of the function, including but not limited to the following:

- Recruiting or inviting licensees to change their current office affiliation
- The sale of products or services not related to an individual's membership type or category.
- Solicitations for investment opportunities not part of a current MLS Listing
- Non-ORANGE COUNTY REALTORS® education, training or professional events not sanctioned and promoted by the Association
- Fundraising for causes not previously approved by the Board of Directors
- Attendance at community, charitable or other non-ORANGE COUNTY REALTORS® functions, unless the solicitation is approved by the Board of Directors

An ORANGE COUNTY REALTORS® function includes but is not limited to:

- Meetings of the members, Board of Directors or any committee of the Association
- Social events in which ORANGE COUNTY REALTORS® is a supporter, sponsor or underwrites the event
- Training sessions held on the property of ORANGE COUNTY REALTORS® or in a location when ORANGE COUNTY REALTORS® is designated as a sponsor, supporter or provides any assistance
- Charitable events in which ORANGE COUNTY REALTORS® is a supporter, sponsor or underwrites the event
- Marketing programs wherein listings that are published by CRMLS or any other multiple listing service are in any manner discussed, featured, promoted or mentioned, orally or in writing
- Caravans or similar programs used to feature property listed for sale when the event is associated with ORANGE COUNTY REALTORS®
- Professional Standards meetings and hearings

- Retreats or any other similar activity when ORANGE COUNTY REALTORS® sponsors or provides personnel to administer the event
- The use of publications published or promoted by ORANGE COUNTY REALTORS®

The Association reserves the right to deny any non-member or guest who violates the Association's Conduct Policies from attending future Orange County REALTORS® events. Members who violate this policy may be subject to discipline and may receive written notice of this violation of membership. Continued violation of this policy may result in suspension or termination of membership.

D. ANTI-COMPETITIVE AND ANTI-TRUST CONDUCT AVOIDANCE

Orange County REALTORS® strictly prohibits any act or omission on its premises or at any activity, function, meeting or event associated with the Association constituting a violation of the antitrust or anticompetitive laws of the United States or the State of California. Attendees at any activity, function, meeting or event associated with the Association shall refrain from engaging in any act or omission that could be the basis of an allegation of a violation of the anti-trust or anti-competitive laws of the United States or State of California, including, but not limited to price fixing, group boycotts or any other anti-competitive conduct. Meeting attendees are reminded that state and federal laws prohibit the exchange of information among competitors regarding matters pertaining to price, refusals to deal, market division, tying relationships and other topics which might infringe upon antitrust regulations and that no such exchange or discussion will be tolerated during this meeting. These guidelines apply not only to the formal meeting session but informal discussions during breaks, meals or social gatherings. Directors and Committee Members also agree to maintain their duty of confidentiality when participating in Orange County REALTORS® activities and events.

The Association reserves the right to deny any non-member or guest who violates the Association's Conduct Policies from attending future Orange County REALTORS® events. Members who violate this policy may be subject to discipline and may receive written notice of this violation of membership. Continued violation of this policy may result in suspension or termination of membership.

E. CONFLICT OF INTEREST POLICY

Orange County REALTORS® cannot tolerate an actual or perceived conflict of interest on the part of any of its directors, officers, members or employees. A conflict of interest includes any direct or indirect personal or financial interest, including an interest of Committee Chair/Vice Chair or Member, Director, Officer or employee's family, companions, relatives or close friends, in any business entity seeking to do business with the Association or obtaining a benefit from the Association.

Every director, officer, committee chair/vice chair, committee member or employee having knowledge of a potential or actual conflict of interest shall file with the Association a written disclosure of the nature and details of the potential or actual conflict of interest, including the names and relationship of the persons involved and their capacity in the transaction. The director, officer, or employee shall be prohibited from engaging in any discussions, evaluation, negotiation, decision, or any other matter relating to the matter giving rise to the conflict.

The Association reserves the right to deny any non-member or guest who violates the Association's Conduct Policies from attending future Orange County REALTORS® events. Members who violate this policy may be subject to discipline and may receive written notice of this violation of membership. Continued violation of this policy may result in suspension or termination of membership.

F. CONFIDENTIALITY AGREEMENT – DIRECTORS AND COMMITTEE MEMBERS

By participating in Orange County REALTORS® activities and events, Directors and Committee Members agree to a Confidentiality Agreement:

The parties hereto will engage in discussions and, in some cases, make policy decisions concerning the financial position of the Association, members' accounts, members' files, future plans of the Association, Professional Standards Hearings Findings, and other confidential and sensitive information. In order to make prudent decisions, that serve the best interests of the Association, an intelligently consider all options in making these recommendations, the parties must discuss and evaluate confidential, sensitive, and proprietary information ("Confidential Information").

Each Director and Committee Member agrees to the following:

1. "Confidential Information" as used herein, shall mean all information, documentation, concepts, data membership lists, bank records, financial records, findings from Professional Standards hearings, marketing analysis, financial projections, products, services, processes, software, trade secrets and devices disclosed or made available by any of the parties hereto to any of the other parties, including without limitation, the existence of discussions concerning the possibility of additional mergers, consolidations, sales of assets, etc.
2. The parties acknowledge and agree that the Confidential Information is proprietary and may include valuable trade secrets and that any disclosure or unauthorized use of this information may cause irreparable harm and loss to the Association.
3. Once an issue has been discussed and a final decision has been made by a majority of the Officers and Directors, all Directors agree to abide by and support the decision.
4. The only persons with whom the parties hereto may share the Confidential Information are other Officers and Directors of the Association Board of Directors, Chief Executive Officer, Association Controller, and Accountants and Attorneys for the Association.
5. No rights or licenses, express or implied, are hereby granted to the parties hereto by any of the other parties under any patents, copyrights, or trade secrets as a result of or related to this Agreement.
6. The restrictions and obligations of this Agreement shall survive any termination, cancellation or expiration of this Agreement, and shall continue to bind the parties hereto and their successors and assigns.
7. This Agreement may be executed in any number of counterparts, all of which together shall be original.

The Association reserves the right to deny any non-member or guest who violates the Association's Conduct Policies from attending future Orange County REALTORS® events. Members who violate this policy may be subject to discipline and may receive written notice of this violation of membership. Continued violation of this policy may result in suspension or termination of membership.

G. ALCOHOL

Directors, officers, members, staff, and visitors to OCR premises, and attendees at OCR sponsored or endorsed events on an OCR premise or at off-site locations are bound by this Alcohol Policy.

The reasonable sale, service, or consumption of alcoholic beverages will be allowed on OCR's premises at an activity or event which is sponsored or endorsed in whole or in part by OCR. The Request must include the following information:

1. The title of the event.
2. The date(s), times and locations the event is to be held.
3. The purpose of the event.
4. The general identification of the persons, companies, or agencies expected to attend the event.
5. A description of the activities to be conducted and the nature and estimated amount of alcoholic beverages to be involved.
6. The names, addresses, and telephone numbers of all sponsoring individuals, companies or agencies.
7. An explanation of where and how the beverages will be delivered, stored, and served.

If the event is held other than at an OCR's premise, or when deemed appropriate by OCR's CEO, Board of Directors, or Committee involved in the event, additional information may be required, such as:

1. A description of the physical facilities where the event is to be held.
2. A description of the security system, security officers, and emergency mechanisms that are either in place at the location, or will be provided by the sponsor(s) or attendees.
3. A copy of the declarations page of the current liability insurance policy insuring the owner of the location where the event is to be held.
4. A copy of the declarations page of the current liability insurance policy insuring each sponsoring individual, company or agency.
5. A copy of all permits required by local or state law enforcement agencies, city, county or other governmental agencies, including the ABC (CA, Gov Alcoholic Beverage Control), for the location where the event is to be held.
6. A binder to the owner's policy showing OCR as a fully indemnified additional insured.
7. If required by the venue sponsor(s) must sign an individual alcohol use agreement.

Anyone serving alcohol at an event held at an OCR or off-site facility must be twenty-one (21) years of age and legally permitted to serve alcohol. Additionally, if the facility where the event is being held requires servers to be LEAD (Licensee Education for Alcohol and Drugs) or RBS (Responsible Beverage Service) Certified all servers must meet this requirement.

An additional insurance rider must be obtained for any event not covered by OCR's general liability policy.

Alcohol Consumption Prohibition at ORANGE COUNTY REALTORS Marketing and Preview

Session Guidelines: In accordance with OCR's Marketing and Preview Session Guidelines, it is strictly prohibited for alcoholic beverages or controlled substances to be served, consumed, used, possessed, or to be present in any manner during Broker Previews and Marketing Sessions, nor shall alcohol or any controlled substance be advertised at a subsequent event, showing or open house.

Notwithstanding the information above, unopened, wrapped and packaged alcoholic beverages may be used as prizes provided the containers are not opened during the meeting or preview session.

Repeated and continued violation of these guidelines may result in the instant removal from the session, and possible barring from any such OCR facilitated session for a specific period or indefinitely. The Association reserves the right to deny any non-member or guest who violates the Association's Conduct Policies from attending future Orange County REALTORS® events. Members who violate this policy may be subject to discipline and may receive written notice of this violation of membership. Continued violation of this policy may result in suspension or termination of membership.

H. PRIZE AWARDS POLICY FOR DIRECTORS AND STAFF

PURPOSE: The purpose of this policy is to eliminate any possible perception by members that prizes may not have been randomly awarded and that Orange County REALTORS® Directors or staff may have benefited from drawings held at Orange County REALTORS® (OCR) hosted or sponsored events. There are several categories of opportunities for prize awards, and not all of them carry the same perceived risk of unfair advantage by OCR Directors and staff:

1. OCAR CARES FUNDRAISERS:

Directors are encouraged to participate in fundraising events and raffles for OCAR Cares. It is important that Directors participate to demonstrate their financial support of OCR fundraisers, and awards based on the purchase of raffle tickets, etc. are generally perceived to be random.

2. MARKETING MEETINGS:

The marketing meetings are run by OCR Affiliate Members. Directors who elect to participate in drawings at marketing meetings are considered to be exercising a personal business activity and should be treated equally to all other participants and equal to all others regarding winning a prize.

3. AOR CLASSES and EVENTS/FORUMS:

The only purpose of prizes offered at any event, forum or class is to increase member participation and create some momentum for the next event/class.

4. FREE 'ANNUAL DUES' AWARD FOR 'EARLY PAYMENT' OF DUES:

Directors have a significantly higher chance to win an early payment award since they are better informed of when dues are first posted to the accounts, and the earliest payments have the highest probability to win.

Winners are announced in our digital publication 'What's Up,' and our magazine OC REALTOR. If a Director wins, it would be very difficult to prevent members from thinking that it is unfair. The purpose of offering free dues is to motivate them to pay in full and online in December. Winners who are not Directors will help members believe it is possible for them to win, and will accomplish the goal for which the drawing was created. Directors are not eligible to win the annual Free Dues Award.

Not all opportunities might have been covered in the above description so Directors are asked to use their best judgment by evaluating what the perception would be if they were to win and how it would affect the goals and culture of the association.

I. EVENT PROMOTION AND COMPLIANCE OF COE, MLS OR OTHER MEMBERSHIP DUTIES

It is prohibited for any Member or guest at an Orange County REALTORS® sponsored event to pitch, promote, or otherwise advertise any event or program that causes the Orange County REALTORS® member attendees to be in violation of REALTOR® Code of Ethics, the MLS rules, or the duties of membership in Orange County REALTORS®.

The Association reserves the right to deny any non-member or guest who violates the Association's Conduct Policies from attending future Orange County REALTORS® events. Members who violate this policy may be subject to discipline and may receive written notice of this violation of membership. Continued violation of this policy may result in suspension or termination of membership.

J. COMPLAINT PROCEDURE FOR POLICIES RELATING TO MEMBER AND GUEST CONDUCT AT ORANGE COUNTY REALTOR EVENTS AND MEETINGS

In the event a Member, an Affiliate Member or employee of an Affiliate Member believes a Member or Guest is in violation of any or all of the Orange County REALTORS® policies during a meeting, event or other sanctioned Association activity, they shall file a Complaint with the Chief Executive Officer. If the allegations of the Complaint involve any alleged misconduct by the Chief Executive Officer, the Complaint shall be filed with the current Association President. It is strongly encouraged that all Complaints be lodged in writing, but the failure to provide the Complaint in writing shall not preclude the further processing of the Complaint. The Association may, but is not required to, provide a form to facilitate the Complaint process.

Upon receipt of the Complaint, the matter shall be referred to the Chief Executive Officer (President) to determine whether the matter can be resolved by meeting with the alleged perpetrator, or whether the matter should be referred to the Executive Committee for further processing. If the Chief Executive Officer (President) is unable to resolve the matter, it shall be referred to the Executive Committee. The Executive Committee shall have sole and exclusive responsibility for investigation and disposition of the matter. Disposition may include, but is not limited to, dismissal of the Complaint or the imposition of discipline to and including expulsion and termination of membership and MLS services.

The Executive Committee shall consult with legal counsel on the processing of the investigation and imposition of discipline, and the Executive Committee shall follow best available human relations practices while investigating and resolving the Complaint.

In the event any member of the Executive Committee has a conflict of interest, the individual shall be precluded from participating in any aspect of the Complaint. A conflict of interest shall be deemed to exist when, by appearance or otherwise, a person cannot be deemed to be impartial or disinterested. Examples include relationships by blood, family, current or past relationships, past encounters of an acrimonious nature or any other situation when a member of the Executive Committee cannot be impartial by appearance or otherwise.

Written notice of the disposition shall be provided to the Complainant and alleged perpetrator by overnight courier service providing tracking and proof of delivery. If either the Complainant or alleged perpetrator disagree with the disposition determined by the Executive Committee, within five calendar (5) days of delivery of the disposition notice, either party may request, in writing, a Review.

The Review panel shall consist of three current directors or past presidents, or combination thereof, and shall be chosen by the Executive Committee. The parties shall be entitled to submit a written narrative or other written evidence. Neither the parties, nor their counsel or members of the Executive Committee shall be present during the Review. The Review shall be completed within fifteen calendar (15) days, or as soon as possible, and in cooperation with the parties, after the Association receives a request for Review. The decision of the Review panel shall be by majority vote and shall be the final determination of the Association.

2. ORANGE COUNTY REALTORS® POLICIES AND PROCEDURES RELATING TO INAPPROPRIATE CONDUCT AND HARASSMENT (Adopted and/or reaffirmed on November 22, 2019 by Board of Directors, updated November 4, 2020)

A. ORANGE COUNTY REALTORS® BOARD OF DIRECTORS RESOLUTION: ZERO TOLERANCE FOR UNWANTED TOUCHING AND INAPPROPRIATE CONDUCT AT OCR EVENTS, MEETINGS OR OTHER SPONSORED FUNCTIONS

WHEREAS: Orange County REALTORS® (the “Association”) is a trade association promoting high ethical standards of its members and making its events, meetings and sponsored events conducive of a business environment promoting the highest integrity, ethical conduct and respect for others; RESOLVED: It is the policy of the Association that attendees at any event, meeting or other function sponsored, endorsed, sanctioned or promoted by the Association or its affiliates or others wherein the principal invitees are REALTORS®, shall comply with the policy of the Association concerning inappropriate conduct or unwanted touching.

FURTHER RESOLVED: “Inappropriate Conduct” shall be defined as any act or statement inconsistent with proper business environment, which by way of example includes comments of a sexual nature, lewd or profane remarks, bullying, derogatory remarks about others, mocking the policy of the Association toward inappropriate conduct or unwanted touching, or any other act or statement creating a hostile or discriminatory work environment.

FURTHER RESOLVED: “Unwanted Touching” shall be defined as any touching of another, other than a traditional business greeting, that is not freely and without coercion consented to by the recipient. Examples include hugging, placing a hand on the shoulder or any other part of the recipient’s person, kissing, rubbing up against or making gestures of touching certain parts of the person. In order to promote a business environment, the Association strongly encourages those who consent to such touchings to refrain from engaging in such conduct during Association events, meetings or other sponsored events, including those promoted by affiliates when REALTORS® are principal invitees.

FURTHER RESOLVED: Any person found to have violated the policy shall be subject to immediate discipline, up to and including, expulsion or termination of membership.

FURTHER RESOLVED: Attendees at any event, meeting or other function sponsored, endorsed,

sanctioned or promoted by the Association or its affiliates or others wherein the principal invitees are REALTORS, shall be encouraged to report any inappropriate conduct or unwanted touching in which they are the victim or the observance of such inappropriate or unwanted touching of another attendee. The goal of the Association is to assure that such events, meetings or other functions do not tolerate unwanted touching or other inappropriate conduct.

B. ORANGE COUNTY REALTORS® ANTI-HARASSMENT POLICY

Orange County REALTORS® is committed to a workplace free of all forms of harassment, including sexual harassment.

Orange County REALTORS® has zero tolerance and prohibits any unlawful harassment against employees, members, guests and covered persons (that is, interns, volunteers, applicants or independent contractors), by co-workers, supervisors, managers, members, directors, officers, or third parties on the basis of a person's:

- Race.
- Color.
- Age (40 or older).
- Religious creed.
- Religious belief, observance, and practice, including dress or grooming practices.
- National origin, including language use restrictions, or an employee's or applicant's possession of a driver's license issued under Vehicle Code Section 12801.9 (which authorizes licenses to individuals who cannot provide satisfactory proof of their presence in the US under federal law).
- Ancestry.
- Physical disability.
- Mental disability.
- Medical condition, including:
 - Any cancer-related physical or mental health impairment from a diagnosis, record or history of cancer; or
 - A genetic characteristic.
- Genetic information, including information about:
 - an individual's genetic tests;
 - family members' genetic tests;
 - family members' diseases or disorders;
- An individual's or family member's receipt of, or request for, genetic services; and participation by an individual or their family member in clinical research that includes:
 - Genetic services.
 - Marital status.
 - Sex, including:
 - Pregnancy;
 - Childbirth;
 - Breastfeeding or medical conditions related to breast-feeding; and
 - Medical conditions related to pregnancy or childbirth;
 - Gender;
 - Gender expression, meaning a person's gender-related appearance or conduct, whether or not stereotypically associated with the person's sex at birth; and
 - Gender identity, meaning a person's identification as male, female, a gender different from the person's sex at birth, or transgender.
 - Sexual orientation, including heterosexuality, homosexuality, and bisexuality.
 - Military or veteran status;
 - Political Affiliation;
 - Or any other characteristic protected by applicable federal, state, or local law.

Orange County REALTORS® has a zero tolerance, prohibits and does not tolerate bullying or unlawful harassment against employees, members, affiliates, guests, officers, directors and covered persons who are perceived to have any of these characteristics or who associate with a person who has or is perceived to have, any of these characteristics. Harassment can occur in the workplace, virtually, after hours, on social

media or any sponsored event. It should always be reported and will not be tolerated by Orange County REALTORS®.

Orange County REALTORS® will courteously treat any person who invokes the complaint procedure, will handle all complaints swiftly and confidentially to the extent possible in light of the need to take appropriate corrective action. Lodging a complaint will in no way be used against the employee or have an adverse impact on the individual's employment or membership status. Because of the damaging nature of harassment to the victims and the entire workforce, aggrieved employees and/or members are strongly urged to use the procedure. However, filing groundless or malicious complaints is an abuse of this policy and will be treated as a violation.

The Association encourages and expects applicants, employees, and members to report any incidents of perceived unlawful harassment and to cooperate with any investigation of a complaint of unlawful harassment. The Association strictly prohibits any retaliation against any applicant, employee or member for filing a complaint of perceived unlawful harassment or participating in the investigation of such complaint.

Any employee or member determined to be responsible for violating this policy will be subject to appropriate disciplinary action, up to and including termination. Moreover, any employee, supervisor or manager who condones or ignores potential violations of this policy will be subject to appropriate disciplinary action, up to and including termination.

Orange County REALTORS® is committed to enforcing this Anti-Harassment policy. The effectiveness of our efforts depends in part on employees and members telling us about inappropriate conduct. If you feel that you or someone else may have been subjected to conduct that violates this policy, you should report it immediately. If employees and members do not report harassing conduct, Orange County REALTORS® may not become aware of a possible violation of this policy and may not be able to take appropriate corrective action.

i. DEFINITIONS

A. "Unlawful sexual harassment" includes; unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature where:

1. Submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment, or
2. Submission to or rejection of such conduct by an individual is used as a basis for employment decisions affecting such individual, or
3. Such conduct is severe or pervasive and has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or abusive environment where the harassment creates an offensive and unpleasant working environment. A hostile work environment can be created by anyone in the work environment – supervisors, other employees, or members.

B. Conduct which falls within the definition of unlawful sexual harassment may include, but is not limited to:

1. Unwelcome or unwanted physical contact of a sexual nature including unnecessary touching, tickling, patting, pinching, brushing-up against, hugging, cornering, kissing and fondling and forced sexual intercourse or assault.
2. Overt or implied threats against an individual to induce him or her to perform sexual favors or engage in unwelcomed sexual relationships.
3. Verbal harassment includes innuendoes, suggestive comments, jokes of a sexual nature to or in the presence of an individual who finds them offensive, sexual propositions, lewd remarks, and threats. Requests for any sexual favor (this includes repeated, unwelcome requests for dates); and verbal abuse or "kidding" that is oriented toward a prohibitive form of harassment, including that which is sexual in nature and unwelcome.

4. Nonverbal sexual harassment includes the distribution, display or discussion of any written or graphic material, including calendars, posters, and cartoons that are sexually suggestive or show hostility towards an individual or group because of sex/ suggestive or insulting sounds; leering; staring; whistling; obscene gestures; content in letters, notes, facsimiles, email, photos, text messages, tweets, and Internet postings such as social media; or other form of communication that is sexual in nature and offensive.
5. Retaliatory (for example, threatening retaliation or taking retaliatory action).
6. Use of sexually suggestive terms or gestures to describe an individual's body, clothing or sexual activities.
7. Bullying or harassment based on any basis or conduct, including but not limited to an individual's sex (including pregnancy, childbirth, breastfeeding, or medical conditions relating to pregnancy, childbirth or breastfeeding), sexual orientation or gender (including that individual's gender identity and gender expression) and regardless of the harasser's sex or gender.

This list is illustrative only, and not exhaustive. No form of sexual harassment or bullying will be tolerated.

Harassment, including bullying, is prohibited at the workplace, at employer-sponsored events, and on social media.

C. This policy is not intended to address intrusions on the personal rights, or personal morality of members, affiliates or employees. It is intended to prevent any unlawful harassment in the workplace. Sexual harassment is illegal and also against Orange County REALTORS®'s policy.

D. This policy shall be conspicuously posted for viewing by applicants, affiliates, employees, and members. Each employee, affiliate and member shall read this policy and familiarize themselves with it. Upon their hire, or acceptance for membership each person shall sign an acknowledgment of having received, reviewed and understood this policy. The acknowledgment shall become a part of the person's personnel file. All members are required to acknowledge this policy upon joining.

E. This policy also covers those who interact within the purview of an Association sanctioned activity including employees, members (REALTORS® and Affiliates) and volunteers who are prohibited from engaging in any discriminatory, harassing, or retaliatory conduct.

ii. OTHER TYPES OF HARASSMENT

Orange County REALTORS®'s anti-harassment policy applies equally to other unlawful harassment including bullying, based on basis, including but not limited to an employee's race, color, religious creed, religious belief, observance or practice, national origin, ancestry, age (40 and over), marital status, genetic information, medical condition, mental disability, physical disability, or military or veteran status (as described earlier in this policy), as well as, any other characteristic protected by applicable federal, state or local law.

Such harassment often takes a similar form to sexual harassment and includes harassment that is:

- Verbal (for example, epithets, derogatory statements, slurs, derogatory comments or jokes).
- Physical (for example, assault or inappropriate physical contact).
- Visual (for example, displaying derogatory posters, cartoons, drawings or making derogatory gestures).
- Retaliatory (for example, threatening retaliation or taking retaliatory action).

This list is illustrative only, and not exhaustive. No form of harassment will be tolerated.

Harassment and bullying are prohibited at the workplace, at employer-sponsored events, and on social media. This should always be reported to the Orange County REALTORS®.

iii. SUPERVISOR RESPONSIBILITIES

Supervisors and managers have an obligation to report bullying, sexual or other harassment, discrimination, or retaliation of which they become aware. Supervisors and managers who observe such conduct or who receive any complaints of misconduct must report the conduct or complaint to the Chief Executive Officer or the appropriate party as consistent with Orange County REALTORS® policy and procedures, so that an investigation can be made and corrective action taken, if appropriate.

iv. NO RETALIATION

No one will be subject to, and Orange County REALTORS® prohibits, any form of discipline, reprisal, intimidation or retaliation for good faith reporting of incidents of harassment of any kind, pursuing any harassment claim or cooperating in related investigations.

Any employee, regardless of position or title, whom the supervisor or Chief Executive Officer determines has subjected an individual to harassment or retaliation in violation of this policy, will be subject to discipline, up to and including termination of employment.

In the case of a member, any violation of this policy will be subject to discipline, up to and including termination of membership.

C. INTERNAL COMPLAINT PROCEDURES

i. INAPPROPRIATE CONDUCT TOWARD STAFF BY AN EMPLOYEE OR INDEPENDENT CONTRACTOR

In the event an employee or independent contractor of the Association, other than a Member or Affiliate, believes they have been the victim of any form of harassment, unwanted touching, bullying or other workplace misconduct by another employee or independent contractor, they shall file a Complaint with the Chief Executive Officer. If the allegations of the Complaint involve any alleged misconduct by the Chief Executive Officer, the Complaint shall be filed with the current Association president. A written complaint is strongly encouraged, but the failure to file the Complaint in writing shall not preclude the further processing of the Complaint. The Association may, but is not required to, provide a form to facilitate the Complaint process.

Upon receipt of the Complaint, the Complaint shall be promptly addressed by the Chief Executive Officer (except if the Chief Executive Officer is alleged to be involved in the actions complained of, and then by the President). The Chief Executive Officer shall have sole and exclusive responsibility for investigation and disposition of the matter. Disposition may include, but is not limited to, dismissal of the Complaint or the imposition of discipline to and including termination of employment or the independent contractor relationship.

If the Complaint involves alleged acts or omissions by the Chief Executive Officer, the matter shall be referred to the Executive Committee. The Executive Committee shall consult with legal counsel on the processing of the investigation and imposition of discipline, and the Executive Committee shall follow best available human relations practices while investigating and resolving the Complaint.

In the event any member of the Executive Committee has a conflict of interest, the individual shall be precluded from participating in any aspect of the Complaint. A conflict of interest shall be deemed to exist when, by appearance or otherwise, a person cannot be deemed to be impartial or disinterested. Examples include relationships by blood, family, current or past relationships, past encounters of an acrimonious nature or any other situation when a member of the Executive Committee cannot be impartial by appearance or otherwise.

Written notice of the disposition shall be provided to the Complainant and alleged perpetrator by overnight courier service providing tracking and proof of delivery.

ii. INAPPROPRIATE CONDUCT BY STAFF TOWARDS MEMBER

In the event a Member or Affiliate, believes they have been the victim of any form of harassment, unwanted touching, bullying or other workplace misconduct by an employee, independent contractor or other agent of the Association, they shall file a Complaint with the Chief Executive Officer. A written complaint is strongly encouraged, but the failure to file the Complaint in writing shall not preclude the further processing of the Complaint. The Association may, but is not required to provide a form to facilitate the Complaint process.

Upon receipt of the Complaint, the matter shall be referred to the current Chief Executive Officer for investigation and disposition. The Chief Executive Officer shall have sole and exclusive responsibility for investigation and disposition of the matter. Disposition may include, but is not limited to, dismissal of the Complaint or the imposition of discipline, including but not limited to suspension or termination.

The Chief Executive Officer shall consult with legal counsel on the processing of the investigation and imposition of discipline, and the Chief Executive Officer shall follow best available human relations practices while investigating and resolving the Complaint.

iii. INAPPROPRIATE CONDUCT TOWARD STAFF BY A MEMBER OR AFFILIATE

In the event an employee, independent contractor or other agent of the Association, other than a Member or Affiliate, believes they have been the victim of any form of harassment, unwanted touching, bullying or other workplace misconduct by a Member, they shall file a Complaint with the Chief Executive Officer. If the allegations of the Complaint involve any alleged misconduct by the Chief Executive Officer, the Complaint shall be filed with the current Association President. It is strongly encouraged that all Complaints be lodged in writing, but the failure to provide the Complaint in writing shall not preclude the further processing of the Complaint. The Association may, but is not required to, provide a form to facilitate the Complaint process.

Upon receipt of the Complaint, the matter shall be referred to the current Executive Committee for investigation and disposition. The Chief Executive Officer (or President in the event the Chief Executive Officer is disqualified) shall determine whether the matter can be resolved by meeting with the alleged perpetrator, or whether the matter should be referred to the Executive Committee for further processing. When the matter is referred to the Executive Committee, it shall have sole and exclusive responsibility for investigation and disposition of the matter. Disposition may include, but is not limited to, dismissal of the Complaint or the imposition of discipline to and including expulsion and termination of membership and MLS services.

The Executive Committee shall consult with legal counsel on the processing of the investigation and imposition of discipline, and the Executive Committee shall follow best available human relations practices while investigating and resolving the Complaint.

In the event any member of the Executive Committee has a conflict of interest, the individual shall be precluded from participating in any aspect of the Complaint. A conflict of interest shall be deemed to exist when, by appearance or otherwise, a person cannot be deemed to be impartial or disinterested. Examples include relationships by blood, family, current or past relationships, past encounters of an acrimonious nature or any other situation when a member of the Executive Committee cannot be impartial by appearance or otherwise.

Written notice of the disposition shall be provided to the Complainant and alleged perpetrator by overnight courier service providing tracking and proof of delivery. If either the Complainant or alleged perpetrator disagree with the disposition determined by the Executive Committee, within five calendar (5) days of delivery of the disposition notice, either party may request, in writing, a Review. The Review panel shall consist of three current directors or past presidents, or combination thereof, and shall be chosen by the Executive Committee. The parties shall be entitled to submit a written narrative or other written evidence. Neither the parties, nor their counsel or members of the Executive Committee shall be present during the Review. The Review shall be completed within fifteen calendar (15) days, or as soon as possible, and in

cooperation with the parties, after the Association receives a request for Review. The decision of the Review panel shall be by majority vote and shall be the final determination of the Association.

D. INAPPROPRIATE CONDUCT BY MEMBER OR AFFILIATE AGAINST A MEMBER OR AFFILIATE

In the event a Member or Affiliate of the Association believes they have been the victim of any form of harassment, unwanted touching, bullying or other workplace misconduct by a Member or Affiliate, they shall file a Complaint with the Chief Executive Officer. If the allegations of the Complaint involve any alleged misconduct by the Chief Executive Officer, the Complaint shall be filed with the current Association President. It is strongly encouraged that all Complaints be lodged in writing, but the failure to provide the Complaint in writing shall not preclude the further processing of the Complaint. The Association may, but is not required to, provide a form to facilitate the Complaint process.

Upon receipt of the Complaint, the matter shall be referred to the Chief Executive Officer (President) to determine whether the matter can be resolved by meeting with the alleged perpetrator, or whether the matter should be referred to the Executive Committee for further processing. If the Chief Executive Officer (President) is unable to resolve the matter, it shall be referred to the Executive Committee. The Executive Committee shall have sole and exclusive responsibility for investigation and disposition of the matter. Disposition may include, but is not limited to, dismissal of the Complaint or the imposition of discipline to and including expulsion and termination of membership and MLS services. The Executive Committee shall consult with legal counsel on the processing of the investigation and imposition of discipline, and the Executive Committee shall follow best available human relations practices while investigating and resolving the Complaint.

In the event any member of the Executive Committee has a conflict of interest, the individual shall be precluded from participating in any aspect of the Complaint. A conflict of interest shall be deemed to exist when, by appearance or otherwise, a person cannot be deemed to be impartial or disinterested. Examples include relationships by blood, family, current or past relationships, past encounters of an acrimonious nature or any other situation when a member of the Executive Committee cannot be impartial by appearance or otherwise.

Written notice of the disposition shall be provided to the Complainant and alleged perpetrator by overnight courier service providing tracking and proof of delivery. If either the Complainant or alleged perpetrator disagree with the disposition determined by the Executive Committee, within five calendar (5) days of delivery of the disposition notice, either party may request, in writing, a Review. The Review panel shall consist of three current directors or past presidents, or combination thereof, and shall be chosen by the Executive Committee. The parties shall be entitled to submit a written narrative or other written evidence. Neither the parties, nor their counsel or members of the Executive Committee shall be present during the Review. The Review shall be completed within fifteen calendar (15) days, or as soon as possible, and in cooperation with the parties, after the Association receives a request for Review. The decision of the Review panel shall be by majority vote and shall be the final determination of the Association.

E. EXTERNAL COMPLAINT PROCEDURE FOR COMPLAINANTS:

If you are an employee and subject to any conduct that you believe violates this policy, you may file a complaint of discrimination with the Department of Fair Employment and Housing (DFEH) within one year of the harassment. The DFEH serves as a neutral fact-finder and attempts to help the parties voluntarily resolve disputes. If the DFEH finds sufficient evidence to establish that discrimination occurred and settlement efforts fail, the Department may file a lawsuit on behalf of the complaining party.

If a court finds that discrimination has occurred, it can order remedies including:

- Fines or damages for emotional distress from each employer or person found to have violated the law.
- Hiring or reinstatement.
- Back pay or promotion.
- Changes to the policies or practices of the involved employer.

Employees can also pursue the matter through a private lawsuit in civil court after a complaint has been filed with the DFEH and a right-to-sue notice has been issued. For more information, contact the DFEH toll-free at (800) 884-1684 or visit <http://www.dfeh.ca.gov/>.

Employees can also file a complaint with the federal Equal Employment Opportunity Commission (EEOC). For more information, contact the EEOC toll-free at (800) 669-4000 or visit <http://www.eeoc.gov/>.

You may not be retaliated against for opposing harassment or for filing a complaint with, or otherwise participating in an investigation, proceeding, or hearing conducted by Orange County REALTORS®, the DFEH or the Fair Employment and Housing Council, or the EEOC.

F. MISCONDUCT OR CONDUCT DETRIMENTAL TO ORANGE COUNTY REALTORS®

Members of OCR also may be disciplined for misconduct or conduct detrimental to OCR that shall include, but is not limited to, the following: Engaging in a course of conduct or repeatedly committing acts that is/are critically disruptive of the legitimate OCR business activity as conducted by OCR's CEO, OCR's Management Team, and/or OCR's Officers and Directors.

As used in this context, "course of conduct" shall mean a pattern of actions composed of more than one act over a period of time, however short, evidencing a continuity of conduct. The term includes lewd, lascivious, threatening, obscene, or defamatory words, language, drawings, caricatures or actions that include strikes, shoves, kicks, or other similar physical contact, or attempts to threaten to do the same.

Any complaint alleging conduct of the nature described in this section shall be heard by the Executive Committee, in consultation with counsel for OCR, following the Complaint Procedure described herein.

In the event an employee, independent contractor or other agent of the Association, Member or Affiliate, believes they have been the victim of misconduct or conduct detrimental to OCR, as described herein, by a Member, they shall file a Complaint with the Chief Executive Officer. If the allegations of the Complaint involve any alleged misconduct by the Chief Executive Officer, the Complaint shall be filed with the current Association President.

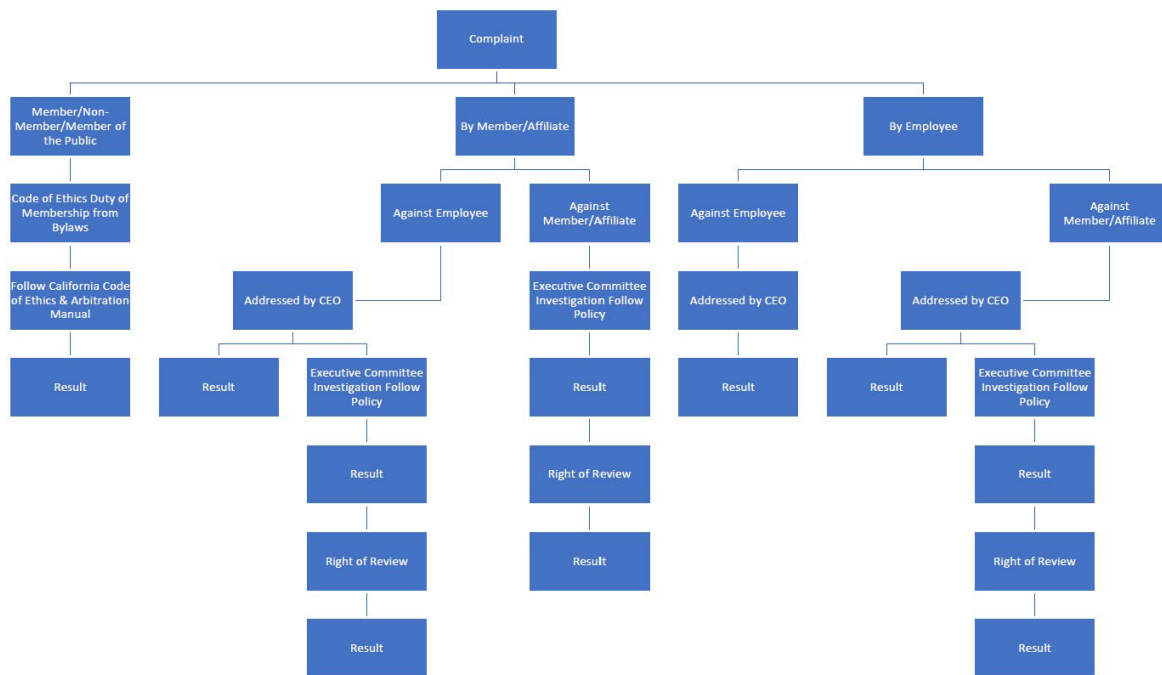
It is strongly encouraged that all Complaints be lodged in writing, but the failure to provide the Complaint in writing shall not preclude the further processing of the Complaint. The Association may, but is not required to, provide a form to facilitate the Complaint process.

Upon receipt of the Complaint, the matter shall be referred to the current Executive Committee for investigation and disposition. The Chief Executive Officer (or President in the event the Chief Executive Officer is disqualified) shall determine whether the matter can be resolved by meeting with the alleged perpetrator, or whether the matter should be referred to the Executive Committee for further processing. When the matter is referred to the Executive Committee, it shall have sole and exclusive responsibility for investigation and disposition of the matter. Disposition may include, but is not limited to, dismissal of the Complaint or the imposition of discipline to and including expulsion and termination of membership and MLS services. The Executive Committee shall consult with legal counsel on the processing of the investigation and imposition of discipline, and the Executive Committee shall follow best available human relations practices while investigating and resolving the Complaint.

In the event any member of the Executive Committee has a conflict of interest, the individual shall be precluded from participating in any aspect of the Complaint.

A conflict of interest shall be deemed to exist when, by appearance or otherwise, a person cannot be deemed to be impartial or disinterested. Examples include relationships by blood, family, current or past relationships, past encounters of an acrimonious nature or any other situation when a member of the Executive Committee cannot be impartial by appearance or otherwise.

Written notice of the disposition shall be provided to the Complainant and alleged perpetrator by overnight courier service providing tracking and proof of delivery. If either the Complainant or alleged perpetrator disagree with the disposition determined by the Executive Committee, within five calendar (5) days of delivery of the disposition notice, either party may request, in writing, a Review. The Review panel shall consist of three current directors or past presidents, or combination thereof, and shall be chosen by the Executive Committee. The parties shall be entitled to submit a written narrative or other written evidence. Neither the parties, nor their counsel or members of the Executive Committee shall be present during the Review. The Review shall be completed within fifteen calendar (15) days, or as soon as possible, and in cooperation with the parties, after the Association receives a request for Review. The decision of the Review panel shall be by majority vote and shall be the final determination of the Association.



3. SOCIAL MEDIA POLICY

Effective: June 15, 2017

A. SOCIAL MEDIA PURPOSE

Orange County REALTORS® (OCR) recognizes that the Internet provides a variety of opportunities to participate in interactive discussions and promote and share information and imagery using various social media outlets. However, use of social media can pose risks to OCR's confidential and proprietary information, reputation and brands, and can jeopardize the Association's compliance with the law, OCR's bylaws and policies, and adherence to the National Association of REALTORS® (NAR) Code of Ethics.

This policy applies to OCR staff (employees), the Board of Directors, contractors, volunteers, members of OCR or any third party who participates in social media activities with or on behalf of OCR.

B. SOCIAL MEDIA POLICY FOR AUTHORIZED OCR STAFF MEMBERS AND AUTHORIZED REPRESENTATIVES OF OCR

These are the official guidelines for social media at OCR. If you are an employee, member, contractor, or volunteer of OCR or are contributing to blogs, wikis, social media outlets, networks, platforms, virtual worlds, video channels such as YouTube or any other kind of social media both on and off OCR's website(s), these guidelines are for you. OCR expects all who participate in social media on behalf of the Association to understand and follow these guidelines. These guidelines will continue to evolve as new technologies and social networking tools emerge, so check back occasionally to make sure you are up to date.

As a member and / or representative of OCR, keep the following principles in mind:

1. Be professional. Remember that you are an ambassador for our organization both on and off the job. Wherever possible, disclose your position as a representative of OCR.
2. Be responsible and honest at all times.
3. Be credible, accurate, fair, and thorough.
4. Post meaningful, respectful comments. Do not post spam or remarks that are off-topic or offensive.
5. Respect proprietary information and confidentiality of our members and of our internal operations.
6. When disagreeing with others' opinions, be objective and respectful.
7. Remember that your online comments create permanent records and may be republished in other media.
8. Stay within the legal framework and be aware that antitrust, libel, copyright and data protection laws apply.
Do not plagiarize copy from any source. Do not copy and / or download any logo, graphic, icon, photo, design element, video, music, art work, verbiage, comment, name, title, opinion, chart, statistics, or any other item from any source without explicit, written permission directly from the owner of the source.
Important: Copyright issues are the largest source of intellectual property lawsuits. If OCR does not own it or have written permission from the owner to use it, DO NOT USE IT. When written permission is obtained for any item, appropriate source credit must still be attributed.
9. Do not disclose sensitive or "insider" information, make commitments or engage in activities on behalf of OCR unless you are authorized to do so. If in doubt, avoid any contribution until you have received express permission from OCR's Communications Director Sabrina Blair or OCR CEO Dave Stefanides. In other words ... if in doubt, leave it out.
10. Even in your private communications, don't forget your day job and / or alliance with OCR. You are a representative of OCR.
11. No expectation of privacy. All contents of OCR's website, networks, email system, databases, hard copy or digital files, and all other resources and communications systems are the property of OCR. Staff and/or representatives can have no expectation of privacy whatsoever in any message, file, data, document, facsimile, social media post, or any other kind of information or communication transmitted, received, printed, stored or recorded on OCR's print and/or electronic information and communications systems.
12. Be honest and transparent. Social media is no place to hide. Use your real name to identify yourself if you are commenting about OCR or its programs, products, services, etc.
13. Make a mistake? If you make a mistake, admit it. Be upfront and be quick with your correction. For example, if you are posting to a blog, you may choose to modify an earlier post - just make it clear that you have done so.
14. Be fair. There can be a fine line between healthy debate and hysterical reaction. Do not make derogatory posts regarding OCR, any other Association, or Association staff, leaders, members, and / or the profession in general. See if you can invite differing points of view without inflaming others. Remember that once your words are online, you cannot recall them. Once an inflammatory discussion gets going, it is hard to stop.
15. Add value. Social media sites receive heavy traffic. The goal of OCR's social media efforts is to add value to OCR members by providing news and information on subjects that are of interest primarily to OCR members. Whether the information is thought-provoking, builds a sense of

community, helps people improve knowledge or skills, build their businesses or solve problems, or helps them understand OCR better, then it is adding value.

16. Although called social media, when you are using OCR channels or posting as a representative of OCR, please limit posts to those that directly relate to OCR business matters. Please refrain from posting about personal matters. When it comes to posting non-OCR business information / photos/ videos, etc. on OCR channels or on behalf of OCR, just don't.
17. Be conversational. Social media is conversational, so write posts in a fashion that mimic conversations you would conduct with people in professional situations.
18. Perception is reality. In online social networks, the lines between public and private, personal and professional are blurred. When you are posting as a OCR staff member or representative of OCR, you are creating a perception about OCR by our members and by the public. Avoid any language, image, topic or situation that could result in a negative perception of OCR. When in doubt about any content you are considering posting, contact OCR's Communications Director Sabrina Blair or OCR CEO Dave Stefanides.
19. Write what you know. Make sure you post within your area(s) of authorization and expertise only. Each OCR staff member and / or social media representative is authorized by OCR to post content regarding specific business segments or areas of OCR only.
20. There are additional guidelines to consider as well: please respect brand, OCR's and/or the logo and trademarks, copyright, antitrust, confidentiality and financial disclosure laws. If you have any questions about any of these, contact OCR CEO Dave Stefanides or OCR Communications Director Sabrina Blair. You are considered by OCR to be personally responsible for your content postings. The official Logo and Trademark Rules from NAR are available online at www.nar.realtor/logos-and-trademark-rules.

C. SOCIAL MEDIA POSTING GUIDELINES FOR AUTHORIZED OCR STAFF MEMBERS AND AUTHORIZED REPRESENTATIVES OF OCR

The authority to post on OCR's social media sites that is conveyed to selected OCR staff and authorized social media representatives and is outlined in OCR's policy manual state that use of the OCR logo or name is expressly prohibited without written authorization from OCR's CEO or Communications Director. In addition, the limited authorization by OCR to permit postings on social media sites by OCR staff and authorized representatives does not alter the restriction on OCR's media spokesperson's policy. With the exception of the authority conveyed to OCR staff and authorized OCR representatives within this social media policy to post on social media sites only, media spokespersons for OCR are limited to OCR Communications Director Sabrina Blair, the current OCR president, and OCR CEO Dave Stefanides.

Government Affairs Director Dirissy Doan is also an authorized OCR spokesperson regarding matters or government / legislative affairs only. As an OCR staff member or authorized social media representative poster, if you are contacted for input or comment about OCR from any media outlet, including any social media outlet, direct the inquiry to OCR Communications Director Sabrina Blair.

D. IMAGES, VIDEOS, MUSIC – USE AND SUBJECT MATTER

Use: Reminder - copying/downloading/using any image, video or music that is not personally created or owned by you, or by OCR, or that is owned by someone from whom OCR does not have written permission to use, should not be posted to a OCR social media site – no exceptions.

Subject Matter: Please exercise caution when uploading images (photos, clip art, graphics, etc.), video or music even when you have personally created/own the items, or they are owned by OCR, or when OCR has received written permission to use them. To maintain an image of OCR members as professional business persons, please limit the number of images or videos that include alcoholic beverages, whether they are taken on or off OCR premises. Additionally, please do not post images or videos that depict or include: revealing clothing or nudity; risqué behavior; illegal acts or subjects; abusive, demeaning, profane, crude or racist language, behavior, signage or imagery; or anything of a sexual or provocative nature. Images are very subjective: what is acceptable to one person may be objectionable to another. Please err on the conservative side so that postings can pass with a "PG" rating.

E. NEGATIVE POSTINGS

Although negative comments can provide an opportunity to discuss and respond to issues, it is very important to develop response guidelines and policies to deal with negative comments that are unproductive.

In general, negative comments fall in two categories:

1. Constructive criticism.

If the comment is constructive criticism, then you should respond as follows:

- a. Establish whether the problem or complaint is legitimate.
- b. Acknowledge the problem.
- c. Assure the poster that they have been heard.
- d. Your response to the negative poster should be positive and respectful and maintain a friendly voice of authority.

2. Unwarranted attack, commonly referred to as trolling or spam.

If the comment is trolling or spam, then you should respond as follows:

- a. In many cases, it is best to ignore the poster. But, if a response is warranted, then politely and respectfully respond to the poster and then leave it alone.
- b. For sustained attacks, especially unwarranted attacks, often other community members will step in, making your response unnecessary.
- c. In response to unwarranted attacks, it is often most effective to ignore the commenter, which takes away the fuel for their fire.
- d. More often than not, deleting negative comments is not a good practice and will risk creating a larger backlash. Exception will be made for obviously abusive, obscene or socially unacceptable comments.

Inappropriate Comments

If you have a comment or would like to report an inappropriate comment for OCR to review, send an email to Sabrina@ocrealtors.org.

F. EXTERNAL PAGES | SITES | GROUPS, ETC.

It is OCR's Policy that any website, social media site, page, group, etc. created on behalf of any OCR committee, council, task force, or any OCR sub-group must provide Administrative access to OCR's Communications Director Sabrina Blair. OCR must have access to edit or delete any inappropriate or unauthorized content.

OCR's staff, Board of Directors members, committee / council / task force chairpersons and any OCR authorized social media representative that becomes aware of an unauthorized website, social media site, page, group, handle or social media post of any type depicting, using or containing OCR information or its brand should immediately report it to Communications Director Sabrina Blair at Sabrina@ocrealtors.org or OCR CEO Dave Stefanides at Dave@ocrealtors.org. OCR will contact the party responsible for the unauthorized site, page, group, or post to request either Administrative access or immediate removal of OCR's information or brand using the Cease and Desist template / letter.

G. SPECIFICS: FACEBOOK

OCR's social media outlets, current and future, are provided specifically for OCR members to enhance their knowledge of OCR programs, products and services and to engage in meaningful discourse regarding OCR business and activities. All content posted to OCR's Facebook groups and / or pages is subject to review and removal by either the group / page administrator, OCR Communications Director Sabrina Blair or OCR CEO Dave Stefanides. The intent of this policy is not to keep any negative or critical information from being posted, but to protect the privacy and rights of OCR staff and members. Discussing OCR staff or members in a negative way will not be allowed. Group administrators are responsible for reviewing all postings to ensure they do not run afoul of the rules or practices.

OCR'S authorized social media representatives are required to use the official OCR Facebook group / page for OCR business postings only. NO personal, individual or company promotion is allowed. Each OCR Facebook group is authorized by OCR's Communications Director with a minimum of two persons to serve as administrators for their respective group, as outlined below:

1. OCR's Communications Director; and
2. the OCR staff liaison for the respective group; or
3. the OCR chairperson of the respective group or an OCR designated representative if the chairperson is unable or unwilling to post on the group's page.

OCR welcomes your thoughts and comments and aims to publish all submitted content unless it: Contains language that OCR, in its sole discretion, considers offensive or inappropriate for any reason. This includes, but is not limited to, remarks that are racist, homophobic and/or sexist as well as those that contain obscenities or are sexually explicit.

- Infringes on the logos, trademarks or copyrights of OCR, other REALTOR® associations, or any third parties.
- Breaks the law or encourages others to do so. This includes respecting copyright and fair use laws. If you are talking about somebody else's work, reference that work or the person, and where possible include a link.
- Easily identifies members and / or staff of OCR in defamatory, abusive, or negative terms. Derogatory, vulgar or offensive comments and statements that are targeted at other organizations or individuals are also prohibited.
- Does not show proper consideration for others' privacy or are considered likely to offend or provoke.
- Is not relevant to the site or a post that is being responded to.
- Is a commercial endorsement, advertorial, self- or non-OCR related promotional post, or spam.
- The page administrator(s) reserves the right to:
- Keep discussion comments positive and productive.
- Remove comments at any time, for any reason.
- Acknowledge criticism that is legitimate and respond respectfully.
- Post photographs and videos from OCR programs and / or events.

Specifics: On OCR's Behalf

Throughout this Social Media Policy, the statement "on OCR's behalf" is used in many instances. OCR's Social Media Policy is not an attempt to impinge upon any individual's rights or preclude any OCR member from exercising free speech in social media posts by posting generalized information about OCR events, classes or other activities. Example: tweeting "Heading to OCR's May 10 general meeting – see you there!" is perfectly acceptable. Conversely, announcing, giving specific official details, or otherwise suggesting by any manner that such posts are an official post from an authorized OCR representative is not acceptable. All such posts referencing OCR that are not made by an authorized OCR poster are the sole responsibility of the individual posting and should not be construed to be authorized by, for, or on behalf of OCR. OCR assumes no responsibility for their accuracy, timeliness or any other facet of such posts. All official OCR posts are authorized by OCR only through the methods and channels as outlined above.

EXHIBIT A - Cease and Desist Letter

{DATE}
 {NAME}
 {ADDRESS}
 {CITY, ST ZIP}

Dear {NAME}:

It has come to the attention of the Orange County REALTORS® (OCR) that you have created a (Facebook / LinkedIn group / Twitter account, etc.) using the OCR name and/or logo.

We would like to make sure you are aware of the rules for using the REALTOR® trademark and/or the OCR logo and brand identity so that you can make the necessary changes to this established group.

OCR policy states that the use of the OCR logo, name or brand is expressly prohibited without written authorization. Further, OCR's OCR Policy Manual states that authorized spokespersons for OCR are limited to the current President, OCR's CEO, OCR's Communications Director, and OCR's Government Affairs Director in certain instances.

OCR's Social Media Policy further stipulates that posting to any and all social media outlets on OCR's behalf or using any implied affiliation to OCR is limited to OCR staff and authorized representatives of OCR.

While we appreciate your initiative to create the group, page or posting, we respectfully ask that you delete the group and/or page that you have created, as it is an incorrect use of the REALTOR® trademark and a violation of OCR's Bylaws, Policy Manual and Social Media Policy.

Your cooperation with this request allows OCR to continue its efforts to promote to our members and the general public the distinction and importance of being a REALTOR® and / or member of the Orange County REALTORS®.

Thank you in advance for your cooperation.

Sincerely,
 Dave Stefanides, OCR CEO

4. OC REALTORS® AFFILIATE CODE OF CONDUCT

Article 1

The Affiliate Member (Affiliate) shall provide equal professional service to any person regardless of race, color, religion, sex, disability, familial status, national origin, creed, marital status, sexual orientation, status with regard to public assistance or handicap, whether physical or mental. I understand further that local ordinance may include other protected classes.

Article 2

The Affiliate shall be informed and do business in accordance with laws, governmental regulations and public policies in the field in which the Affiliate customarily engages.

Article 3

The Affiliate shall provide a level of competent service in keeping with the standards of practice in the field in which the Affiliate customarily engages.

Article 4

The Affiliate shall promote business in a positive and professional manner based on individual merit and those of the Affiliate Company.

Article 5

The Affiliate shall not denigrate competitors in an attempt to gain business. The Affiliate shall not attempt to gain any unfair advantage over competitors by knowingly or recklessly making false or misleading statements about competitors, REALTOR® members, or Affiliate members.

Article 6

The Affiliate shall interact with all Affiliate members within the guidelines of this Code of Conduct.

Article 7

The Affiliate shall adhere to all event rules, guidelines, policies and procedures.

Article 8

The Affiliate shall not undertake activities that compromise or interfere with the contractual business relationship REALTOR® and Affiliate members have with their customers and clients.

Article 9

Affiliates shall cooperate with and not intentionally impede any investigative or disciplinary proceedings conducted by the Association.

Article 10

The Affiliate shall abide by the Bylaws, Guidelines, and Policies of the Association and aspire to abide by the REALTOR® Code of Ethics.

5. ORANGE COUNTY REALTORS® WHISTLEBLOWER POLICY FOR STAFF, MEMBERS, AND VOLUNTEERS

Orange County REALTORS® encourages its staff, members, and volunteers to come forward with credible information on illegal practices or violations of its adopted Bylaws, Policies and/or Procedures. **It is the intent of Orange County REALTORS® to adhere to all laws and regulations that apply to the organization and the underlying purpose of this policy is to support the organization's goal of legal compliance. The support of all staff, members and volunteers is necessary to achieving compliance with various laws and regulations.**

Orange County REALTORS® will protect staff, members, or volunteers from retaliation who in good faith, have raised a complaint against some practice of Orange County REALTORS®, on the belief that the practice is in violation of law or its adopted policies.

Orange County REALTORS® affords the following protections to whistleblowers:

1. Orange County REALTORS® may not make, adopt, or enforce any rule, regulation, or policy preventing its staff, members, and volunteers from being a whistleblower.

2. Orange County REALTORS® may not retaliate against its staff, members, and volunteers who are whistleblower(s).
3. Orange County REALTORS® may not retaliate against staff, members, and volunteers for refusing to participate in an activity that would result in a violation of a state or federal statute, or a violation or noncompliance with a state or federal rule or regulation.
4. Orange County REALTORS® may not retaliate against an employee for having exercised his or her rights as a whistleblower in any former employment.

Staff, members, and volunteers shall report the complaint to the Orange County REALTORS® Chief Executive Officer, but if the allegations of the complaint involve any alleged misconduct by the Chief Executive Officer, the complaint shall be reported to the current Orange County REALTORS® Board of Directors President.

6. INSPECTION AND COPYING ORANGE COUNTY REALTORS® RECORDS

A. Member Inspection of Board Documents

Members have the right to inspect board minutes, committee minutes and board approved financial reports. Inspections must be in person at the Association Main Office location. Any inspection request must be made in writing and delivered in person or by U.S. Mail and must state the purpose for the inspection. The purpose must be reasonably related to the person's interest as a member.

The Association has 10 business days to set up an inspection appointment from the receipt of the request. Members will be allowed to inspect a board approved one page financial report that includes Profit and Loss Statement and Balance Sheet. The right to inspect does not include source information such as individual invoices, individual employee compensation or any other information not regularly provided at a monthly board meeting.

For requests being sent by U.S. Mail, please use the following address:

Orange County REALTORS®
Attn: Dave Stefanides
25552 La Paz Road
Laguna Hills, CA 92653

B. Directors

Directors are allowed to inspect all corporate documents and to make reasonable copies for use directly related to their responsibilities.

7. PRIVACY POLICY

Orange County REALTORS® recognizes the importance of protecting our members' personal information. For that reason, we have implemented the following privacy policy:

1. We gather the following types of information needed to process your transactions, fulfill your requests, and maintain our membership records:
 - Contact information you provide (which includes but is not limited to the information you provide on the Membership Application such as your personal and business addresses, phone and fax numbers, e mail addresses, firm affiliations and titles).
 - Information you volunteer, via applications, correspondence, voice mail messages or surveys (for example, education, designations, specialties, affiliations with other real estate organizations and general demographic data).
2. We use this information to:

- Improve and customize other communications tools, such as the What's Up, Education Central, and our Monthly Magazine, The Orange County REALTOR®.
 - Notify you of updates to our site.
 - Notifying you of important legislation and court decisions affecting the real estate industry
 - Notify you of relevant products and services.
 - Notify you of upcoming events and programs.
 - Track usage of our sites.
 - Assist local and state REALTOR® associations and affiliated Institutes, Societies and Councils in membership tracking and for their use for purposes similar to those listed above.
3. To the extent of the applicability of the California Consumer Privacy Act ("CCPA") or any other law or regulation, by participating in any aspect of Orange County REALTORS®, Members agree to waive any and all rights relating to the maintenance and deletion of personal data and information contained in or used by Orange County REALTORS®. Nevertheless, Orange County REALTORS® does not share, sell or trade e-mail addresses, but may provide you with online informational or marketing messages that have been approved by Orange County REALTORS® for the purposes described in Part 4 of this policy (below).
 4. We will not share, sell or otherwise provide other information about you to third parties, except for:
 - Fellow Orange County REALTORS® members
 - When required by law or valid legal process, or to protect the personal safety of our members or the public.
 - Compliance with California Corporations Code, Section 8331, 8332, 8333 and 8334.
 5. Credit information that you and credit authorizers provide when you make payments by credit card for products, dues or other services via Internet Member Services will only be used to process the transactions you request. This information will be provided to and maintained by reputable credit reporting databases, but will never be sold, shared or provided to other third parties.
 6. We maintain security procedures and standards which we believe are as safe as today's technology permits. We test these procedures and modify them regularly as new technologies become feasible.
 7. You may opt-out of receiving communications from us and if you are member of Orange County REALTORS®, you can choose to opt out of inclusion in the directory. Edit your personal contact information at any time directly by logging into My Account or by contacting membership@ocrealtors.org.
 8. If you are not a member of Orange County REALTORS®, you can choose to opt-out of receiving communications from us by contacting membership@ocrealtors.org.

Article VII Professional Standards and Arbitration

No related policies

Article VIII Use of REALTOR® Membership Mark

**See Social Media Policy for Cease and Desist sample letter.*

Article IX Dues & Assessments

No related policies

Article X Directors & Officers

1. BOARD OF DIRECTORS

A. AUTHORITY

Authorized according to the Bylaws and the policies of NAR, CAR and/OCR

B. PURPOSE

Shall be the governing body of the Orange County REALTORS® (hereinafter referred to as “OCR”), over and above the President, Chief Executive Officer, and all Committees. Shall have the immediate charge and control of the affairs of OCR shall serve the public’s interests as well as the members’ interests. Shall determine overall policies and make decisions that affect the operations of OCR. Shall establish goals and objectives of OCR. In addition to being accountable to the general membership for the conduct of OCR’s business, the Directors’ major focus shall be future planning, including:

- Defining and establishing OCR’s Mission and Vision Statements;
- Establishing short and long-term strategic plans, objectives and policies; and
- Defining and approving program prioritization and budgeting.
- Focusing on the Association’s vision rather than the details.

One (1) Independent Broker appointed by the President is known as the “Independent Broker Director,” subject to approval by the Board of Directors. The appointee shall serve on the Independent Broker Alliance Committee and be an active member of the Independent Broker Alliance Committee during their tenure as “Independent Broker Director.” Preference should be given to individuals who have been active on the Independent Broker Advisory Committee and Forum.

Subject to approval by the Board of Directors, the President shall appoint one or two Affiliate members to serve as Affiliate Directors. This is a one-year appointment from 12:01a.m. on January 1st and expire at 11:59 p.m. on December 31st. Ideally one affiliate should be selected from the South and one who works in the North.

C. QUALIFICATIONS

“In good standing” means the following: The member’s California real estate license was not suspended or revoked by the Bureau of Real Estate and has not had any disciplinary issues, suspensions or other findings of a violation of the real estate licensing laws or regulations pending. The member’s membership in OCR was not suspended or terminated after a final Professional Standards proceeding hearing before the Board of Directors, or for failure to pay any financial requirements such as dues, fees or fines. The member’s California real estate license has not been and currently is not restricted by California DRE due to fraud and/or violation of public trust, as defined by NAR guidelines. The member has not had and currently does not have any unsatisfied or outstanding violations and is in compliance with all conditions required and orders issued by California DRE.

A candidate or Director may be a member of another local REALTOR® Association but may not be concurrently or simultaneously nominated, running, elected, appointed, or serving on an Association concurrently or simultaneously nominated, elected or serving on a board of directors of another local REALTOR® Association.

A candidate may not be nominated and a Director may not serve if he/she has been sanctioned by a Code of Ethics violation within the continuous twelve (12) months immediately prior to being nominated or seated at any time during his/her term.

A candidate or Director has the responsibility to immediately inform the President if he/she does not or will not meet any of the qualifications to be nominated, seated, or continue to serve or to ascend to the following office.

Although not mandatory, Directors should endeavor to possess the following leadership traits.

- Ability to adapt and foresee changes – progressive and proactive
- Attitude of availability and openness to members and their needs

- Reputation and respect within the real estate community
- Ability to react positively and clearly under pressure
- A coalition builder to help reach a common goal(s).
- Ability to create a positive image of OCR to members and the community.
- A “team” player

D. ELECTION PROCEDURES

The Credentials Committee may solicit and promote persons to run for the open Elected Director positions. However, the Credentials Committee shall not endorse or in any manner suggest one candidate is better qualified than another candidate.

E. OFFICERS

The Executive Committee meets every other month, as needed or as approved by the Board of Directors. The Executive Committee will receive and review a monthly report from the Budget and Finance Committee.

F. BOARD OF DIRECTORS ORIENTATION & MEETINGS

Orientation:

- Attend a Directors Orientation, including a segment on legal duties, and the Leadership Summit and become generally familiar with Orange County REALTORS® governing documents, such as the Bylaws, Code of Ethics and Multiple Listing Service Rules and Regulations.
- Attend a Professional Standards seminar in accordance with policies of NAR, and/or the local OCR and minimally at least once every other year no later than the first quarter of their first year.
- Sign OCR’s Directors Agreement before attending the Leadership Summit and taking office and on an annual basis thereafter.

Meetings:

- Director’s packet to be delivered prior to meeting date. All Directors (and Officers) shall have electronic mail capacity in order to receive notices, Board of Director Agendas, and other information.
- Shall review entire packet containing items to be covered in session.
- An automatic resignation from the Board of Directors takes place at the end of the third absence during the calendar year from regularly scheduled meetings, unless such absence is excused, due to an emergency, such as a death or medical crisis in the immediate family, in which case the President may excuse the absence if ratified by a majority vote at any regular or special meeting, in accordance with OCR’s Bylaws. In addition to an emergency, an excused absence is deemed proper if a Director is called to jury duty, subpoenaed to testify in a court-type hearing, or if the Director must attend an Association function including an NAR or CAR function. An absence will be considered unexcused if the Director is absent because of a conflicting meeting or event involving the Director’s place of business/employment. The Board of Directors has adopted as a guideline an Excuse Policy.
- Minutes of the previous meeting should be approved before conducting other business
- Consent agenda shall also generally consist of informational reports and Committee reports.
- All Directors including the elected, appointed and ascended Director/Officers have one (1) vote.
- Once a quorum is established, it shall remain in effect regardless of the number of Directors remaining or voting.

G. DUTIES

- Attend all regularly scheduled and specially called Board of Directors meetings unless excused.
- Make reasonable efforts to attend OCR-sponsored events within the industry, including but not limited to; Broker/manager meetings, general membership meetings, trade shows or educational events.

- Carry out assignments in a timely fashion as designated by the President.
- Maintain a high-profile and dignified presence at OCR functions.
- Make reasonable efforts to keep abreast of trends and events within the industry, the economy, and OCR to be able to assess the likely impact upon the membership and develop positive plans and objectives accordingly.
- Avoid micromanagement by understanding the relationship between volunteer and staff in an organization where volunteer Directors make policy decisions and staff has the responsibility to ensure policies are implemented and carried out.
- Be generally familiar with OCR operation and philosophies.
- Demonstrate the willingness to devote time to OCR's responsibilities, including necessary homework and preparation.
- Be generally familiar with new technologies and how they are impacting the industry.
- Serve on the Board of Directors' Review Panel, when asked.

H. DIRECTORS

- Committee and task force items shall be channeled through the CEO to the Chairpersons.
- Staff items shall be channeled through the CEO.
- All members of the Board of Directors and Officers shall have electronic mail capability in order to be able to receive notices and information from the Association and CEO.
- Members of the Board of Directors, including all Officers, are encouraged to make an annual voluntary donation of at least \$148.00 to the REALTOR® Action Fund (RAF).
- All communication to OCR counsel or accountant shall be directed through the President and/or CEO unless otherwise directed by the Board of Directors

2. CHIEF EXECUTIVE OFFICER

A. AUTHORITY

Authorized as per Bylaws and in accordance with a written contract for employment.

B. PURPOSE

In accordance with a written contract, the Chief Executive Officer is the chief staff person of OCR and shall be an ex-officio member of the Board of Directors and Executive Committee. Except as otherwise expressly determined by the Board of Directors, the Chief Executive Officer shall manage, direct and be accountable for the full range of operations of OCR toward its established objectives, based on profit and return on capital, by performing the essential duties set forth in the job description, as amended from time to time by the Board of Directors, personally or through support staff, and shall have primary responsibility to hire and terminate staff and to plan, direct and supervise the professional clerical employees; maintain all records and administer OCR budget. The Chief Executive Officer shall be chosen by, and his/her salary shall be fixed by the Board of Directors.

C. POLICIES AND PROCEDURES

i. ADMINISTRATIVE

a. Budget and Finance

- Collect all monies paid to OCR, maintain all membership records and accounts and approve all administrative expenditures, and render a monthly statement of income and expense for the Treasurer.
- Work with the Finance Committee to prepare an annual budget.
- Be one of the signatories on all bank accounts.
- Advise Board of Directors of renewals of contracts and confirm that they are properly reviewed by the Board of Directors and/or Legal Counsel before they are executed by the President and Secretary or their legal alternates.
- Screen calls made to OCR's Legal Council and/or OCR's CPA.

- If requested by the Board of Directors, obtain bonding/insurance for the Chief Executive officer and OCR employees.
- b. Office Organization and Routine.
 - Be in charge of and have authority to contract for building and equipment maintenance and janitorial services; seek authority from Board of Directors for any one-time expenditure in excess of \$5,000, unless an emergency exists.
 - Provide security for all files, legal and historical documents, membership, and mailing lists.
 - Maintain continuing liaison with members of OCR to determine their requirements for service and utilization of OCR facilities and staff.
- c. Records
 - Maintain all OCR records
 - Make records available per the Bylaws and this Manual.

D. HUMAN RESOURCES FUNCTION

Provide employees with information and necessary assistance to understand OCR's human resources policies and to promote a positive work environment; maintain and provide OCR employees with current information on human resources policies, personnel records, insurance, benefits, and job opportunities.

Maintain complete and up-to-date personnel records for all current employees.

Handle all inquiries or requests for employment verifications and employee references in accordance with OCR policies.

Fulfill all human resources, personnel, and administrative responsibilities as provided in the Employee Handbook.

E. EXECUTIVE STRUCTURE – OFFICERS AND DIRECTORS

- Consult with and advise OCR President, Officers, Directors and Committee Chairpersons in establishing OCR's goals, objectives, policies, and programs.
- Prior to the installation, meet with the incoming Officers to formulate plans for the coming year.
- Screen all publicity, announcements, and advertising pertaining to OCR
- Attend meetings of the Board of Directors and execute decisions and directives of the Association.
- Provide Officers and Directors with current copies of the Bylaws, MLS Rules and Regulations, Code of Ethics, and Policies and Procedures Manual.
- Maintain an online events calendar.

F. MEMBERSHIP

Attend meetings of the General membership.

G. COMMITTEES

- Make available and provide to Committees pertinent information (i.e., actions of OCR, other Committees working on same issues, past experiences, etc.).
- Attend or have other staff attend Committee meetings; and submit Committee reports and recommendations to Board of Directors for approval.

H. COMMUNITY ORGANIZATION

- Screen and review pertinent information for dissemination to the proper channels.
- Attend, as a representative of OCR, functions and meetings as authorized by the Board of Directors.

I. ELECTION

- Oversee election and/or membership votes in accordance with California law and OCR Bylaws and policies.

3. PRESIDENT

A. AUTHORITY

Authorized as per Bylaws

B. PURPOSE

The President shall be the corporate President of OCR, a member of the Executive Committee, and shall preside at all meetings of the membership and the Board of Directors, and shall be an ex-officio member of all Committees. The President shall communicate to the members of the Board of Directors such matters, as, in the President's opinion, are deemed proper and tend to promote the welfare and increase the usefulness of OCR. The President shall perform all other duties as are required by law or incident to the office of President or as may be prescribed by the Bylaws and the Board of Directors. The President shall automatically serve as a CAR Director.

C. QUALIFICATIONS

As set forth in the Bylaws

D. POLICIES AND PROCEDURES

i. SERVE AS PRESIDENT

Serve as President for one year

Serve as member of the Executive Committee and Board of Directors

ii. PRE-INSTALLATION GUIDELINES

- Prior to installation the following guidelines should apply:
- Attend Annual Leadership Summit, Committee Chair and Vice Chair Orientation, New Directors Orientation and Strategic Planning Retreat.
- Become generally familiar with OCR Bylaws, Code of Ethics, a summary of Robert's Rules of Order, Policies and Procedures Manual, Professional Standards Rules and Regulations, and MLS Rules and Regulations.
- Appoint Committee Chairpersons, advisory task forces and/or advisory groups and specifically entitled appointments to Executive Committee as applicable or whenever a vacancy shall exist during the term as President, subject to approval by the Board of Directors.
- Consult with President-Elect and selected Chairpersons on choice of Committee members.
- Appoint two At-Large Directors one (1) Independent, two (2) Affiliate Directors as per Bylaws.
- Meet with current President and/or Past Presidents to become familiar with the office and to, promote a smooth transfer of authority.
- Meet with General Counsel to review Bylaws and compliance with California Corporations Code.
- Meet with Committee Chairpersons and review policies, procedures, and goals for the coming year.
- Delegate such Presidential duties as appropriate to President Elect and/or other Officers throughout the year.
- Sign OCR's Confidentiality Agreement, Anti-trust and Conflict of Interest Code before taking office.
- Have electronic mail capability in order to be able to receive notices and information from OCR and Chief Executive Officer.
- Directors, including the President, are encouraged to make an annual voluntary donation of at least \$148 to the REALTOR® Action Fund.

E. MEETINGS

- i. Schedule and coordinate Board of Directors meeting calendars:
 - Check annual calendar for upcoming items in reference to election to confirm to Bylaws when coordinating agenda with Chief Executive Officer.
 - Update Board of Directors event calendar as needed and communicate updates to Board of Directors via Board of Directors Master Calendar.
- ii. Attend and conduct all Board of Directors meetings:
 - Commence meetings on time.
 - Control meetings with firm guidance and control discussion to the subject being considered
 - Confer with Chief Executive Officer or Legal Counsel for decisions on parliamentary procedure.
 - Vote only to make or break a tie.
 - Relinquish the chair for entire subject if taking part in the discussion.
- iii. Conduct Executive Committee meetings monthly or as necessary.
- iv. Make reasonable efforts to attend all major events and OCR functions and meetings. In the event the President is unable to attend an event or function, arrange for an alternate, such as the President-Elect, to attend.
- v. Attend all special Leadership meetings and OCR's Annual Leadership Summit.
- vi. Attend all Finance Committee meetings.

F. MEMBERSHIP

- Consult with and work in cooperation with the Chief Executive Officer.
- Influence the establishment of goals and objectives for the A.O.R, which are established by the Board of Directors and its strategic plan prior to the Budget preparation and in conjunction with staff input.
- Be responsible for confirming that the programs of OCR reflect the needs and aspirations of the membership.
- Act as spokesperson and inspirational leader of OCR and take a substantial role in monitoring and evaluating organizational performance and effectiveness.
- Exercise personal leadership in the motivation of other Officers, Directors, Committee members and membership.
- Promote interest and active participation in OCR by the membership.
- Report activities of the Directors and OCR to the members by means of letters, publications, and/or speeches.

G. BUSINESS

- Serve as official spokesperson for OCR
- Strive, in cooperation with the Finance Committee, to operate within an annual budget.
- Confirm that the Treasurer or Chief Executive Officer arranges to have OCR's finances audited annually.
- Be available to sign checks and contracts as needed.
- Monitor progress of Committees as ex-officio member, and make appropriate recommendations.
- Meet with President-Elect and Chief Executive Officer on regular basis to discuss OCR issues and agenda items for Executive Committee and Board of Director meetings.
- Meet with local, state and national political leaders, broker/owners and/or office managers, and marketing groups as necessary (can utilize concept of small focus groups survey meetings, i.e. breakfast meetings, etc.)

H. PUBLIC RELATIONS

- Be the official representative of the entire membership, and promote the best interests of OCR.
- Attend, in President's discretion, outside functions and meetings as a representative of OCR
- Maintain liaison with the news media, in cooperation with the Chief Executive Officer.
- Provide interviews to news media (or designate a representative to be interviewed) regarding local real estate market conditions, industry positions or trends.
- Attend functions and meetings of other Boards/Associations within the OCR's regions.

I. SERVE AS CAR AND NAR DIRECTOR

- Attend CAR Regional meetings
- Attend CAR and/or NAR Directors meetings and conventions
- Serve as official voting delegate to NAR Delegate body.

4. PRESIDENT-ELECT

A. AUTHORITY

Authorized as per Bylaws

B. PURPOSE

The President-Elect shall perform such duties as prescribed by the Bylaws and the Board of Directors, and as delegated by the President, and shall participate in and vote on OCR business. The President-Elect shall be a member of the Executive Committee and shall automatically serve as a CAR Director.

C. QUALIFICATIONS

As set forth in the Bylaws

D. POLICIES AND PROCEDURES PRIOR TO BECOMING PRESIDENT

- Become generally familiar with, prior to taking office, OCR's governing documents, such as the Bylaws, Code of Ethics and Multiple Listing Services Rules and Regulations.
- Commence selection of Committee Chairpersons for his/her year as President no later than the regular September meeting during the term as President-Elect.
- Submit recommended Chairpersons to the Board of Directors no later than the regular October meeting.

E. SERVE AS PRESIDENT-ELECT AND ASCEND TO PRESIDENCY

- Serve as President-Elect for one year, and automatically ascent to the Presidency at the end of his/her term as President-Elect, or upon vacancy in the position of President.
- Serve as a member of the Board of Directors and Executive Committee.
- Assume all chair duties for Board of Director meetings and Executive Committee meetings in absence of President or at direction of President.
- Make reasonable efforts to attend all major events of OCR.

5. TREASURER

A. AUTHORITY

Authorized as per Bylaws.

B. PURPOSE

The Treasurer is the corporate Treasurer (CFO) of OCR and shall work with staff on monthly and annual income and expense reports, budgets, tax returns, the receipt and disbursement of funds. It shall be the duty

of the Treasurer or designee(s), including the CEO, to keep the records of the Board of Directors and to carry on all necessary correspondence with NAR and CAR, and otherwise. The Treasurer shall be a member of the Executive Committee.

C. QUALIFICATIONS

As set forth in the Bylaws.

D. POLICIES AND PROCEDURES TREASURER-ELECT

- Presents candidates to President for appointment to the Finance Committee.
- Prepares the proposed Annual Budget in consultation with the Treasurer and CEO.
- Attends an Orientation at the Leadership Summit.

E. SERVE AS TREASURER

- Serve as Secretary/Treasurer (CFO) for one year.
- Present monthly financial status report to the Board of Directors.
- Chair and meet monthly or as needed with the Finance Committee.
- Arrange for the annual budget to be presented at the Annual Budget Review meeting of the Finance Committee.
- Arrange, with assistance of the Chief Financial Officer, for an annual audit to be prepared by OCR's CPA. Review the annual audit with the CPA, and present the completed annual audit to the Budget and Finance Committee.
- Review the annual Tax Returns of OCR.
- Be available to sign checks and contracts, as necessary.
- Meet monthly, or as needed, with the Budget and Finance Committee and the CEO and/or CPA or financial investment manager to review OCR's financial position.
- Review financial reports and make recommendations to the Board of Directors.
- Make reasonable effort to attend all major events of OCR.

6. IMMEDIATE PAST PRESIDENT

A. AUTHORITY

Authorized as per Bylaws.

B. PURPOSE

The Immediate Past President shall perform such duties as prescribed by the Bylaws and the Board of Directors, and as delegated by the President, and shall participate in and vote on OCR business.

C. QUALIFICATIONS

As set forth in the Bylaws.

D. POLICIES AND PROCEDURES SERVE AS IMMEDIATE PAST PRESIDENT FOLLOWING PRESIDENCY

- Serve, automatically, as Immediate Past President for one year.
- Be available to advise, from the valuable experience and knowledge gained through past years' service, whenever the occasion demands.
- Serve as a voting member of the Board of Directors and Executive Committee.
- Assist in carrying out the completion of goals from the year he/she served as President.
- Sign OCR's Confidentiality Agreement, Anti-Trust Agreement, Whistleblower Policy and Conflict of Interest Code prior to taking office and on an annual basis thereafter.

E. MEETINGS

Make reasonable efforts to attend all major events of OCR.

7. GENERAL TRAVEL POLICY

Purpose:

Orange County REALTORS® will reimburse designated members for their reasonable expenses predetermined by the Board of Directors incurred in connection with necessary and authorized Association of REALTORS® business. The purpose of this policy is to establish consistent, reasonable, and accountable standards to record and control the cost of business travel and entertainment. Controlling business travel as well as meal costs are the responsibility of each member and employee. It is expected that good judgment will be exercised when authorizing the use of and/or when utilizing Association funds. This policy covers all Orange County REALTORS® members and employees as well as individuals who are under contract with Orange County REALTORS® who incur, authorize, or reimburse Association of REALTORS® funds. Non-compliance with this policy may result in delayed/non-reimbursement and may include termination of employment.

Code of Conduct for Attendees:

1. Individuals are expected to prepare for meetings. This includes reviewing any documents provided before the meetings and being prepared to discuss anticipated issues.
2. Individuals must be properly attired when representing the Association. Business attire is required unless otherwise advised.
3. Individuals must act appropriately at all times, refrain from inappropriate conduct or harassment, and be subject to the same rules of conduct applicable to meetings and other activities of the Association. Engaging in inappropriate conduct toward other attendees or anyone while on travel is grounds for discipline pursuant to Association policy.
4. Attendance at all meetings, including timely arrival and remaining present during the meetings, is required.
5. Travel shall be the least expensive and most practical means. Attendees will only be reimbursed or compensated for previously approved Association expenses.
6. All attendees shall prepare reports that are individually composed by the attendee and represent the perceptions and experiences of the attendee. The use of meeting organizer notes is not adequate.
7. The Association reserves the right, through the Executive Committee, to suspend or revoke, with or without cause, the right of any individual to travel to any event or meeting where it appears, they may be acting on behalf of the Association. The Task Force shall have the authority to recommend removal by the Executive Committee of any traveling Director for failure to adhere to the travel policy, including but not limited to, lack of state conference or requisite state committee attendance requirements, failure to adhere to OCR policies on conduct, or for failure to provide a post-meeting written report prior to the next subsequent meeting of the OCR Board of Directors.

Procedures

TRAVEL REQUEST

A Travel Request (TR) must be completed and approved in advance of all trips. A TR is required when transportation or lodging is being purchased for a trip (e.g., airline ticket, car rental, train, bus, or hotel).

APPROVED TRAVEL

Employees should book travel arrangements in advance using the Association of REALTORS® credit card. Members should book travel arrangements in advance using their corporate or personal credit card.

AIR TRAVEL

Orange County REALTORS® members and employees are expected to accept the lowest logical airfare when traveling to control Association travel expenses.

AIRLINE ANCILLARY FEES

The following ancillary fees are not reimbursable:

- Early Boarding
- Seat Upgrades/Preferred Seating
- Baggage fees for more than one checked bag per person, unless pre-approved by the Board of Directors

CLASS OF SERVICE

Association of REALTORS®' travelers are expected to fly in coach class utilizing the lowest logical airfare when traveling on Association of REALTORS® business.

UPGRADING/DOWNGRADING

Unauthorized Upgrading:

Unauthorized upgrading of air tickets from coach to coach plus or coach plus to business class is considered a personal expense and will not be reimbursed by the Association of REALTORS®.

Fees for seat assignments/early boarding/ etc. are not reimbursable.

Unauthorized Downgrading:

A traveler may not downgrade air tickets to subsidize personal travel or to subsidize travel for non-OCR accompanying individuals. Also, changes may not be made to travel to subsidize another portion of travel-cost savings in one area may not be used to subsidize upgrades and other expenditures. No exceptions to this policy are allowed.

If the air carrier downgrades a traveler, for any reason, the refund must be returned to Orange County REALTORS®.

FREQUENT TRAVELER PROGRAMS

Mileage credits and other benefits from individual frequent traveler programs may be accumulated by the Association of REALTORS® travelers for personal use. Suppliers (airlines, hotels, car rentals, etc.) must be selected without regard to these promotional programs.

Any fees for using frequent flyer miles for upgrade are not reimbursable, and upgrade requests must be made directly with the airlines.

FLIGHT INSURANCE

When purchasing airline tickets, additional flight insurance is not a reimbursable expense.

PERSONAL TRAVEL

The Association of REALTORS® will accommodate travelers who wish to add a personal air segment to a business trip. The Association of REALTORS® will not accommodate hotel or car requests for the personal portion of a trip. It is the member or employee's responsibility to have the Association of REALTORS® quote and document the fare difference at the time of booking.

The traveler is responsible for payment of any additional costs that may be incurred with the addition of personal travel. Those costs must be paid by the traveler's personal credit card or personal check. If the fare can't be issued on a separate ticket, the employee must reimburse the Association of REALTORS® by personal check (made payable to Orange County REALTORS®) submitted to Accounts Payable. Also, a scanned copy of the check must be attached to the expense report.

CANCELED RESERVATIONS AND CHANGES

If a trip has been canceled or changed, it is the responsibility of the individual traveler to advise the Association of REALTORS® of any changes before the departure date. Should it become necessary to change reservations after the ticket has been issued, the original ticket may, in most cases, be exchanged for a new airline ticket – airline change fees may apply. If a paper ticket was issued, it must be returned immediately to the Association of REALTORS®. Contact Orange County REALTORS® for details concerning refunded airline tickets.

GROUND TRANSPORTATION

The most cost-effective means of transportation must be used while on the Association of REALTORS® business. The member or employee should investigate the use of alternative transportation (i.e., airport shuttle, taxi, ride-share, etc.). In order to receive reimbursement, the member or employee must submit receipts for parking, rideshare travel, and/or mileage.

PERSONAL AUTOMOBILES

Members or employees may be asked to use their automobiles for Association business. Mileage for business travel plus actual tolls and parking is reimbursed. Mileage is reimbursed at the IRS standard mileage rate. Mileage should be calculated as the distance from home to destination minus the commuting distance from home to office. If mileage is claimed fuel will not be reimbursed. The member or employee has the sole responsibility for ensuring his/her vehicle is insured against damage incurred while on legitimate Association business.

TRANSPORTATION FROM HOME TO AIRPORT

Shuttle service (e.g., Airporter, SuperShuttle, ride-share, etc.) may be used for round-trip transportation from the member or employee's home to the airport if the cost of airport parking plus mileage allowance equals a greater amount than the round-trip shuttle service. The most cost-effective car service (e.g., taxis, sedan service, rideshare) may be used. The Association will research and recommend the most cost-effective service.

AIRPORT PARKING

Members and employees must use long-term parking while traveling on Association business, if parking is necessary.

LODGING

Association of REALTORS travelers are expected to book reasonable lodging, by utilizing preferred conference or meeting hotels that have negotiated special rates.

HOTEL DIRECT BILLING

Association of REALTORS® travelers must use their own corporate or personal credit card for hotel accommodations and incidentals.

No hotel charges of any kind are to be billed directly to the Association unless pre-approved by Orange County REALTORS®.

TRAVEL MEALS

It is Association policy to provide a per diem amount, set by the Finance Committee, to cover the cost of reasonable meal expenses (breakfast, lunch, and dinner) for members and employees, while traveling on approved Association business. The Association will cover the cost of reasonable meal expenses up to the set per diem amount, with the support of itemized receipts. What is deemed reasonable will depend on the location traveled.

- Itemized receipts are required. All receipts must be itemized and imprinted with the name of the establishment. The date and amount of the expense must appear, but do not necessarily need to be imprinted. Alcoholic beverages are not reimbursable.
- Any payment made that is not supported by a receipt will be reported on a 1099 Misc. Form.
- Payments may be reimbursed to a corporation, upon submission of proper documents.
- Reimbursable Travel Meal Expenses
- Meal expenses are reimbursable when:
- Overnight travel is required to conduct Association business.
- A one-day trip takes the member or employee outside their normal work location. Including:
 - Breakfast if the member or employee is required to leave home more than two hours earlier than normal.
 - Lunch.
 - Dinner when a member or employee cannot reasonably return home until two hours or more after normal working hours.

SPOUSAL/GUEST TRAVEL EXPENSES – INCOME TAX TREATMENT FOR REIMBURSEMENT

Spousal/guest (“guest”) travel expenses will not be reimbursed by the Association.

EXPENSE REPORTING AND RECORD KEEPING

All Expense Reports should be submitted within 14 days of returning from a business trip. Reports submitted more than 14 days after a trip will be considered late. An expense report must be filed with supporting documents, e.g., receipts, itinerary program materials, handouts, etc. It is preferred that members make their own travel arrangements when attending C.A.R., NAR, and other industry events. A credit card authorization must be kept on file if Orange County REALTORS® makes travel arrangements for members who will be reimbursed directly for travel expenses by another organization. Members should expect that their credit card on file will be charged for travel expenses 14-days after reimbursement is directly made to the member from C.A.R. or NAR etc. if they haven’t repaid travel expenses to Orange County REALTORS® within that time frame.

1099s

1099 Forms will be issued for all required situations as defined by the IRS.

8. TRAVEL TASK FORCE POLICIES AND PROCEDURES:

A. SELECTION OF TASK FORCE

Each year Orange County REALTORS®(OCR) have a State and National Director Selection Task Force. The purpose of the Task Force is to review applications in accordance with the General Travel Policy and to select the fully funded, partially funded, alternates, and/or unfunded applicant/attendees and determine the order of priority. The Task Force shall be made of up of members who do not plan to apply for a State or National Director appointment.

B. SECTION OF STATE AND NATIONAL DIRECTORS BY TASK FORCE

Funding for National Directors

The number of funded National Directors shall be up to the number allocated by NAR and approved by Orange County REALTORS®.

Funding for State Directors:

The number of fully funded state directorships shall equal 36.

Each year, there will be 12 funded directorships available, each with a three-year term. A director may apply and complete the three-year term three times, after which, the director may choose to be unfunded for the 10th year or to take a year off from participation. During the initial cycle, starting 2021, the three year/three term limitation will start on the first full three-year cycle.

Criteria for Selection for All Applicant/Attendees:

The makeup of the delegation shall be based on several factors that add value to our representation. OCR strives for balance of seasoned volunteers along with new volunteers who will provide future leadership. OCR will look at the service record and conduct at OCR-sponsored events and other industry-related events, committee assignments, professional behavior, effectiveness of representation, knowledge sharing, preparedness, attendance, years attended and past quality of reports.

Furthermore:

- The applicant/attendee must submit a complete NAR or C.A.R. application;
- The applicant/attendee must be a member in good standing of OCR with no unsatisfied ethics, arbitration or mediation decisions, and/or licensing issues;
- **The Task Force shall prioritize selection of those members who receive leadership positions or policy committee appointments. If the member has not been selected as a Director and receives a leadership appointment after the Task Force has met, the Task Force shall revisit the application for funding;**
- The Task Force should consider the Code of Conduct for Attendees and whether the Director is a positive ambassador for Orange County REALTORS® when reviewing all applications, which includes, but is not limited to, that attendees of conferences should prepare for all meetings, wear proper attire, act appropriately, attend required meetings, arrive on time and remain present during sessions, act appropriately and refrain from engaging in inappropriate conduct or harassment, follow the Travel Policy for selecting means of travel, and prepare complete and timely reports;
- Those members seeking unfunded Director positions for travel to State and National Conferences are welcome, but they must submit an application, to be reviewed and approved by the Task Force.

9. POLICY FOR DIRECTORS UNABLE TO ATTEND MEETING

The selected traveling Directors who cannot attend the meeting are to notify OCR staff at least 30 days in advance, unless there is an emergency.

10. TRAVEL SCHOLARSHIP PROGRAM POLICY:

1. National Scholarships
 - a) OCR Travel Scholarship Program shall include up to five scholarships for travel to NAR for those members who receive a NAR committee appointment.
2. Other Real-Estate Related Conferences and Meetings
 - a) OCR approves a scholarship program for Committee Chairs, Vice-Chairs and Subject Matter Experts to attend industry-related conferences and C.A.R. conferences
3. General Policies for Travel Scholarship Program:
 - a) The reimbursement is limited up to \$1000 per conference, except for National meetings where the reimbursement is divided into two equal \$500 reimbursements per meeting and the attendee provides receipts;
 - b) Applicant/attendee shall not receive funding from another organization for the same conference;
 - c) OCR Travel Scholarship Program is subject to current budget restrictions;

- d) OCR Travel Scholarship Program amount is reimbursable only upon the applicant/attendee's submission of receipts, in accordance with OCR's General Travel Policy, and a written report to OCR staff;
 - e) Applicant/attendees shall submit a complete application to be reviewed by the Executive Committee, with the Executive Committee to select an alternate attendee in the event of cancellation;
 - f) When the Executive Committee reviews applications, the Committee should consider the potential applicant/attendee's adherence with the General Travel Policy and Code of Conduct for Attendees, including the applicant's service record and conduct at OCR-sponsored events and other industry related events, professional behavior, effectiveness of representation, knowledge sharing, preparedness, attendance, years attended, and past quality of reports;
4. All applicant/attendees must cancel at 30 days in advance of the conference, except for in the case of emergency; and
 5. The Finance Committee shall determine the number of \$1,000 scholarships available annually for the Travel Scholarship Program budget, which shall include up to five NAR scholarships.
 6. Orange County Realtors shall pay the registration fee and up to \$2500 in related travel expenses, less any other amount of travel funding received from other sources (i.e. Women's Council of Realtors, C.A.R., NAR, scholarship, stipends, etc), upon submission of receipts, to any OCR member accepted into the National Association of REALTORS "Leadership Academy" program. *[added October 2020]*

11. APPLICATIONS AND AGREEMENTS

- A. OCR DIRECTOR APPLICATION AND AGREEMENT (See Exhibit A)
- B. C.A.R. DIRECTOR APPLICATION AND AGREEMENT (See Exhibit A)
- C. NAR DIRECTOR APPLICATION (See Exhibit A)

Article X – Expenditures

1. FINANCE COMMITTEE

A. AUTHORITY

Standing Committee: Authorized by OCR. Bylaws.

B. PURPOSE

Identify the financial and budgetary needs of OCR.

Identify forces that may affect OCR's financial resources.

Develop the annual operating budget and capital expenditures budget incorporating the goals set during the Leadership Summit, or at Director Meetings or according to the Strategic Plan.

Propose annual schedule of dues and fees.

Review OCR's financial position and accounts periodically.

Review OCR's Investment Policy annually.

Provide monthly financial report to Board of Directors.

Keep abreast of OCR's tax consequences and create plan(s) to minimize tax liability.

Review unbudgeted financial requests and make recommendations to the Board of Directors for adjustments required in the total budget and the impact thereon.

C. QUORUM

A majority of committee members unless otherwise stated in the Policies and Procedures Manual. (As stated by Robert's Rules of Orders, a quorum only needs to be established at the beginning of a meeting).

D. MEMBERSHIP AND TERM

President and President-Elect are required to be a member of the Finance Committee. In conjunction with the incoming Treasurer, the President-Elect shall make the Finance Committee appointments and ensure that additionally to the President, President-Elect and Treasurer at least two more current elected Directors serve on the committee each year. Members of the Finance Committee must be primary REALTOR® members of OCR.

The members shall each serve a one (1) year term that must be ratified by the Board of Directors. Terms shall begin on January 1st and shall expire on December 31st.

The Treasurer shall serve as the Chair.

As authorized by OCR Bylaws, the President shall have the authority to remove any member from a committee, subject to confirmation by the Board of Directors.

The Director of Operations shall serve as committee liaison.

Unless they are already voting members of the committee, the newly-elected and incoming President-Elect and Treasurer are invited to attend meetings as non-voting guests of the committee until they take office on January 1st.

E. POLICIES AND PROCEDURES

The Committee will meet regularly and as needed.

Review OCR's financial position and accounts.

OCR shall conduct a regular audit no less than every three (3) years.

The auditors will present the audit report to the Finance Committee.

The committee will review and approve all unbudgeted spending requests from other committees before seeking ratification from the Board of Directors.

F. ATTENDANCE

Any committee member, who fails to attend seventy-five percent (75%) of the regular or special meetings of the committee without an excuse acceptable to the President and Chair of the committee, shall be deemed to have resigned from the committee, subject to Board of Directors approval. The vacancy shall be filled as provided for original appointees.

2. STATEMENT OF INVESTMENT POLICY, OBJECTIVES, AND GUIDELINES

GENERAL INFORMATION

The purpose of the Orange County REALTORS®' (OCR) investment policy is to provide guidance for the conservative investment of long-term reserves to enhance and to do so in ways that further the pursuit of the Orange County REALTORS® mission.

SCOPE OF THIS INVESTMENT POLICY

This statement of investment policy (Statement of Investment Policy) reflects the investment policy, objectives, and constraints of the Orange County REALTORS® long term reserves.

DEFINITIONS

1. "Orange County REALTORS®" and "OCR" shall refer to the "Orange County REALTORS®" and primarily located at 25552 La Paz Road, Laguna Hills, California, 92653."
2. "Reserve" shall mean the Orange County REALTORS® Cash Reserve.
3. "Board of Directors" shall refer to the governing board established to administer the Reserve as specified by applicable ordinance.
4. "Budget and Finance Committee" shall refer to the governing body appointed by the Board of Directors to make investment management recommendations and monitor those recommendations.
5. "Fiduciary" shall mean any individual or group of individuals that exercise discretionary authority or control over Reserve management or any authority or control over management, disposition or administration of the Reserve's assets.
6. "Investment Manager" shall mean any individual, or group of individuals, or fund, employed to manage the investments of all or part of the Reserve assets.
7. "Investment Management Consultant" shall mean any individual or organization employed to provide advisory services, including advice on investment objectives and/or asset allocation, investment manager search, and performance monitoring.
8. "Securities" shall refer to the marketable investment securities, which are defined as acceptable in this statement.
9. "Investment Horizon" shall be the time period over which the investment objectives, as set forth in this Statement, are expected to be met. The investment horizon for this Reserve is perpetual with the existence of Orange County REALTORS®. However, for asset allocation purposes, a ten-year time horizon will be utilized.

PURPOSE OF THIS INVESTMENT POLICY STATEMENT

This statement of Investment Policy is set forth by the Board of Directors of the Orange County REALTORS® in order to:

1. Define and assign the responsibilities of all involved parties.
2. Establish a clear understanding for all involved parties of the investment goals and objectives of Reserve assets.
3. Offer guidance and limitations to all Investment Managers regarding the investment of Reserve assets.
4. Establish a basis for evaluating investment results.
5. Manage Reserve assets according to prudent standards.
6. Establish the relevant investment horizon for which the Reserve assets will be managed.

In general, the purpose of this statement is to outline a philosophy and attitude, which will guide the investment management of the assets toward the desired results. It is intended to be sufficiently specific to be meaningful, yet flexible enough to be practical.

LONG-TERM INVESTMENT OBJECTIVES

In order to meet its needs, the investment strategy of OCR is to emphasize Total Return; that is, the aggregate return from capital appreciation and dividend and interest income. Specifically, the primary objective of the Investment Managers, for Reserve assets shall be:

Long-Term Moderate Growth of Capital – To emphasize long-term growth of principal while avoiding excessive risk.

Short-term volatility will be tolerated in as much as it is consistent with the volatility of a comparable market index.

High Current Income – To maximize the generation of investment income (interest and dividends) while avoiding excessive risk.

DELEGATION OF AUTHORITY

The Board of Directors of Orange County REALTORS® is a fiduciary and is responsible for directing and monitoring the investment management of the Association's assets, including assets of the Reserve as approved by this policy. As such, the Board of Directors has delegated the oversight of the policy to the Budget and Finance Committee and has certain responsibilities to be delegated to professional experts in various fields. These include, but are not limited to:

1. Investment Management Consultant. The Investment Management Consultant will assist the Board of Directors in: establishing Investment Policy, objectives, and guidelines; selecting Investment Managers; reviewing such Investment Managers over time; measuring and evaluating investment performance; and other tasks as deemed appropriate.
2. Investment Manager. The Investment Manager has discretion to purchase, sell, or hold the specific securities that will be used to meet the Reserve's investment objectives.
3. Custodian. The custodian will physically (or through agreement with a sub-custodian) maintain possession of securities owned by the Reserve, collect dividend and interest payments, redeem maturing securities, and effect receipt and delivery following purchases and sales. The custodian may also perform regular accounting of all assets owned, purchased, or sold, as well as movement of assets into and out of the Reserve accounts.
4. Additional specialists such as attorneys and auditors may be employed by the Board of Directors to assist in meeting its responsibilities and obligations to administer Reserve assets prudently.

Budget and Finance Committee

The Budget and Finance Committee will discharge its duties solely in the interest of the Reserve, with the care, skill, prudence, and diligence under the circumstances then prevailing, that a prudent person, acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character with like aims.

The Budget and Finance Committee will not reserve any control over investment decisions, with the exception of specific limitations described in these statements. The Budget and Finance Committee is responsible for the oversight of the investment policy and has delegated the execution of this policy to OCR management consisting of the CEO and CFO of the Orange County REALTORS®. Investment Managers will be held responsible and accountable to achieve the objectives herein stated. The Investment Management Consultant will monitor the investment managers to insure they are meeting the investment objectives for their stated mandate.

All expenses for such experts must be customary and reasonable, and will be borne by the Reserve as deemed appropriate and necessary.

ASSIGNMENT OF RESPONSIBILITY

Responsibility of the Investment Management Consultant(s)

The Investment Management Consultant's role is that of a limited discretionary advisor to the Board of Directors and the Budget and Finance Committee of Orange County REALTORS®. Investment advice concerning the investment management of Reserve assets will be offered by the Investment Management Consultant, and will be consistent with the investment objectives, policies, guidelines and constraints as established in this statement. Specific responsibilities of the Investment Management Consultant include:

1. Assisting in the development and periodic review of Investment Policy.
2. Conducting Investment Manager searches based on recommendations to the Budget and Finance Committee and when requested by the Board of Directors.
3. Providing "due diligence", or research, on the Investment Manager(s).

4. Monitoring the performance of the Investment Manager(s) to provide the Budget and Finance Committee and the Board of Directors with the ability to determine the progress toward the investment objectives.
5. Communicating matters of policy, Investment Manager research, and Investment Manager performance to the Budget and Finance Committee and the Board of Directors.
6. Reviewing Reserve investment history, historical capital markets performance and the contents of this Investment Policy Statement to any newly appointed members of the Board of Directors.

Responsibility of the Investment Manager(s)

Each Investment Manager will have full discretion to make all investment decisions for the assets placed under their jurisdiction, while observing and operating within all policies, guidelines, constraints, and philosophies as outlined in this statement.

Specific responsibilities of the Investment Manager(s) include:

1. Having full discretion to make all investment decisions for the assets placed under its mandate, while observing and operating within all policies, guidelines, constraints, and philosophies as outlined in this Investment Policy.
2. Reporting, on a timely basis, quarterly investment performance results to the Investment Management Consultant.
3. Communicating to the Investment Management Consultant any major changes to economic outlook, investment strategy, or any other factors, which affect implementation of investment process, or obtaining the Reserve's objectives.
4. Informing the Investment Management Consultant any qualitative change to investment management organization: Examples include changes in portfolio management personnel, ownership structure, investment philosophy, etc.
5. Voting proxies, on behalf of the Reserve.

Selection of Investment Managers

The Budget and Finance Committee will have the authority to select the appropriate Investment Manager(s) for each asset class allowed by this investment policy upon the recommendation of the Investment Management Consultant. The selection of Investment Managers must be based on a prudent due diligence process. Investment Managers being considered will be evaluated on several factors, including but not limited to, the needs of Orange County REALTORS®, 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.

Termination of a Manager

OCR management will evaluate quarterly each of the Investment Manager's trailing 12-month performance as well as rolling three and five-year period results. The Finance Committee has the authority to terminate an Investment Manager for any reason including the following:

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

Other Specialists

Additional specialists such as attorneys, auditors, and others may be employed by the Budget and Finance Committee to assist in meeting its responsibilities and obligations to administer the Reserve properly.

Fees for Professional Services

Fees for professional services must be competitive, customary and reasonable. All fees will be subject to audit by the Budget and Finance Committee. Professional fees will be paid from the assets of the Orange County REALTORS®.

GENERAL INVESTMENT PRINCIPLES

1. The Reserve shall be invested with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in the investment of a Reserve of like character and with like aims.
2. Investment of the Reserve shall be so diversified as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so.
3. The Board of Directors may employ one or more Investment Managers of varying styles and philosophies to attain the Reserve's objectives.
4. Cash is to be employed productively at all times, by investment in short-term cash equivalents to provide safety, liquidity, and return.

INVESTMENT MANAGEMENT POLICY

1. Preservation of Capital - Consistent with their respective investment styles and philosophies, Investment Managers should make reasonable efforts to preserve capital, understanding that losses may occur in individual securities.
2. Risk Aversion - Understanding that risk is present in all types of securities and investment styles, the Board of Directors recognizes that some risk is necessary to produce long-term investment results that are sufficient to meet the Reserve's objectives. However, the Investment Managers are to make reasonable efforts to control risk, and will be evaluated regularly to ensure that the risk assumed is commensurate with the given investment style and objectives.
3. Adherence to Investment Discipline - Investment Managers are expected to adhere to the investment management styles for which they were hired. Investment Managers will be evaluated regularly for adherence to investment discipline.

SPECIFIC INVESTMENT GOALS

The Budget and Finance Committee recognizes that by authorizing spending, the Orange REALTORS®'s purchasing power may be subject to erosion unless the investment strategy implemented can support the current and future levels of spending.

Over the investment horizon of 7 years, the objective of the aggregate Reserve is to be or exceed an average target rate of return of 4.1% per year.

The investment goals above are the objectives of the aggregate Reserve, and are not meant to be imposed on each investment account (if more than one account is used). The goal of each Investment Manager, over the investment horizon, is to:

1. Meet or exceed the market index, or blended market index, selected and agreed upon by the Budget and Finance Committee and the Investment Manager. The index will most closely correspond to the style of the Investment Manager.

2. Display an overall level of risk in the portfolio, which is no greater than the risk associated with the benchmark specified above. Risk will be measured by the standard deviation of quarterly returns.

Specific investment goals and constraints for each Investment Manager, if any, shall be incorporated as part of this statement of Investment Policy.

Asset Allocation Guidelines

Investment management of the assets of the Reserve shall be in accordance with the following asset allocation guidelines:

1. Aggregate Reserve Asset Allocation Guidelines (at market value)

Asset Class	Minimum	Maximum	Preferred
Equities	0%	60%	54%
Fixed Income	20%	70%	46%
Cash and Equivalents	0%	10%	0%

2. In the event that the above aggregate asset allocation guidelines are violated, for reasons including but not limited to market price fluctuations, the Board of Directors will instruct the Investment Management Consultant to bring the portfolio(s) into compliance with these guidelines as promptly and prudently as possible. In the event that any individual Investment Manager's portfolio is in violation with its specific guidelines, for reasons including but not limited to market price fluctuations, the Board of Directors expects that the Investment Management Consultant will instruct the Investment Manager to bring the portfolio into compliance with these guidelines as promptly and prudently as possible without instruction from the Board of Directors.

DEFINITION OF RISK

The Board of Directors realizes that there are many ways to define risk. It believes that any person or organization involved in the process of managing the Reserve's assets should understand how it defines risk so that the assets are managed in a manner consistent with the Reserve's objectives and investment strategy as designed in this statement of Investment Policy. The Board of Directors defines risk as:
The probability of not meeting the Reserve's objectives.

LIQUIDITY

To minimize the possibility of a loss occasioned by the sale of a security forced by the need to meet a required payment, the Board of Directors will periodically provide the Investment Management Consultant with an estimate of expected net cash flow. The Board of Directors will notify the Investment Management Consultant in a timely manner, to allow sufficient time to build up necessary liquid reserves.

To maintain the ability to deal with unplanned cash requirements that might arise, the Board of Directors realizes that 2-10% of Reserve assets are periodically maintained in cash or cash equivalents, including money market Reserves or short-term U.S. Treasury bills by the Investment Manager.

MARKETABILITY OF ASSETS

The Board of Directors requires that all of Reserve's assets be invested in liquid securities, defined as securities that can be transacted quickly and efficiently for the Reserve, with minimal impact on market price.

INVESTMENT GUIDELINES

Allowable Assets

1. Cash Equivalents

- Treasury Bills
- Money Market Reserves
- STIF Reserves
- Commercial Paper
- Banker's Acceptances
- Repurchase Agreements
- Certificates of Deposit

2. Fixed Income Securities

- U.S. Government and Agency Securities
- Corporate Notes and Bonds
- Mortgage Backed Bonds
- Preferred Stock
- Fixed Income Securities of Foreign Governments and Corporations
- Planned Amortization Class Collateralized Mortgage Obligations (PAC CMOs) or other "early tranche"
- CMOs

3. Equity Securities

- Common Stocks
- Convertible Notes and Bonds
- Convertible Preferred Stocks
- American Depositary Receipts (ADRs) of Non-U.S. Companies
- Stocks of Non-U.S. Companies (Ordinary Shares)

4. Mutual Funds

- Mutual Funds which invest in securities as allowed in this statement.

5. Other Assets

- Alternative Investments to be approved by the Board of Directors

Derivative Investments

Derivative securities are defined as synthetic securities whose price and cash flow characteristics are based on the cash flows and price movements of other underlying securities. Most derivative securities are derived from equity or fixed income securities and are packaged in the form of options, futures, CMOs (PAC bonds, IOs, POs, residual bonds, etc.), and interest rate swaps, among others. The Board of Directors feels that many derivative securities are relatively new and therefore have not been observed over multiple economic cycles. Due to this uncertainty, the Board of Directors will take a conservative posture on derivative securities in order to maintain its risk adverse nature. Since it is anticipated that new derivative products will be created each year, it is not the intention of this document to list specific derivatives that are prohibited from investment, rather it will form a general policy on derivatives. Unless a specific type of derivative security is allowed in this document, the Investment Manager(s) must seek permission from the Budget and Finance Committee to include derivative investments in the Reserve's portfolio. The Investment Manager(s) must present detailed information as to the expected return and risk characteristics of such investment vehicles.

Alternative Investments

Alternative investment strategies (strategies applied using a combination of the allowable asset classes) may provide added benefits in the form of increased return and/or reduced volatility through greater diversification. Accordingly, OCR may invest a portion of the Long-Term Fund from time to time in hedge equity strategies and market neutral strategies, at cost, according to the allocation set forth in below. Hedge equity strategies are both private and public investment vehicles generally structured as limited partnerships or investment companies. Hedge equity Investment Managers are allowed to operate with greater flexibility than most traditional investment managers and their compensation usually includes substantial performance incentives. It is understood that hedge equity and market

neutral strategies are less transparent than traditional investments, but reasonable levels of transparency and reporting are expected in order to monitor the investment appropriately. It is understood that liquidity in such investments may be limited. Liquidity constraints, including lock-up provisions, will be taken into consideration when making allocations to alternative investments. Before recommending an investment in a market neutral fund or individual hedge equity, the Investment Advisor will review the offering memorandum or prospectus to ensure that the investment complies with this Policy.

Prohibited Assets

In general, prohibited investments include, but are not limited to the following, unless approved by the Board of Directors:

1. Individual Equity Securities
2. Private Placements
3. Options
4. Limited Partnerships
5. Venture-Capital Investments
6. Real Estate Properties

Prohibited Transactions

In general, prohibited transactions include, but are not limited to the following, unless approved by the Board of Directors:

1. Margin Transactions

Diversification for Investment Managers

The Board of Directors does not believe it is necessary or desirable that securities held in the Reserve represent a cross section of the economy. However, in order to achieve a prudent level of portfolio diversification, the securities of any one company should not exceed 5% (cost basis) of the total Reserve or 10% (market value) of the total Reserve. No more than 20% of the total Reserve should be invested in any one industry. Individual U.S. Treasury and U.S. Agency securities may represent up to 100% of the Reserve's aggregate bond position.

Guidelines for Fixed Income Allocation

Fixed income Investments and Cash Equivalents

- No less than 80% of the fixed income assets may be invested in investment grade bonds rated BBB/Baa (or equivalent) or better. Up to 20% of the total portfolio may be invested in non-rated bonds or bonds of less than investment grade as well as non-dollar demonstrated securities.
- Reserve assets may be invested only in commercial paper rated A1 (or equivalent) or better.
- Fixed income maturity restrictions are as follows:
 - Average duration of the portfolio should be +/- 1 year to the index.
- Money Market Reserves selected shall contain securities whose credit rating at the absolute minimum would be rated investment grade by Standard and Poors, and/or Moody's.

INVESTMENT MANAGER PERFORMANCE REVIEW AND EVALUATION

Performance reports generated by the Investment Management Consultant shall be compiled at least quarterly and communicated to the Budget and Finance Committee for review. The investment performance of the total portfolio, as well as asset class components, will be measured against commonly accepted performance benchmarks. Consideration will be given to the extent to which the investment results are consistent with the investment objectives, goals, and guidelines as set forth in this statement. The Board of Directors intends to evaluate the portfolio(s) over at least rolling three and five year periods.

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.

INVESTMENT POLICY REVIEW

To assure continued relevance of the guidelines, objectives, financial status and capital markets expectations as established in this statement of Investment Policy, the Budget and Finance Committee plans to review Investment Policy at least annually.

This statement of Investment Policy is adopted on May 28, 2014 and updated on May 27, 2020 after the Board of Directors of the Orange County REALTORS® approved the related motions from the Finance Committee Minutes.

3. AWARDS AND GIFTS

Gift budget for outgoing President

A maximum of \$500 for a gift for the outgoing President has been established. The Board of Directors may approve a higher expenditure at their discretion.

Year-End Directors' Gifts

The outgoing President shall present gifts to each of the Officers and Directors who served during the year. Gifts should be in the \$100 - \$150 range.

Retiring Directors Gifts

The outgoing President shall present gifts to each of the retiring Directors who served during the year. Gifts should be in the \$100 - 150 range.

Committee Chairs

The outgoing President shall present thank you gifts to the Committee Chairs. Gifts should be in the \$75 - \$100 range.

President's Award

The outgoing President may award a "President's Award" to the person(s) who most significantly assisted the President during his/her term. Gift(s) should not exceed \$150 per person, not to exceed a total budget of \$500, and not to award more than three people.

Flowers and Memorials

The CEO has the authority and discretion to send flowers and memorials as appropriate.

4. FRAUD AWARENESS AND PREVENTION

Article XII – Committees

1. ALL COMMITTEES

A. AUTHORITY

Authorized as per Bylaws and/or NAR policies.

All Committees shall operate under Robert's Rules of Order.

Committees get their *authority* from the governing documents; and their *assignments* from the Board of Directors.

B. PURPOSE

Committees supplement the work of the Board of Directors. They provide knowledge, time and resources that the Board and staff may not have.

C. MEMBERSHIP AND TERM

Any primary REALTOR® members in good standing of OCR who are not nominated, running, elected or serving on a board of directors or a committee or task force of another local REALTOR® Association are eligible to serve on Committees, subject to training required, as applicable. Members of Standing Committees for the following year are appointed by the President-Elect and confirmed by the Board of Directors, except as otherwise stated in the Policies and Procedures Manual. Specific committees are open only to REALTOR® members.

The President shall be ex-officio non-voting member of all Committees with the exception of Grievance and Professional Standards Committees and receive notice of their meetings.

If a vacancy shall occur, the President shall make the appointment, subject to confirmation by the Board of Directors. The President shall have power to remove any committee member subject to confirmation by the Board of Directors.

The President appoints the Chair and Vice Chair of each committee (except the Affiliates Committee), the Chair selects committee members which must be ratified by the Board of Directors.

D. TYPES OF COMMITTEES

Standing Committees are named in the Bylaws. They are assumed to continuously function.

OCR's Primary Standing Committees are:

- Bylaws
- Executive
- Finance
- Grievance
- MLS
- Credentials
- Professional Standards

Additional Standing Committees are re-formed annually by the President.

- Affiliate (North & South)
- Awards Selection
- Green
- Global Business Alliance
- Independent Broker Alliance
- Leadership & Personal Development
- Local Government Affairs (North & South)
- OC YPN
- OCAR Cares Steering
- Political Affairs & Elections (PAEC)
- REALTOR® Risk Management

Service on volunteer committees is open to all members. Members volunteer for service, and their assignment is based on the needs of the committee to accomplish their objective and activities. In some cases, this may include work experience, special knowledge, or past committee service.

Guest Policy: (Approved by BOD 7/25/18).

- Guests who are a member of the Association must abide by the Association rules, Confidentiality, Anti-Trust, and Conflict of Interest policies.
- Non-member guests must be invited by the Committee Chair
- Guests do not have voting privileges
- Guests do not count towards a quorum

Task Forces and Sub-Committees

- Task Force members are appointed by the president, from among REALTOR® and Affiliate members in good standing with fully-paid membership dues and approved by the Board of Directors. Appointments are based on their interest and knowledge of a specific project as well as their past work and experience. Task Forces are appointed for specific purposes and disband when the work is done or sunset after one year.
- The President shall be ex officio non-voting member of all Committees, Sub-Committees and Task Forces and receive notice of their meetings.
- If a vacancy occurs on a Task Force, the President shall make the appointment, subject to confirmation by the Board of Directors.
- The President in consultation with the Chair shall determine the number of members of their committee.
- A sub-committee may be formed by the Committee Chair, and members are not subject to appointment by the President. (Approved by Bylaws Committee 7/29/16).
- The President shall have the power to remove any committee member subject to confirmation by the Board of Directors.

Committee Service

Committee and task force members are expected to attend meetings and participate in assignments. OCR Management Team Liaisons maintain record of their service, showing each assignment, years served, and positions held.

Committee Appointments

The best-qualified members for each committee appointment, including chairs and co-chairs are selected by:

- Discussion appointments with present committee chairs and liaisons.
- Suggestions for committee appointments from officers, members of the Executive Committee, and member firms.
- Referring to committee service record.
- Selecting chairs and co-chairs from members of committee who have been active and who have demonstrated interest.
- Obtain the acceptance of committee chair and co-chair in advance of the appointment.
- When selecting Chairs/Co-Chairs/Vice Chairs consideration shall be given to members of the Committee who have been active and demonstrated interest.
- Contact members considered for appointment in person to discuss availability.
- Explain the duties and responsibilities of the appointment, and indicate the expenditure of time required.
- Determine willingness of member to serve if appointed.

Other considerations in committee appointments:

- Endeavor to have proper distribution on firm affiliation and membership demographics.
- Provide proper geographic distributions.

- Identify the talents your committee needs and seek members with those talents.

E. QUORUM

Majority of Committee members unless otherwise stated in the Policies and Procedures Manual. (As stated by Robert's Rules of Orders, a quorum only needs to be established at the beginning of a meeting).

F. POLICIES AND PROCEDURES

GENERAL OPERATIONAL POLICIES AND PROCEDURES

- A. Chairperson for the following year shall be selected by the President-Elect, except as otherwise provided in the Bylaws or Policies and Procedures Manual and confirmed by the Board of Directors. If a vacancy occurs during the year, the appointment shall be made by the President and confirmed by the Board of Directors. Affiliate Committees (North and South) annually elect their own Chair.
- B. Calls to OCR's Attorney and CPA must be channeled through the President and the CEO.
- C. No Committee may contractually or financially bind or obligate OCR or its membership without the written approval of Board of Directors.
- D. All correspondence, contracts, and advertisements must be directed to OCR business office address to the attention of the CEO.
- E. All correspondence and press releases shall be approved by the President and the CEO and processed through office staff.
- F. OCR stationery shall not be used without the express written permission of the CEO.
- G. Committee Chairs and Vice Chairs shall attend an orientation regarding duties and responsibilities provided by OCR.
- H. Committee Chairs, Vice Chairs, members, and guests shall sign OCR's Confidentiality Agreement, Anti-Trust Agreement and Conflict of Interest Code and Whistleblower Policy.
- I. Committee Chairpersons shall abide by and may receive a copy of the following:
 1. OCR Bylaws, and
 2. Policies and Procedures Manual.
- J. A staff liaison is assigned to serve as a resource and promote progress. Liaisons do not replace the Committee Chair. Staff Liaisons keep open communications between the board and the committee, and serve as an advocate.
- K. Minutes shall be maintained for all Committee and Task Force meetings. A draft shall be sent to the Committee Chair for review before being sent to the Board of Directors for ratification. Committee minutes help keep the board and staff informed of committee progress and needs; they do not have to be formal, as long as they properly document the meeting.
- L. Staff Liaison shall serve as "secretary" to prepare the minutes. The liaison should submit typed minutes to the Committee Chair no later than ten (10) days after the meeting.
- M. The chair should edit the minutes and send a final version to the staff liaison.
- N. Staff shall maintain a permanent record of all committee minutes in a notebook filed with the CEO.
- O. The Chair shall consult with the staff liaison in preparing reports or proposals to the Board of Directors.
- P. Committee authority is limited to making a motion or recommendation for consideration and ratification by the Board of Directors. Staff liaisons will reproduce the minutes and e-mail or add to Dropbox copies to the Board of Directors for ratification.
- Q. Understand the policies and procedures that relate to the work of committees.
- R. Seek helps on interpretations or questions.
- S. Committees shall not engage in branding / logo design without the direction and approval of the Board of Directors. (approved by BOD 5/29/2019)

G. MEETING CALL AND NOTICE

- A. May be called by the Chair, any two Committee members, or the President.

- B. Shall be scheduled through OCR office and held during regular OCR office hours in an OCR facility unless there are extenuating circumstances requiring a different location.
- C. Meeting notice is to be sent out by OCR staff at least one week before the meeting. All Committee Chairs and members shall have electronic mail capacity to receive notices and other information.

H. MEETING ATTENDANCE

- Any committee member, who fails to attend seventy- five percent (75%) of the regular or special meetings of the committee without an excuse acceptable to the President and Chair of the committee, shall be deemed to have resigned from the committee, subject to Board of Directors approval. The vacancy shall be filled as provided for original appointees. The vacancy shall be filled as provided for the original appointees.
- Plan to attend all meetings of your Committee. If you cannot attend, advise the chair in advance of the meeting.
- A conference call for remote attendance is not permitted except for extenuating circumstances.
- Complete assignments on a timely basis. Be accountable for your commitments.

I. COMMITTEE CHAIR DUTIES

Organizational Meeting of the Committee.

- Conduct an organizational meeting as soon as possible.
- Meet with staff liaison and board liaison before the organizational meeting and determine how the committee will be organized.
- Ask the President/President-Elect about current year charges and performance expectations for your committee.

Committee Meetings.

- Arrange dates and locations with the staff liaisons. Try to schedule meetings when the liaisons can attend. It is recommended that meetings be scheduled for the entire year – in advance.
- Meeting notices are sent to committee members. Do not change a meeting date, time or location without advising all persons and ensuring the change in OK.
- Prepare an agenda and distribute it in advance of the meeting to committee members.
- Maintain attendance records for all meetings.

Committee Charges.

- Establish how the year's work should be accomplished, (within OCR guidelines) including the appointment of sub-committees, the timing of meetings, expectations, metrics, deadlines, etc.
- Communicate the assignments of all committee members and ensure they understand.
- Coordinate and cooperate with any related committees; don't work in a silo.
- Submit interim, year-end, and other reports to OCR via the staff liaison.
- Monitor and evaluate the performance of committee members (do they attend, do they follow-through, etc.)

Committee Budget.

- A. If funds are needed, prepare a written, detailed budget request for consideration; budget requests should be submitted to the OCR CEO for action to take place on the proposed expense.
- B. If the committee plans to generate funds through their efforts, this should be facilitated with OCR.

Minutes.

- A staff liaison shall serve as 'secretary' to prepare the minutes. The liaison should submit typed minutes to the committee chair no later than ten (10) days after the meeting.
- The Chair should edit the minutes and send a final version to the staff liaison.
- Staff liaisons will reproduce the minutes and email copies to the Board of Directors for ratification. A permanent record of all committee minutes is maintained in the association office.
- Consult with liaisons in preparing reports or proposals to the Board of Directors.

J. RESPONSIBILITIES OF COMMITTEE MEMBERS

Committee Charge

- Be familiar with the objective and activities of the Committee
- Be familiar with the general responsibilities of Committees.

Committee Meetings.

- Plan to attend all meetings of your Committee. If you cannot attend, advise the chair and staff in advance of the meeting.
- Complete assignments on a timely basis. Be accountable for your commitments.

Policies and Procedures

- Understand the policies and procedures that relate to the work of the Committees.
- Seek help on interpretations or questions.

Correspondence/Communications

- Abide by the policy on public statements, especially regarding official communications and speaking for OCR.
- The Committee does not have authority to use OCR letterhead without explicit approval.

REPORTING

- All Committee and Task Force minutes and recommendations shall be forwarded to the CEO for presentation to Board of Directors for ratification and possible action.
- Legislative Issues of a time sensitive nature may be brought forward by OCR Management Team member(s) to the Executive Committee if the issue is specifically addressed in C.A.R.'s State Legislative Issues Report for that year. Action can be taken once approved by the Executive Committee

FISCAL RESPONSIBILITY

- Budget proposals should be submitted to the Finance Committee for the following year, as soon as practical before the end of the third quarter.
- Requests for all non-budgeted expenditures must be submitted to the Finance Committee through the CEO and approved by the Board of Directors.
- Approved budgeted requests will be presented to staff for processing.

2. BYLAWS COMMITTEE

A. AUTHORITY

Authorized by OCR Bylaws.

B. PURPOSE

The Bylaws Committee is a Standing Committee.

The purpose of the Bylaws committee is to review, and when appropriate, propose amendments to OCR's Bylaws.

The Bylaws Committee assures the OCR Bylaws are up-to-date with mandatory state and national changes.

The Bylaws Committee recommends additions, changes and deletions to the policies and procedures outlined in OCR's Policies and Procedure Manual.

C. QUORUM

A majority of committee members unless otherwise stated in the Policies and Procedures Manual. (As stated by Robert's Rules of Orders, a quorum only needs to be established at the beginning of a meeting).

D. MEMBERSHIP AND TERM

The Committee Chair and Vice-Chair shall be appointed by the OCR President to one-year (1) year terms that must be ratified by the Board of Directors. Terms shall begin on January 1st and shall expire on December 31st

The Chair and Vice Chair shall appoint REALTOR® members to the committee to one-year (1) year terms that must be ratified by the Board of Directors. Terms shall begin on January 1st and shall expire on December 31st

The President in consultation with the Chair shall determine the number of members of their committee.

As authorized by OCR Bylaws, the President shall have the authority to remove any member from a committee subject to confirmation by the Board of Directors.

E. POLICIES AND PROCEDURES

The committee meets annually, or as needed.

The CEO will appoint a member of the management team to serve as committee liaison.

F. ATTENDANCE

Any committee member, who fails to attend seventy- five percent (75%) of the regular or special meetings of the committee without an excuse acceptable to the President and Chair of the committee, shall be deemed to have resigned from the committee, subject to Board of Directors approval. The vacancy shall be filled as provided for original appointees.

3. EXECUTIVE COMMITTEE**A. AUTHORITY**

Authorized by OCR Bylaws.

B. PURPOSE

The Executive Committee is a Standing Committee.

Members include the President, President-Elect, Treasurer, Immediate Past-President, and CEO.

When elected as President-Elect and Treasurer-Elect during the annual election of officers (for the following year), these officers will be added to the committee for the remainder of the current year, but will be non-voting members and will not be included as part of the quorum.

The Executive Committee assists the Board of Directors in completing its tasks efficiently and expeditiously, it may meet more frequently than the Board of Directors and moves more nimbly.

The Executive Committee reviews issues facing the association and makes recommendations or preliminary decisions on business matters ranging from strategy planning, policy, investment, and risk. All issues to be ratified at the Board of Directors meeting.

The Executive Committee serves as a sounding board for management on emerging issues, problems, and initiatives.

The Executive Committee may name members of Orange County REALTORS® to serve as Association representatives to other organizations.

C. QUORUM

A majority of committee members unless otherwise stated in the Policies and Procedures Manual. (As stated in Robert's Rules of Orders, a quorum only needs to be established at the beginning of a meeting).

D. MEMBERSHIP AND TERM

The OCR President shall be Chair, and members serve one-year (1) year terms that must be ratified by the Board of Directors. Terms shall begin on January 1st and shall expire on December 31st.

E. POLICIES AND PROCEDURES

The committee meets monthly or as needed

The CEO will serve as committee liaison and is a non-voting member.

The Executive Committee reports to the Board of Directors on any official actions it has taken.

The Executive Committee shall have the authority to make decisions on behalf of the Board of Directors on time-critical administrative and policy matters that arise between Board meetings. A majority of the members of the Executive Committee shall constitute a quorum for the transaction of business. Meetings may be called by the President or by any two Executive Committee members. The Executive Committee shall keep minutes of its meetings and shall report all actions taken by it at the first meeting of the Board following the taking of such action.

The Executive Committee is responsible for selecting the CEO and his/her evaluation and compensation package.

F. ATTENDANCE

Any committee member, who fails to attend seventy-five percent (75%) of the regular or special meetings of the committee without an excuse acceptable to the Chair of the committee, shall be deemed to have resigned from the committee, subject to Board of Directors approval. The vacancy shall be filled as provided for original appointees.

4. MLS COMMITTEE

A. AUTHORITY

Authorized by OCR Bylaws.

B. PURPOSE

The purpose of the MLS Committee is to act as liaison between OCR's membership and the California Regional Multiple Listing Service (CRMLS).

The MLS Committee brings REALTOR® concerns and recommendations regarding products, services, rules and regulations to the CRMLS Board of Directors.

The MLS Committee makes recommendations on new geographic areas and defines and adjusts existing boundaries.

The MLS Committee develops programs to keep OCR members informed and updated on MLS services, rules, regulations, tools and platforms. Programs may include an MLS Forum.

C. QUORUM

A majority of committee members unless otherwise stated in the Policies and Procedures Manual. (As stated by Robert's Rules of Orders, a quorum only needs to be established at the beginning of a meeting).

D. MEMBERSHIP AND TERM

Committee Chair, Vice-Chair and members shall be appointed by the OCR President to one-year (1) year terms that must be ratified by the Board of Directors. Terms shall begin on January 1st and shall expire on December 31st

Members shall be REALTOR® members in good standing of the Association.

All members of the committee shall be MLS participants or subscribers.

Any vacancy shall be filled by the President and approved by the Board of Directors.

The President shall have the authority to remove a committee member.

E. POLICIES AND PROCEDURES

The committee meets monthly (10 x year), or as needed.

Committee members must complete or submit an application that includes current contact info, experience, special skills and/or knowledge and reason for wanting to serve.

The CEO will appoint a Management Team Member to serve as committee liaison

ATTENDANCE

Any committee member, who fails to attend seventy- five percent (75%) of the regular or special meetings of the committee without an excuse acceptable to the President and Chair of the committee, shall be deemed to have resigned from the committee, subject to Board of Directors approval. The vacancy shall be filled as provided for original appointees.

5. CREDENTIALS COMMITTEE

A. AUTHORITY

Authorized as per OCR Bylaws.

B. PURPOSE

The purpose of the Credentials Committee shall be to screen announced candidates for qualification and to resolve any issues relating to qualification and the conduct of election activities.

The Credentials Committee may solicit and promote persons to run for the open Elected Director positions. However, the Credentials Committee shall not endorse or in any manner suggest one candidate is better qualified than other candidates

The Credentials Committee screens applications for the positions of President-Elect and Treasurer.

The Credentials Committee determines ballot order by mirroring the Secretary of State's determination of random alphabet draw of letters used to determine the order that the candidates will be listed. The alphabet is applied throughout the candidate's entire last name, so if more than one candidate's surname begins with the same letter, the second letter of the surname determines who goes first.

The Credentials Committee prepares the slate of prospective Board of Director candidates duly qualified to serve on the Board of Directors, for the terms as set forth in the Bylaws, in addition to identifying, encouraging, and mentoring OCR's future leaders. The Credentials Committee meets annually. Closed Committee.

C. QUORUM

A majority of committee members unless otherwise stated in the Policies and Procedures Manual. (As stated in Robert's Rules of Orders, a quorum only needs to be established at the beginning of a meeting).

D. MEMBERSHIP AND TERM

The Immediate Past President serves as Chair and shall appoint, subject to approval by the Board of Directors, members all of whom shall be REALTOR® members in good standing of the Association. Both geographical areas (North and South) must be represented.

No member of the Committee may be a candidate for any elective office.

Any vacancy shall be filled by the President and approved by the Board of Directors.

No more than one (1) committee member from the same broker-owned office or firm shall simultaneously serve.

Committee shall remain intact to perform the same services for any special elections of Officers and Directors that may be necessary or required, per Bylaws.

Members should not have a direct personal involvement in the results of the vote.

MEETINGS

The CEO/Executive Assistant shall serve as Committee Liaison.

E. POLICIES AND PROCEDURES

The Credentials Committee shall work independently from the Board of Directors.

All notices and reports in connection with the election may be accomplished by personal delivery, first-class mail, facsimile, electronic mail or other electronic means.

The Committee shall seek qualified candidates for Board of Directors in the candidate selection process, and shall verify qualifications of all candidates to determine their eligibility and that all nominated individuals meet the qualifications as outlined in Article X, Section 3 (c) of the Bylaws, as follows:

- A. To be qualified to run for the position of an Elected Director, a candidate must have been a REALTOR® member in good standing of OCR continuously during the twenty-four (24) months immediately prior to being seated. They must have completed a one (1)-year term of service on any one of OCR's committees within the past two years preceding the nomination and must have satisfied the attendance requirements for service on that committee (service is defined as having attended a minimum of 75% of the regular or special meetings of the committee during the year) or, as an alternative to the committee service requirement the candidate must have satisfactorily completed OCR's Leadership Academy.

The member also must be in good standing with the California Bureau of Real Estate for the previous twenty-four (24) months and not have any disciplinary issues, suspensions or other findings of a violation of the real estate licensing laws or regulations pending.

- B. No more than two (2) Elected and one (1) Appointed members from the same broker-owned office, firm, partnership or corporation is allowed to serve at the same time.
- C. At the time of nomination, candidates must meet all qualifications for office at the beginning of the term for which he/she is a nominee.
- D. No person may be a candidate for more than one position whether nominated by the Credentials Committee or by petition.
- E. Candidates are strongly encouraged, at a minimum, to make a \$148.00 "true cost of doing business" contribution to the CAR Political Action Fund.
- F. Candidates wishing to run for President-Elect or Secretary and Chief Financial Officer (Treasurer) are required to submit a "Declaration of Running for Office" Form no later than the end of the business day of the May Board of Directors meeting.
- G. At the May Board of Directors meeting any Director eligible to vote (see Section (a) may nominate any eligible Director for the office of President-Elect or Secretary / Treasurer. If the nomination is accepted by said Director then the nominated Director must submit a "Declaration of Running for Office" Form no later than the end of the business day of the May Board of Directors meeting.
- H. Should all potential Officer Nominees withdraw before the June election then the Board of Directors will entertain nominations from the floor during the June meeting. Nominees will be given time to address the Board of Directors, and then the Election will proceed immediately.
- I. Notwithstanding the provision in these Bylaws relating to term limits outlined in Article X, Section A.6., the President-Elect may serve as President in the year after his or her term as a director would otherwise have ended and may be seated as a Director during the year in which the a person is the President and the following year when serving as the Immediate Past President.

Bullet voting (voting for only one candidate to the exclusion of all other candidates) and candidate slate voting (formal or informal) is not permitted. *(Approved by OCR Board of Directors meeting February 24, 2016).*

Whenever possible, the committee shall consist of past officers and directors, or persons serving as a broker for a brokerage firm.

The Committee Chairperson shall deliver the Credentials Committee' slate of candidates to the Board of Directors. The Slate of the Credentials Committee shall be communicated to all voting members in accordance with the Bylaws on or before April 20th and may be disseminated by electronic mail.

Ballot order for candidates for Board of Directors elections will be determined by mirroring the Secretary of State's determination of random alphabet draw of letters used to determine the order that candidates will be listed. The alphabet is applied throughout the candidate's entire last name, so if more than one candidate's surname begins with the same letter, the second letter of the surname determines who goes first.

Voting shall commence on the second Monday in May, and voting shall be completed by the close of business 14 days later unless said date falls on a public holiday in which case the voting shall cease upon close of business of the next business day.

Voting shall take place by electronic balloting.

Proxy or absentee ballots will not be accepted.

The Credentials Committee shall verify the results of the election at the conclusion of the voting period. The winning candidates shall be those candidates with the highest number of votes. In the event a partial term is being filled, the candidates with the highest number of votes shall be named to the available three-year terms. The candidate with the next highest number of votes shall be named to the longest partial term, and so on until all available terms are filled.

The Credentials Committee will notify nominees and instruct staff to notify the membership of election results, in accordance with OCR Bylaws.

Members shall keep all discussions, deliberations, decisions, voting tallies, voter participation of the Committee *completely confidential*.

F. GENERAL ELECTION GUIDELINES AND RULES

CONDUCT OF CANDIDATES FOR OFFICE

A. Candidates may:

1. Campaign at their expense.
2. Distribute flyers in accordance with election rules.
3. Distribute biographic information and photographs in accordance with rules and procedures governing all candidates as promulgated by the Nomination Committee and the Board of Directors, all in accordance with OCR's Policies and Procedures Manual.
4. Campaign at OCR functions or events, including weekly Marketing Meetings, as long as they have obtained permission first from the meeting leader or facilitator.

B. Candidates may not:

1. Use OCR mailings, supplies, or staff time.
2. Run as part of a team or slate.
3. Use the OCR logo on campaign material, or suggest by using the OCR name and brand that their candidacy is endorsed by the Association.
4. Candidates may not ask voters for an exclusive, bulleted vote.

BALLOT

- A. Elections are currently held by electronic ballot.

- B. The ballot shall contain the names of all candidates and specify the Director position for which each person is nominated.
- C. The names on the ballot shall be the Credentials Committee's Slate of Candidates.
- D. Candidates are not permitted to run as part of a group or slate - formally or informally.
- E. In the event of a tie vote, the winner will be determined by a majority of the remaining members of the Board of Directors then in office, excluding any Director seeking re-election who is the subject of the tie vote.
- F. Ballots in connection with the election may be accomplished by personal delivery, first-class mail, facsimile, electronic mail or other electronic means.

G. REPORTING THE VOTE

Upon completion of tabulation, a report shall be prepared and given to the CEO.

6. LEADERSHIP AND PERSONAL DEVELOPMENT COMMITTEE

A. AUTHORITY

Authorized by OCR Bylaws.

B. PURPOSE

The Leadership and Personal Development Committee is a Standing Committee.

The main responsibility of the Leadership and Personal Development Committee is to encourage leadership, mentor, guide, and educate OCR members on the value of serving.

The purpose of the Leadership and Personal Development Committee is to develop paths of leadership for those wishing to serve our Association, the real estate industry, or the community.

The Leadership and Personal Committee participates in promotion, of OCR's Annual Leadership Academy and is responsible for the review and selection of candidates.

The Leadership and Personal Committee initiates training so that future leaders learn specific skills and perspective to achieve effectiveness in leadership, business and life; and to develop the confidence to embrace the responsibility to serve as a leader in the real estate industry and beyond.

The Leadership and Personal Committee identifies, encourages and mentors OCR's future leaders, and acts as a liaison to the Leadership Academy and its alumni.

C. QUORUM

A majority of committee members unless otherwise stated in the Policies and Procedures Manual. (As stated in Robert's Rules of Orders, a quorum only needs to be established at the beginning of a meeting).

D. MEMBERSHIP AND TERM

The Committee Chair and Vice-Chair shall be appointed by the OCR President to one-year (1) year terms that must be ratified by the Board of Directors. Terms shall begin on January 1st and shall expire on

December 31st.

The Chair and Vice Chair shall appoint REALTOR® and Affiliate members to the committee to one-year (1) year terms that must be ratified by the Board of Directors. Terms shall begin on January 1st and shall expire on December 31st. The committee must include two graduates of the Leadership Academy appointed by the President if necessary.

The President, in consultation with the Chair, shall determine the number of members of their committee. If the committee does not have representation from the Alumni of the Leadership Academy, the President shall appoint at least two (2) members of the graduating Leadership Academy class to serve as members of the Leadership Development Committee.

The President shall have the authority to remove a committee member subject to confirmation of the Board of Directors.

E. POLICIES AND PROCEDURES

The committee meets quarterly, or as needed.

Representatives of the Leadership Academy will Chair/Co-Chair the Leadership Academy Alumni to institute and coordinate Alumni activities.

The Leadership and Personal Development Committee will develop and facilitate a quick-start program to assist newly elected Board of Directors, as well as C.A.R. and NAR Directors, to understand and complete their responsibilities.

The Leadership and Personal Development Committee will develop recommendations and guidelines for OCR Directors wishing to pursue Officer positions at OCR and leadership opportunities at the state and national level.

The CEO will appoint a member of the management team to serve as committee liaison.

F. ATTENDANCE

Any committee member, who fails to attend seventy-five percent (75%) of the regular or special meetings of the committee without an excuse acceptable to the President and Chair of the committee, shall be deemed to have resigned from the committee, subject to Board of Director's approval. The vacancy shall be filled as provided for original appointees.

7. PROFESSIONAL STANDARDS COMMITTEE

AUTHORITY

Standing Committee: Authorized as per NAR, C.A.R. and OCR Bylaws.

PURPOSE

Responsible for enforcement of the NAR Code of Ethics, Multiple Listing Service Rules and OCR Bylaws or Rules through a hearing and entry of an award by the Professional Standards panel, but does not include conversion into a collection of a civil court judgment.

Provides procedures for enforcement of the NAR Code of Ethics, Multiple Listing Service Rules and OCR Bylaws or Rules.

Provides hearings for alleged violations of the NAR Code of Ethics, Multiple Listing Service Rules and OCR Bylaws or Rules.

Provide arbitration hearings pursuant to NAR Code of Ethics Article 17 disputes between REALTORS® or REALTOR® and their clients.

Provides an Ethics Advocate.

QUORUM

Majority of Committee members

COMMITTEE MEETINGS

Committee meets as needed.

HEARINGS

Hearings are “on call.” Hearing tribunals are defined in the C.A.R Code of Ethics and Arbitration Manual.

MEMBERSHIP AND TERM

The President shall annually appoint for staggered three (3) year terms, subject to approval by the Board of Directors, as many members as are necessary, all of whom shall be REALTOR® members who have been OCR. members for at least two (2) years. Presently this Committee ranges from 30 to 85 members.

Members must have served on the Grievance Committee.

Committee members must have attended a Professional Standards Seminar after appointment to the Grievance Committee and complete annual mandatory training to qualify.

Members shall be in compliance with the Regulations of the Real Estate Commissioner for one year immediately prior to being appointed and when appointed.

Members shall be licensed by California BRE and such license shall not have been restricted at the time of appointment or one year immediately prior to being appointed.

COMMITTEE TRAINING REQUIREMENTS

- A. A group of nine (9) – twelve (12) experienced Professional Standards Committee members, who complete additional training each year, may serve as paid Presiding Officers on Hearing Panels. They will be compensated at a rate of \$125 for any full or partial block of four hours spent. (February 2012)
- B. OCR Directors who are willing to complete additional training each year, and are willing to serve on Directors’ Review Panels, will be compensated at a rate of \$125 for any full or partial block of four hours spent. (February 2012)

ARBITRATION

OCR will not enter into litigation on behalf of a member to obtain a judgment to enforce payment on an arbitration award made by its Professional Standards Panel. OCR will not enter into litigation on behalf of a member to compel arbitration with another member.

INTERNAL PROFESSIONAL STANDARDS AND GRIEVANCE PROCEDURES

Reviewed and updated annually and approved by the Board of Directors.

REMOTE TESTIMONY POLICY & GUIDELINES

PROCEDURE FOR REMOTE TESTIMONY REQUESTS PRIOR TO HEARING

- A. Unless stipulated in writing by all parties to the proceeding that remote testimony is acceptable, a party (or witness) requesting remote testimony at an arbitration or disciplinary hearing must send a request in writing no later than fifteen calendar (15) days before the hearing to the Professional Standards Administrator. The request must be copied to all parties and known counsel or other representative and must clearly set forth by sworn declaration:
 1. The reason(s) why postponement or rescheduling to permit personal attendance is not feasible, and
 2. The reason(s) why the remote party's (or witness') participation is necessary to have a fair hearing, and
 3. The reason(s) for the need for remote testimony, such as distance, disability or other travel restriction. This sworn declaration should be done with specificity.
- B. Opposing Party will have (5) five days after receipt of this request to respond in writing objecting to the remote testimony. Copies of Opposing Party's response must be sent to the Professional Standards Administrator and copied to all parties and known counsel or other representative. Silence will be deemed as a non-objection.
- C. The Administrator will present the request and any opposition to the Hearing Panel Chair and will subsequently notice all parties, either approving or refusing remote testimony. If approved, the notice will set forth the time and method of remote testimony. If the request is made prior to the hearing being scheduled, the Professional Standards Chairperson will approve or deny the request.

IMPLEMENTING APPROVED REMOTE TESTIMONY

- A. OCR has the option, at OCR's discretion, to require the location of the remote testimony to be at a bank, at a local Association of REALTORS®, or some other location designated by OCR.
- B. The Professional Standards Administrator will notify the remote parties and the remotely testifying party or witness of the conditions imposed, including how and where the remote testimony will take place at the time the request for remote testimony is granted.
- C. OCR may also require or allow video conferencing or other electronic conferencing, with the party requesting the remote testimony to bear any related costs or expenses.

PROCEDURES FOR REMOTE TESTIMONY AT TIME OF HEARING

- A. The Presiding Officer will assure the identity of the person testifying by reasonable means.
- B. The Presiding Officer will swear in the remote party/witness. No testimony will be permitted until the parties and/or witnesses have been sworn in.
- C. Once a party/witness is sworn in, he/she must declare that he/she is speaking of his/her own free and is not under duress of any kind.
- D. The Presiding Officer will confirm if anyone is present with the party/witness.
- E. Only parties eligible to attend the entire hearing in person are entitled to participate remotely for the entirety of the hearing. Witnesses may only participate remotely for their own testimony.

- F. The Presiding Officer will confirm that the confidentiality of the hearing is not compromised, either by the presence of unauthorized participants at the remote location, or by the nature of the remote location itself, or in any other manner.
- G. The Presiding Officer will provide instruction that cross-talk or talking at the same time as another individual is strictly prohibited.
- H. The Presiding Officer will confirm that the remote party/witness has access to email and/or a fax machine in the event documents are submitted by the opposing party that require review by the party/witness.
- I. If the party/witness is using a cell phone, he/she should be reminded that the hearing may take several minutes, and that the party/witness should make sure they have sufficient battery life.
- J. If the party/witness is using the telephone to submit testimony, the caller should be instructed that he/she is responsible for reconnecting with the panel at the earliest moment, if the party/witness gets disconnected. Failure to immediately reconnect could result in incomplete testimony and may impact the Hearing Panel's consideration of the testimony.
- K. Remote Testimony may be terminated at the discretion of the Panel at any time.

PRESENCE OF AN ATTORNEY

If the remote party/witness is represented by an attorney or accompanied by another individual who will also be speaking on the record, NAR rules require counsel's personal appearance. Counsel is permitted to participate in ethics or arbitration hearings only in the physical presence of Hearing Panels.

GENERAL PROCEDURES AND FORMS

Step-by-step procedures are detailed in C.A.R.'s Code of Ethics & Arbitration Manual and forms for filing a grievance or arbitration are contained within the appendix.

A request for the services of an Ethics Advocate must be received at the time of filing of the Complaint or Response. If a request for an Ethics Advocate is not received at this time, the Ethics Advocate request is considered waived.

ALTERNATIVE ENFORCEMENT PROCEDURES - **Ombudsman.**

- A. The ombudsman's role is primarily one of communication and conciliation, not adjudication.
- B. Ombudsmen do not determine whether ethics violations have occurred, they anticipate, identify, and resolve misunderstandings and disagreements before matters ripen into disputes and possible charges of unethical conduct.
- C. Persons filing complaints, or inquiring about the process for filing ethics complaints, will be advised that ombudsman services are available to attempt to informally resolve their complaint. Such persons will also be advised that they may decline ombudsman services and can have their complaint referred to ethics mediation, or considered at a formal ethics hearing.
- D. If a matter complained of is resolved to the mutual satisfaction of all parties through the efforts of an ombudsman, the formal ethics complaint brought initially (if any) will be dismissed.
- E. Ombudsmen cannot refer concerns they have regarding the conduct of any party utilizing their services to the Grievance Committee, to the state real estate licensing authority, or to any other regulatory body.
- F. The prohibition is intended to ensure impartiality and avoid the possible appearance of bias.
- G. Ombudsmen are authorized to refer concerns that the public trust may have been violated to the Grievance Committee.

- H. Regardless if the Respondent agrees to use, or not use the services of an Ombudsman, if Respondent is found to be in violation by the Hearing Panel, the Administrative Fee will be \$125.00.

Orange County REALTORS® Resolution Concerning Virtual Hearings (adopted 8/5/2020)

WHEREAS: Due to the COVID 19 pandemic it has been necessary to physically close the office and suspend in person Professional Standards hearings in order to comply with Orders issued by the Governor of the State of California;

WHEREAS: As a result of not being able to conduct in person hearings a significant back log of unheard cases exists that is becoming very difficult to manage;

WHEREAS: Many parties have stated they do not want to participate in virtual hearings, and the Association has not been able to reduce the backlog through virtual hearings because of the resistance;

WHEREAS: The California Association of REALTORS® and the National Association of REALTORS® have been conducting virtual hearings and meetings and those hearings and meetings have worked very well;

WHEREAS: The California Association of REALTORS® has left it to the local associations as to whether to proceed with virtual hearings in lieu of in person hearings;

THEREFORE, BE IT RESOLVED: Commencing immediately, Orange County REALTORS® will conduct all Professional Standards Hearings and Reviews authorized by the California Ethics and Arbitration Manual by means of virtual media, unless, at the sole and exclusive determination of staff and the Professional Standards Committee Chair, it is determined to proceed with an alternative means.

FURTHER RESOLVED: The Professional Standards Committee and staff shall promulgate rules and procedures to address the holding of hearings and Reviews by virtual media and assure the parties are afforded due process and other protections afforded by the California Ethics and Arbitration Manual.

FURTHER RESOLVED: The process shall be continually monitored and evaluated, and within three months of the commencement of this policy, the Professional Standards Chair, staff and legal counsel shall report as to the continued viability of this policy.

MEDIATION/OMBUDSMAN PROGRAM

AUTHORITY

The Mediation/Ombudsman program is comprised primarily of members of the Professional Standards Committee as authorized by OCR's Bylaws and by the Board of Directors.

PURPOSE

Conduct mediation and/or ombudsman activities in accordance with procedures established in OCR's Mediation Manual and California law.

Provide ongoing training to members of the Professional Standards Committee to maintain the desired high level of standards.

Inform OCR members of the benefits of mediation.

Provide mediation and/or ombudsman services and information to the members of OCR, and, in time to members of the Commercial Association, to the general public, and to other associations.

QUALIFICATIONS

Designated Mediation Ambassadors and Ombudsman are confirmed by the President, and will be required to receive approved training prior to serving as a mediator. Mediators shall hold a current Broker's license or be a REALTOR ®/Attorney.

Approved training, qualifications and standards required for members to become a mediator are as follows:

- A. A minimum of five (5) years of experience in real estate.
- B. Prior ethics or arbitration experience as demonstrated by service on a Professional Standards Committee for a period of at least three (3) years. Comparable experience may be substituted at the discretion of the Committee, and will qualify the person as a member upon approval and confirmation by the President and Board of Directors.
- C. Must have previously served as a panelist in at least five (5) ethics and/or arbitration hearings for Professional Standards. Each mediator shall have chaired at least two (2) ethics and/or arbitration panels for Professional Standards and shall be thoroughly familiar with the California Code of Ethics and Arbitration Manual, and OCR's Mediation Manual.
- D. Have strong communication skills. In dealing with people, the mediator/ombudsman shall demonstrate essential tact and diplomacy, as well as the ability to keep calm under pressure.
- E. Training will consist of approved practical and classroom mediation or ombudsman training.

LEVELS OF MEDIATOR EXPERIENCE

- A. Senior Certified Mediator: A mediator who has conducted five (5) or more mediation conferences on a professional basis; who has been a member of the Mediation/Ombudsman Committee for a minimum of two (2) years; and who has a minimum of twenty (20) hours of lecture and discussion classroom training.
- B. Certified Mediator: A mediator who has completed the approved training; who has met the qualifications and standards criteria; and who has conducted fewer than five (5) mediation conferences.

MEMBERSHIP AND TERM

The Mediation/Ombudsman Committee shall be composed of no fewer than six (6) members, each of whom shall serve a minimum term of three (3) years. Terms should be staggered for purposes of continuity.

Absence from a mediation conference previously committed to, or absence from two (2) or more consecutive Mediation /Ombudsman meetings, without excuse or just is grounds for removal from the Mediation/Ombudsman Program, upon approval of the Board of Directors.

No member shall be appointed to serve as a mediator if an ethics complaint has been formally filed against such member and is pending. This section shall not apply to a member who is a designated broker or an office manager, where the complaint is solely against an agent under the broker's or manager's supervision provided the complaint is not against such member as a respondent in the alleged ethics violation. This paragraph shall not apply once the ethics file has been closed.

Any member who has been found in violation of the Code of Ethics may, after the decision is final, be immediately terminated as a member of the Mediation/Ombudsman Program.

CONDUCT OF MEDIATION CONFERENCE

- A. All members conducting or observing mediation or ombudsman conferences have an obligation to maintain and protect the confidentiality of the proceedings and deliberations before, during, and after the process.
- B. Staff will notify program participants when pending cases need to be scheduled for mediation and /or ombudsman conferences. Ombudsman shall be specially trained and designated in accordance with policies adopted.

MEETINGS

- A. Meetings shall be conducted in accordance with OCR's Bylaws, Rules, and Robert's Rules of Order.
- B. A full Mediation/Ombudsman meeting will be held as is reasonably needed at OCR headquarters, unless otherwise approved by the CEO.

INSURANCE

OCR shall carry errors and omissions insurance for all current members of the Mediation/Ombudsman Program, for their mediation/ombudsman work only. In lieu of such insurance, OCR shall indemnify and hold harmless all Mediation/Ombudsman program members acting as mediators or ombudsman for OCR's process.

QUALITY MAINTENANCE

To assure the continued high quality of mediation or ombudsman services, members shall keep updated on the following:

- A. OCR's Bylaws;
- B. OCR's MLS Rules and Regulations;
- C. The C.A.R. Code of Ethics and Arbitration Manual; and,
- D. Other relevant materials.

DISCRETION TO DECLINE HEARING

Members of the Mediation/Ombudsman Program may, at their discretion, decline to hear any dispute that it determines is either too complex in nature, or in which the amount is so great as to expose OCR to undue liability, or where it is known that a criminal (or in some instances a civil case) concerning the parties to the matter is pending.

FORMAT CHANGE

Any program format change shall be submitted to the Board of Directors for approval in advance of the implementation.

EXPENSES

Any program member designee appointed by the Professional Standards Committee requesting expenses for any mediation or ombudsman activity shall submit the request to the Budget and Finance Committee to justify such request.

Approved by BOD: 5/31/17

BOD Amended Fees on 6/24/2015:

Directors recommended the following changes to the Professional Standard fees:

- Arbitration and Board of Directors Review \$500.
- Continuance fees: 2nd \$375, 3rd \$425, and 4th \$500, not to exceed \$500.
- Administrative fees of \$125 for withdrawn cases and violation fee implementation.

8. AFFILIATES COMMITTEES – NORTH & SOUTH

A. AUTHORITY

Authorized by OCR Bylaws.

B. PURPOSE

The purpose of the Affiliate (North and South) Committee(s) is to provide education and information to REALTORS® and spearhead the Association's major fundraisers. They also provide support for many other Association projects and social events.

C. QUORUM

A majority of committee members unless otherwise stated in the Policies and Procedures Manual. (As stated by Robert's Rules of Orders, a quorum only needs to be established at the beginning of a meeting).

D. MEMBERSHIP AND TERM

The members of the North and South Affiliate Committees each appoint their Chair to one-year (1) year terms that must be ratified by the Board of Directors. Terms shall begin on January 1st and shall expire on December 31st.

The Chair selects the Co-Chair position. The Chair and Co-Chair cannot work for the same company.

To qualify for a nomination to a Chair or Co-Chair position, the Affiliate member must have been a member of Affiliates Committee for at least one year and must have attended a minimum of five (5) Affiliate meetings before the Election is held in October.

The Chair and Co-Chair shall appoint Affiliate members to the committee to one-year (1) year terms that must be ratified by the Board of Directors. Terms shall begin on January 1st and shall expire on December 31st.

Applications to run for the Chair position are available in August. The Election is held in October.

Affiliate members must be present to vote for the Chair position. Absentee votes will not be accepted.

The President shall have the authority to remove a committee member subject to confirmation by the Board of Directors.

E. POLICIES AND PROCEDURES

The committee(s) meets monthly.

The CEO will appoint a member of the management team to serve as committee liaison.

F. ATTENDANCE

Any committee member, who fails to attend seventy- five percent (75%) of the regular or special meetings of the committee without an excuse acceptable to the President and Chair of the committee, shall be deemed to have resigned from the committee, subject to Board of Directors approval. The vacancy shall be filled as provided for original appointees.

9. GREEN COMMITTEE

A. AUTHORITY

Authorized by OCR Bylaws.

B. PURPOSE

The purpose of the Green committee is to focus on expanding REALTOR® knowledge of green housing trends and to educate agents on how these trends will benefit their real estate business as well as providing resources to help agents “go green” in their real estate practice.

The Green Committee helps agents find, and access tools to educate the consumer on what makes a home or building green and gives guidance on how to list and market green properties.

The Green Committee hosts Green related presentations, speakers and area tours.

The Green Committee investigates Green Technology related to Point-of-Sale retrofits for energy conservation and improvement financing options.

The Green Committee shall partner with city and county agencies to encourage homeowners to conserve resources.

The Green Committee develops programs to keep OCR members informed and updated on “Green” related pending and enacted legislation that affects ownership of private real property.

C. QUORUM

A majority of committee members unless otherwise stated in the Policies and Procedures Manual. (As stated by Robert’s Rules of Orders, a quorum only needs to be established at the beginning of a meeting).

D. MEMBERSHIP AND TERM

The OCR President appoints the Committee Chair and Vice-Chair to one-year (1) year terms that must be ratified by the Board of Directors. Terms shall begin on January 1st and shall expire on December 31st

The Chair and Vice Chair shall appoint REALTOR® and Affiliate members to the committee to one-year (1) year terms that must be ratified by the Board of Directors. Terms shall begin on January 1st and shall expire on December 31st

The President in consultation with the Chair shall determine the number of members of their committee.

As authorized by OCR Bylaws, the President shall have the authority to remove any member from a committee subject to confirmation by the Board of Directors.

E. POLICIES AND PROCEDURES

The committee meets monthly.

The CEO will appoint a member of the management team to serve as committee liaison.

F. ATTENDANCE

Any committee member, who fails to attend seventy- five percent (75%) of the regular or special meetings of the committee without an excuse acceptable to the President and Chair of the committee, shall be deemed to have resigned from the committee, subject to Board of Directors approval. The vacancy shall be filled as provided for original appointees.

10. INDEPENDENT BROKER ALLIANCE

A. AUTHORITY

Authorized by OCR Bylaws.

B. PURPOSE

The purpose of the Independent Broker Alliance is to provide education and support the Independent Brokers through forums, networking, and aligning with other associations to impel all to excel by addressing the Independent Broker's unique needs

The focus of a forum is to support, assist, educate and address the unique needs of the small Independent Brokerage. (To qualify as a small Independent Brokerage, the office must be non-franchised and have less than 100 sales agents).

Forums are presented five-six times annually, and the committee is responsible for inviting guest speakers and presenting the program.

C. QUORUM

A majority of committee members unless otherwise stated in the Policies and Procedures Manual. (As stated by Robert's Rules of Orders, a quorum only needs to be established at the beginning of a meeting).

D. MEMBERSHIP AND TERM

The Committee Chair and Vice-Chair shall be appointed by the OCR President to one-year (1) year terms that must be ratified by the Board of Directors. Terms shall begin on January 1st and shall expire on December 31st

The Chair and Vice Chair shall appoint REALTOR® members to the committee to one-year (1) year terms that must be ratified by the Board of Directors. Terms shall begin on January 1st and shall expire on December 31st Effective 2020 members of the Committee are restricted to REALTOR members only.

The President in consultation with the Chair shall determine the number of members of their committee.

The President shall have the authority to remove a committee member subject to confirmation by the Board of Directors. (Rev. March, 2018)

To serve as a member of the Independent Broker Advisory Committee, the participating Broker office must be non-franchised and have less than 100 sales agents.

E. POLICIES AND PROCEDURES

The committee meets up to five times per year.

The CEO will appoint a member of the management team to serve as committee liaison.

F. ATTENDANCE

Any committee member, who fails to attend seventy- five percent (75%) of the regular or special meetings of the committee and the forums without an excuse acceptable to the President and Chair of the committee, shall be deemed to have resigned from the committee, subject to Board of Directors approval. The vacancy shall be filled as provided for original appointees.

11. LOCAL GOVERNMENTAL RELATIONS COMMITTEE (NORTH & SOUTH)

A. AUTHORITY

Authorized by OCR's Bylaws.

B. PURPOSE

Focuses on real estate related issues and concerns that pertain to OCR market area. OCR supports both a North and South Local Governmental Relations Committee.

Coordinate communication between OCR membership and Federal, State, and local legislators, governmental agencies and regulatory entities.

Promote exchange of information and OCR membership involvement at all levels of government on issues affecting the membership and ownership of private real property.

Develop programs to keep OCR members informed and updated on National, State, and local rules, bills (pending and enacted) and legislation.

Makes recommendations to support or oppose ballot measure and other issue-related campaigns.

Participates in advocacy and outreach activities in local communities of OCR.

Develop programs to keep OCR members informed and updated on National, State, and local rules, bills (pending and enacted) and legislation.

C. QUORUM

Majority of members.

D. MEMBERSHIP AND TERM

Committee members shall be appointed to one-year (1) year terms and ratified by the Board of Directors. Terms shall be from January 31st and shall expire on December 31st. The Committee Chair may appoint non-REALTOR® members to committees where REALTOR® membership is not required in either the Bylaws or the policy manual. Committee Chairs and Vice-Chairs must be REALTOR members.

The President shall have the authority to remove a committee member subject to confirmation by the Board of Directors.

E. POLICIES AND PROCEDURES

The committee meets monthly (10 times per year) and as needed.

A Government Affairs Director shall serve as committee liaison.

F. ATTENDANCE

Any committee member, who fails to attend seventy- five percent (75%) of the regular or special meetings of the committee without an excuse acceptable to the President and Chair of the committee, shall be deemed to have resigned from the committee, subject to Board of Directors approval. The vacancy shall be filled as provided for original appointees.

12. O.C. YPN (YOUNG PROFESSIONALS NETWORK)

A. AUTHORITY

Authorized by OCR Bylaws

B. PURPOSE

Creating leaders for our community through education and industry events

To support OCR and its membership.

To encourage the exchange of information, business models, practices and methods and use of technology, between experienced real estate professionals and those who are newer to the profession.

To promote goodwill through social and professional activities.

To offer educational assistance to OCR and its members.

To provide on-going open communication between members of OCR through its Board of Directors, staff, and members of the Orange County Young Professionals Network (O.C. YPN).

To cooperate and engage in activities in coordination with other Young/Emerging Professional Groups both within and outside of the Real Estate industry.

To focus on networking opportunities, technology and social media, and professional development.

C. QUORUM

A majority of network members unless otherwise stated in the Policies and Procedures Manual. (As stated by Robert's Rules of Orders, a quorum only needs to be established at the beginning of a meeting).

D. MEMBERSHIP AND TERM

The President appoints the Chair and Vice Chair of the O.C. YPN to one-year (1) year terms that must be ratified by the Board of Directors. Terms shall begin on January 1st and shall expire on December 31st

The Chair and Vice Chair shall appoint members to the O.C. YPN to one-year (1) year terms that must be ratified by the Board of Directors. Terms shall begin on January 1st and shall expire on December 31st

The President in consultation with the Chair (s) shall determine the number of members of their network.

The President shall have the authority to remove a network member.

E. ATTENDANCE

Any network member, who fails to attend seventy-five percent (75%) of the regular or special meetings of the network without an excuse acceptable to the President and Chair of the network, shall be deemed to have resigned from the network, subject to Board of Directors approval. The vacancy shall be filled as provided for original appointees.

F. POLICIES AND PROCEDURES

O.C. YPN is bound by the Bylaws, Policies and Procedures, and resolutions of OCR and its Board of Directors.

The OC YPN meets monthly, or as needed.

The CEO will appoint a member of the management team to serve as network liaison.

13. OCAR CARES FOUNDATION

OCAR Cares Foundation

Pursuant to the OCAR Strategic Plan 2014-16, the Board of Directors shall establish and maintain a corporate donor advised charitable fund for the purpose of depositing tax deductible contributions to be used for providing financial relief to members and staff in need, and from which to make charitable grants to the causes and organizations that the Association cares about most.

A. GUIDELINES for the OCAR Cares Foundation Member **Relief Program** are as follows:

Purpose: The Board of Directors shall have the authority to establish and maintain a member relief program to assist OCR members and staff suffering financial hardship due to the onset of a major illness, accident, or other unforeseeable life-changing event.

Name: OCAR Cares Foundation Member Relief Program

Beneficiary Criteria: Applicant must be a Primary REALTOR®, Affiliate Member in good standing with Orange County REALTORS® for a minimum of three (3) years of the last five (5) years, or a member of the staff employed for a minimum of 90-days with Orange County REALTORS.

OCAR Cares Foundation Member Relief Review:

The following Association Employees shall oversee all activities, applications, and disbursements related to providing financial aid to members pursuant to the OCAR Cares Foundation Member Relief Program: **Chief Executive Officer** (CEO), the **OCAR Cares Staff Liaison** (Executive Assistant to the CEO), and the **Third-Party Verification Service Representative** (Helping Hands Inc.).

Procedure: Financial Assistance requests must be submitted directly by the beneficiary or a representative of the beneficiary. Any representative of the beneficiary must also be a Primary Realtor,

Affiliate Member, or a member of the Management Team staff, in good standing with OCR. The OCAR Cares Staff Liaison shall review the application and certify whether it meets the initial criteria.

A request for assistance must be for an immediate, proven and valid financial need arising from the following conditions:

- Health/Medical
- Family emergency
- Memorial
- Unforeseeable life-changing event

Applicant must submit an OCAR Cares Member Relief Program Application Form.

No applicant may request assistance from the fund more than once per year.

There is a two-year limit for OCAR Cares requests that are based on proximate cause.

Requests from Association Members must be submitted to the OCAR Cares Staff Liaison or CEO. All reasonable steps shall be taken to guard the identity of the applicant.

Requests from Employees staff must be submitted directly to the CEO as stipulated on the staff application form. Employees Staff will use a different form than Members. The form will be available at all time on the office server share drive.

Funds will be released only to pay or reimburse applicant for expenses falling into the approved categories of Health/Medical, Family Emergency, Memorial, and unforeseeable life-changing event.

Funds shall not be used to pay dues, fines, or other financial obligations due to OCR.

The OCAR Cares Staff Liaison, in consultation with the CEO, will confirm that a member applicant qualifies for consideration before submitting form to the Third-Party Verification Service Representative.

The Third-Party Verification Service Representative is responsible for conducting all due diligence to establish the true financial need of the and will communicate directly with the applicant, verifying the validity of the request, collecting backup documentation, recommending an amount to be paid out.

Funds released for any applicant will be between \$100 minimum and \$4,000 maximum per occurrence, and up to \$10,000 for a catastrophic situation.

The Third-Party Verification Service Representative shall not release any amount without final approval by the OCAR Cares Staff Liaison, in consultation with the CEO.

14. POLITICAL AFFAIRS AND ELECTIONS COMMITTEE

AS RATIFIED BY THE BOARD OF DIRECTORS – NOVEMBER 2010

ORANGE COUNTY ASSOCIATION OF REALTORS®

Political Affairs and Elections Committee Guidelines

Re-adopted on February 9, 2015 by the Orange County Association of REALTORS® Political Affairs & Elections Committee

These guidelines apply to the committee of the Orange County Association of REALTORS® (“OCAR”) known as the Political Affairs and Elections Committee (“PAEC”) which has been formed to serve as a

“Local Candidate Recommendation Committee (“LCRC”) for the purpose of managing the local association’s duties and responsibilities enumerated in an annual cooperative agreement between OCAR and the California Real Estate Political Action Committee (CREPAC), the California Real Estate Independent Expenditure Committee (CREIEC”), the California Real Estate Political Action Committee/Federal (“CREPAC/Federal”) (collectively the “PACs”).

GUIDELINES OF THE

Political Affairs and Elections Committee

1. NAME

- 1.1. The name of this organization is the **Political Affairs and Elections Committee** hereinafter referred to as “PAEC.” It is a voluntary non-profit, standing committee of individual REALTORS® formed by the Orange County Association of REALTORS® (“OCAR”), and is not affiliated with any political party. This committee is not a “political action committee” as defined by state law and administers no political contributions. However, by a written Cooperative Agreement with California Real Estate Political Action Committee (“CREPAC”), a committee sponsored by the California Association of REALTORS® (“C.A.R.”), this PAEC serves as a “Local Candidate Recommendation Committee, commonly referred to as an “LCRC”.

2. PURPOSES

- 2.1. The purposes of this Committee are:

1. To handle political affairs and election activities on behalf of the OCAR Board of Directors;
2. To make recommendations to CREPAC for contributions and independent expenditures to support or oppose candidates for election to city and county offices, boards of education and other offices as appropriate;
3. To support the legislative policies and the mission of OCAR and CAR;
4. To permit the PACs to maintain and manage a continuing political campaign fund known as the REALTOR® Action Fund (“RAF”) in accordance with the terms of these Guidelines, the Bylaws of the PACs, and the Cooperative Agreement between OCAR and the PACs, and which is not affiliated with any political party;
5. To assist the PACs in collecting and transmitting voluntary contributions to the REALTOR® Action Fund and its lawful political action committee accounts acceptable to PAEC and the PACs in order to promote the political purposes for which a continuing political account may be expended;
6. To encourage REALTORS® to take a more active role in political and government affairs and to support political education and fundraising.

3. PRINCIPAL OFFICE

- 3.1. The principal office of the PAEC shall be located at the address of the Orange County Association of REALTORS®. The principal office of CREPAC shall be located at the address as set forth on its Statement of Organization.

4. CONTRIBUTIONS

- 4.1. Contributions.

PAEC is authorized to solicit and accept contributions to the RAF and its associated political accounts from any person from whom contributions may be lawfully solicited and accepted. The PAEC Trustees may recommend that the CREPAC Trustees refuse any contribution. The CREPAC Trustees may refuse any contribution with or without reason, and the CREPAC Trustees will set forth in writing to any requesting contributor that the contribution has not been accepted. Persons making contributions collected and transmitted by OCAR shall be deemed RAF contributors.

4.2. Allocation.

All RAF contributions received by the PACs from OCAR will be allocated under the terms and formulas specified in the annual cooperative agreement. Generally, funds are allocated as follows unless (1) designated otherwise and (2) accepted by the CREPAC Trustees by special approval or in accordance with policies set by the CREPAC Trustees:

Seventy percent (70%) of each RAF dollar received for CREPAC shall become part of the general CREPAC account for use in supporting or opposing candidates for state constitutional and legislative offices and, if necessary, administration of the organization.

Thirty percent (30%) of each RAF dollar collected by OCAR for CREPAC (unless otherwise designated by the PAEC via the Flexible Local PAC Funds Allocation System) shall become part of a local sub-account for use by OCAR, at the direction of its PAEC trustees and pursuant to the Flexible Local Candidate Recommendation Funds Allocation System, in supporting or opposing candidates for local offices or independent expenditures to support or oppose local candidates. Requests for local candidate funds will be charged against the requesting PAEC's account. The amount of contributions to each candidate election shall be based upon recommendations from PAEC Trustees, shall be subject to local city or county, and state contribution limitation laws and shall not exceed the balance of the requesting PAEC's account.

4.3. CREPAC Authority.

The CREPAC Trustees will have full and final authority to accept or reject recommendations of PAEC, and to establish policies governing the use of PAEC funds.

5. BOARD OF TRUSTEES

5.1. Composition.

The governing body of PAEC shall be a Board of voting Trustees, composed of no more than nineteen (19) voting Trustees approved by the OCAR Board of Directors.

5.2. Duties and Powers.

PAEC Trustees shall have supervision and control over the affairs of the committee, shall establish and carry out all policies and activities of the committee with the exception of the maintenance of records for funds collected and transmitted to the RAF and its associated sub-accounts administered by the CREPAC Trustees, and shall report its activities to the OCAR Board of Directors. The Trustees shall serve without compensation. The Trustees are empowered to set basic policies with respect to recommendations to be made by PAEC, to recommend disbursements to specific elected officials and candidates, to credit CREPAC with any of its sub-

account and to credit another local AOR sub-account with any of the funds in its sub-account. PAEC recommendations do not require approval of the OCAR Directors.

5.3. Roles and Responsibilities of PAEC Trustees

PAEC Trustees roles and responsibilities shall include local political affairs, elections, and REALTOR® Action Fund fundraising. Each Trustee shall be responsible for at least one (1) city or one (1) county supervisorial district within the association's sphere of operation and shall participate in local political affairs by monitoring their respective jurisdiction meeting agendas, attending City Council or County Supervisor meetings, attending candidate fundraising events and reporting back to the PAEC Trustees regarding important real estate issues. Trustees shall monitor local elections, meet viable candidates, and invite them to interview with PAEC. Trustees shall participate in REALTOR® Action Fund fundraising by investing in the REALTOR® Action Fund at the minimum amount of \$148, participating in the annual RAF campaign, to be determined by the PAEC Trustees, and encouraging REALTORS® in their office and their respective jurisdiction to invest.

5.4. Meetings.

The regular meetings of the Trustees shall be held monthly. A majority of the voting members of the PAEC Trustees shall constitute a quorum. Special meetings of the Board of Trustees may be called by the Chair or Vice Chair if the Chair is not available or upon the request of two (2) Trustees. Seven days advance notice of meetings shall be given to each Trustee unless unanimously waived by the Trustees. A majority vote of those present and voting is required for action by the Trustees. The PAEC Trustees may meet through use of conference telephone or similar communication tool, including but not limited to facsimile and electronic mail, or may take action by written ballot without a meeting.

5.5 Attendance

PAEC Trustees shall attend and remain present during the entire duration of each regularly scheduled monthly meeting and any other special meetings called by the Chair or as provided in Section 5.4. Failure to attend meetings shall be grounds for removal pursuant to Section 6.5.

5.6. Term of Office.

The term of office of each voting Trustee will be two (2) calendar (January – December) years. The terms shall be staggered so that not all of the vacancies occur every year. Trustees shall be eligible to serve no more than three (3) consecutive terms. The term of office of each Chair of the Local Government Relations Committee, North and South, shall be equal to their term as chair of their respective committee. A complete term consists of more than twelve (12) months of a two (2) year term.

6. NOMINATING COMMITTEE AND NOMINATIONS

6.1. Composition of the Nominating Committee.

The Nominating Committee of five persons shall be comprised of the current PAEC Chair, who shall also Chair the Nominating Committee, the OCAR President, one additional PAEC Trustee

selected by a majority vote of PAEC, and two OCAR Directors, who are not Trustees, appointed by the President of the Association.

The Nominating Committee shall be put into place no later than September of the current year to fill expiring trustee positions of the next calendar year. All members of the Nominating Committee must be an OCAR REALTOR® members will serve a one (1) year term.

6.2. Conflict of Interest

No Trustee seeking election as a Trustee shall serve on the Nominating Committee or shall vote to select persons to be on the Nominating Committee.

If the President is seeking election as a Trustee, then the two OCAR Directors who are not PAEC Trustees, shall be selected by a majority of the remaining voting Trustees not seeking election.

6.3. Application and Qualifications of Trustees.

Individual REALTOR® members of OCAR shall be entitled to apply for the position of Trustee of PAEC. Individual applications must be received at the OCAR office in Laguna Hills, California, no later than the published deadline for submission. The Nominating Committee will review each applicant's qualifications, nominating one candidate to fill each Trustee position.

Each Trustee applicant must be a member of the Orange County Association of REALTORS® and if selected, must contribute the REALTOR® Action Fund in the minimum amount of \$148 in each year in which they serve as Trustee. Preference shall be given to Trustee applicants who have demonstrated knowledge and experience in local and county political affairs, elections, fundraising, civic involvement and participation on one of OCAR's Local Government Relations committees.

6.4. Selection of Trustees.

The Nominating Committee shall select from the Association membership duly qualified nominees by majority vote, to fill each vacancy that will exist at the end of the year due to term expirations. Nominees receiving the greatest number of votes will be considered elected. The PAEC Trustees and the OCAR Board of Directors shall be required to ratify the duly elected Trustee nominees.

6.5. Vacancies and Removal from Committee.

In the event of a Trustee vacancy, the Nominating Committee may either leave the seat vacated or issue a call to the general membership for applicants.

A Trustee shall be removed from the Committee without notice upon loss of real estate license or loss of either OCAR or CAR membership.

A Trustee shall be removed from the Committee with notice for failure to contribute to the REALTOR® Action Fund at the minimum level of \$148 in each calendar year while serving as a Trustee pursuant to Section 5.3. Notice shall consist of a single warning given by the Chair followed by a 60-day grace period in which to voluntarily meet the requirement.

A Trustee may also be removed with notice if he or she fails to attend regularly scheduled meetings pursuant to Section 5.5. Notice shall consist of both a direct phone call and email warning by the Chair after the Trustee has missed two meetings in a calendar year or three

meetings in a single two-year term. Removal for violation of Section 5.5 requires a majority vote of the PAEC Trustees present and voting at any duly called meeting of the Committee.

7. OFFICERS

7.1. General.

The officers of the committee shall be a Chair, Vice-Chair and a Secretary.

7.2. Chair and Vice Chair.

The Board President shall appoint, subject to the ratification of the OCAR Directors, a Chair and Vice Chair from the Trustees then in office. Any Chair or Vice Chair so selected will have served as Trustee during the year immediately preceding taking office as Chair and must also remain a Trustee while in office as Chair or Vice Chair. If no existing Trustee is available to serve as Chair or Vice Chair pursuant to this section, a Chair or Vice Chair may be appointed from among any other Trustee. The term of office of Chair shall be one (1) year. A Trustee may not serve more than two (2) consecutive terms as Chair.

7.3. Secretary.

The Secretary shall be appointed or removed by the Association Executive. The person so appointed will be on staff at the Orange County Association of REALTORS®. The Secretary will not have the right to vote since he or she is not a Trustee.

The Secretary shall make financial reports available to the Trustees. The Secretary shall be responsible for keeping minutes of the meetings.

7.4. Vacancies and Removal from Office.

A Chair or Vice Chair may be removed from office with or without cause by a majority vote of the OCAR Directors present and voting at any duly called meeting of the Board of Directors. In the event of a vacancy, a new Chair or Vice Chair shall be selected in accordance with Section 2 above.

7.5. Liability.

The PAEC Trustees may recommend that CREPAC hold harmless and indemnify any of the PAEC Trustees or PAEC officers in accordance with the CREPAC Guidelines and applicable laws. CREPAC may use funds from the PAEC sub-account to pay any fines or other expenses resulting from campaign statements filed incorrectly because of misinformation received from PAEC, the PAEC Trustees, PAEC officers, or the OCAR®. The PAEC Trustees assume full responsibility for administering PAEC in accordance with these Guidelines including overseeing proper nominations and elections. To the extent allowed by law, CREPAC may, in CREPAC's sole discretion, use amounts in the PAEC account to reimburse CREPAC for any funds expended or owed by CREPAC, including attorneys fees and legal expenses, due to the failure of PAEC, the PAEC Trustees, or OCAR® to uphold its responsibility under this section or due to any other wrongful act of PAEC, the PAEC Trustees, or OCAR.

8. BOOKS, RECORDS AND FINANCES AND ELECTIVE YEAR

8.1. Fiscal and Elective Year.

The fiscal and elective year of the PAEC shall be from January 1 to December 31.

8.2. Books and Records.

The PAEC sub-account records shall be maintained by CREPAC with the assistance of OCAR.

8.3. Deposits.

All funds are to be deposited and maintained by the CREPAC Treasurer as specified in the CREPAC Guidelines.

8.4. Signature.

Only those PAEC Trustees whose signatures appear on the current Cooperative Agreement are authorized to recommend disbursement of funds from the PAEC sub-account. A current Cooperative Agreement must be on file with CREPAC before PAEC funds can be disbursed.

9. AMENDMENTS

9.1. These Guidelines may be amended by a majority vote of OCAR Directors.

9.2. Notwithstanding the above, any amendment of the Guidelines needed to bring this Sub-committee into conformance with any state or federal statute or regulation shall be adopted upon majority vote of the Trustees, at which time it will be effective.

10. DISSOLUTION

10.1. The PAEC shall be dissolved and cease to exist upon a vote of the Board of Directors of the Association of REALTORS®. In the event of a dissolution (other than a dissolution in conjunction with a merger) of PAEC, the funds in the sub-account account shall be held in trust until a new local candidate recommendation committee is established.

15. RISK MANAGEMENT COMMITTEE

A. AUTHORITY

Authorized by OCR Bylaws.

B. PURPOSE

The purpose of the REALTOR® Risk Management Committee is to provide a forum to identify trends and issues that may be, or that are putting REALTORS® and/or their clients at risk.

The REALTOR® Risk Management Committee educates Brokers, Managers and General Counsel.

The REALTOR® Risk Management Committee provides information to other OCR Committees as appropriate.

The REALTOR® Risk Management Committee, annually or as needed, reviews and updates the Orange County Local Area Disclosures in consultation with Association General Counsel.

C. QUORUM

A majority of committee members unless otherwise stated in the Policies and Procedures Manual. (As stated by Robert's Rules of Orders, a quorum only needs to be established at the beginning of a meeting).

D. MEMBERSHIP AND TERM

The Committee Chair and Vice-Chair shall be appointed by the OCR President to one-year (1) year terms that must be ratified by the Board of Directors. Terms shall begin on January 1st and shall expire on December 31st

The Chair and Vice Chair shall appoint REALTOR® members to the committee to one-year (1) year terms that must be ratified by the Board of Directors. Terms shall begin on January 1st and shall expire on December 31st

The President in consultation with the Chair shall determine the number of members of their committee.

As authorized by OCR Bylaws, the President shall have the authority to remove any member from a committee subject to confirmation by the Board of Directors.

E. POLICIES AND PROCEDURES

The committee meets bi-monthly.

The CEO will appoint a member of the management team to serve as committee liaison.

F. ATTENDANCE

Any committee member, who fails to attend seventy- five percent (75%) of the regular or special meetings of the committee without an excuse acceptable to the President and Chair of the committee, shall be deemed to have resigned from the committee, subject to Board of Directors approval. The vacancy shall be filled as provided for original appointees.

16. GLOBAL BUSINESS ALLIANCE

A. AUTHORITY

Authorized by OCR Bylaws.

B. PURPOSE

The purpose of the Global Business Alliance Committee is to create and advocate educational programs and partnerships designed to raise member awareness of global clients and investment groups in our local market.

To provide the dissemination of information that facilitates and promotes greater interaction, understanding and cooperation across cultural lines within and peripheral to the real estate profession.

To create and advocate educational programs and partnerships designed to raise member awareness of global clients and investment groups in our local market, and to provide the dissemination of information

that facilitates and promotes greater interaction, understanding and cooperation across cultural lines within and peripheral to the real estate profession.

To use NAR's resources and cooperative agreements with foreign real estate Associations develop global business relationships, and network with the international real estate community in a safe and ethical environment

The Global Business Alliance Committee is a Standing Committee.

C. QUORUM

A majority of committee members unless otherwise stated in the Policies and Procedures Manual. (As stated in Robert's Rules of Orders, a quorum only needs to be established at the beginning of a meeting).

D. MEMBERSHIP AND TERM

The Committee Chair and Vice-Chair shall be appointed by the OCR President to one-year (1) year terms that must be ratified by the Board of Directors. Terms shall begin on January 1st and shall expire on December 31st

The Chair and Vice Chair shall appoint REALTOR® and Affiliate members to the committee to one-year (1) year terms that must be ratified by the Board of Directors. Terms shall begin on January 1st and shall expire on December 31st

The President in consultation with the Chair shall determine the number of members of their committee.

The President shall have the authority to remove a committee member with the confirmation by the Board of Directors.

E. POLICIES AND PROCEDURES

The committee meets monthly or as needed.

The CEO will appoint a member of the management team to serve as committee liaison.

F. ATTENDANCE

Any committee member, who fails to attend seventy- five percent (75%) of the regular or special meetings of the committee without an excuse acceptable to the President and Chair of the committee, shall be deemed to have resigned from the committee, subject to Board of Directors approval. The vacancy shall be filled as provided for original appointees.

17. EDUCATION/ORIENTATION COMMITTEE

A. AUTHORITY

Authorized by OCR Bylaws.

B. PURPOSE

The Education Committee oversees Education and Training Programming.

The Education Committee has primary oversight for the New REALTOR Orientation and Annual Leadership Academy.

The Education Committee researches, plans and presents an annual menu of industry related seminars, events and workshops to meet the present and future needs of members and to further support them in their individual business.

The Education Committee develops processes to identify key trends and hot topics in order to choose relevant training programs.

Committee members review submissions from instructors and interview potential trainers.

Committee members shall review and investigate varying methods of delivering instructional programs.

Committee members shall consider instruction in a variety of topics including, but not limited to:

- Transaction Fundamentals
- Marketing & Building a Real Estate Business
- Managing Risks
- Niche Markets
- Professional Standards and Leadership Development

C. QUORUM

A majority of members.

D. MEMBERSHIP AND TERM

The Committee Chair and Vice-Chair shall be REALTOR® members and be appointed by the OCR President to one-year (1) year terms that must be ratified by the Board of Directors. Terms shall begin on January 1st and shall expire on December 31st

The Chair and Vice Chair shall appoint REALTOR® and/or Affiliate members to the committee to one-year (1) year terms that must be ratified by the Board of Directors. Terms shall begin on January 1st and shall expire on December 31st

As authorized by OCR Bylaws, the President shall have the authority to remove any member from a committee subject to confirmation by the Board of Directors.

E. POLICIES AND PROCEDURES

The committee meets monthly (10 times per year) or as needed.

The Director of Education shall serve as committee liaison.

F. ATTENDANCE

Any committee member, who fails to attend seventy- five percent (75%) of the regular or special meetings of the committee without an excuse acceptable to the President and Chair of the committee, shall be deemed to have resigned from the committee, subject to Board of Directors approval. The vacancy shall be filled as provided for original appointees.

18. REALTOR AND AFFILIATE OF THE YEAR TASK FORCE

A. AUTHORITY

Authorized by OCR Bylaws.

B. PURPOSE

The purpose of the Awards Selection Task Force is to review nominations and select awardees for the annual ‘Of-the-year Awards,’ including: REALTOR®- of- the-Year, Affiliate of the Year, Volunteer-of-the-Year, and when applicable special recognition in the form of a Distinguished Service Award or other specialty awards.

Award recipients must have demonstrated the highest level of professional excellence, while providing exemplary service to the real estate community.

C. QUORUM

A majority of committee members unless otherwise stated in the Policies and Procedures Manual. (As stated by Robert’s Rules of Orders, a quorum only needs to be established at the beginning of a meeting).

D. MEMBERSHIP AND TERM

The ‘Of-the-Year’ Awards Section Committee is Chaired by the most current REALTOR® of the Year. If the most current REALTOR® recipient is not available, the next most current REALTOR® of the Year recipient shall chair the meeting.

Only those who are past award winners and who are current members of OCR with fully paid annual membership dues may participate in the meeting and selection process. The Task Force should include a minimum of one (1) REALTOR® of the Year and two (2) Affiliates of the Year.

The President shall have the authority to remove any member from a task force subject to confirmation by the Board of Directors.

E. POLICIES AND PROCEDURES

The Awards Task Force meets annually.

All nominees (REALTOR® and Affiliate) must be actively engaged in the business on a full-time basis.

The current President of the Association is not eligible for this recognition in the year of his/her presidency.

Repeat winners are allowed.

Criteria for selection is predicated upon the nominees’ activity for the current year.

In the event that a member of the task force is nominated, they must excuse themselves from the decision-making process for that specific award and cannot vote.

All members of the Awards Selection Task Force are permitted to engage in discussion on both REALTOR® of the Year, Affiliate of the Year awards. However, voting for REALTOR® of the Year, is only allowed by former REALTOR® of the Year recipients who are present. Voting for the Affiliate of the Year is only allowed by the former Affiliate of the Year Awardees who are present at the meeting.

Proxy votes are not permitted. Only those eligible to vote and physically present at the meeting are permitted to vote.

Voting maybe conducted by voice vote if there is a verbal agreement on one candidate. If two or more candidates are being considered, secret paper ballots should be used. Ballots must be counted by the Committee Chair.

Participants, Affiliates, and Visiting REALTORS® Entry Requirements: Attendees must agree to the Orange County REALTORS® Marketing and Preview Session Guidelines and Orange County REALTORS® Policies and Procedures prior to entry. Attendees must submit their business card to Orange County REALTORS® prior to entry.

Guest Entry Requirements: A guest may attend no more than one Session. Exceptions may be granted to special guests such as legislative representatives, local elected officials and subject matter experts. Facilitators may grant these exceptions, but Orange County REALTORS® reserves the right to deny entry to any non-member or guest.

Entry Fee: The Facilitator may permit the charge of a Session entry fee. The entry fee amount is determined by the Facilitator and must be approved by Orange County REALTORS®. Participants, Affiliate Members, Visiting REALTORS®, and Guests must pay the entry fee to attend a Session. MLOs are permitted to attend a Marketing and Preview Session at a charge of ten dollars above the entry fee. All funds and attendance records must be recorded at each Session and reported to Orange County REALTORS® on a quarterly basis: March, June, September and December. Business cards collected at each venue must be given to Orange County REALTORS® or the sponsoring Affiliate.

PARTICIPATION AND CONDUCT

Professional Conduct: All Facilitators and Attendees must conduct themselves in a professional and appropriate manner at all times. Facilitators and Attendees shall not engage in any conduct or activity that might be perceived as being offensive, discriminatory, derogatory, and/or a violation of any legal obligation. All Facilitators and Attendees must conduct themselves in accordance with all of the Orange County REALTORS® Policies and Procedures, including, but not limited to, the General Conduct Policies and Procedures as well as the Association's Policies and Procedures Relating to Inappropriate Conduct and Harassment, copies of which are available on Orange County REALTORS® website.

All actions and activities should be in compliance with and uphold the REALTOR® Code of Ethics, irrespective of membership in an Association of REALTORS®, and the Affiliate Code of Conduct.

Non-Member Guest Speakers: Guest presenters may attend meeting with prior approval of the Session Facilitator.

Non-Recruiting Policy: Members of Orange County REALTORS® are not allowed to facilitate any agent recruitment during participation at ORANGE COUNTY REALTORS® events and activities, or through any member publications.

Including but not limited to:

- OC Realtor Magazine advertisement
- Marketing Previews
- New Member Orientation
- Education and training events
- Charitable events and activities

Association's bylaws. All members shall be REALTOR® members in good standing of OCR for at least three (3) years and be participants in OCR's Multiple Listing Service or subscribers.

Members shall be in compliance with the Regulations of the Real Estate Commissioner for one year immediately before being appointed and when appointed.

Members shall be licensed by the California DRE, and such license shall not have been restricted at the time of appointment or one year immediately before being appointed.

Members shall not have been placed on probation by the California DRE one year before being appointed or when appointed.

Members must not have been sanctioned for a violation of the Code of Ethics within one year immediately before being appointed or have sanctions pending during their term.

The President or President-Elect shall annually designate the Chair and Vice Chair (s) of the Committee, subject to confirmation by the Board of Directors.

The CEO or his/her designee shall serve as the Secretary of the Committee.

Mandatory training is required before appointment to the Grievance Committee, and additional training is required at least every two (2) years.

Committee members shall sign OCR's Confidentiality Agreement, Anti-Trust Agreement and Conflict of Interest Code before taking office.

E. MEETINGS

The CEO or his designee shall be present at all Committee meetings.

Meetings to discuss cases shall be restricted to Committee members, the CEO, and his designee, and OCR legal counsel.

F. DUTIES

The Chair shall chair the meetings and may, at his/her discretion, review cases.

In the absence of the Chair, the Vice- Chair shall assume the duties of the Chair.

The CEO or his designee shall have no voting rights.

G. POLICIES AND PROCEDURES

BYLAWS AND CODE OF ETHICS

As defined in the Bylaws and CAR Code of Ethics & Arbitration Manual, as from time to time amended.

The Committee meets as needed.

H. MANUAL AMENDMENTS

- A. The Secretary (CEO) or his designee shall promptly refer any complaint to the Chair of the Grievance Committee.

- B. The Chair shall promptly assign three or more members of the Grievance Committee to designate the alleged complaint for a citation by presenting to the Grievance Committee to determine whether to:
 - 1. Dismiss the complaint as unworthy of further consideration;
 - 2. Refer the complaint back to the complainant as appropriate for arbitration rather than disciplinary action, or for amendment, or,
 - 3. Refer the complaint back to the Secretary (CEO) or his designee for the setting of a hearing
- C. Internal Grievance Procedures shall be reviewed and updated annually and ratified by the Board of Directors.

I. ATTENDANCE

Any committee member, who fails to attend seventy- five percent (75%) of the regular or special meetings of the committee without an excuse acceptable to the President and Chair of the committee, shall be deemed to have resigned from the committee, subject to Board of Directors approval. The vacancy shall be filled as provided for original appointees.

20. MARKETING AND PREVIEW SESSION GUIDELINES

Marketing meetings afford an excellent opportunity to network with Brokers and REALTORS®. Orange County REALTORS® members have the opportunity to network with other REALTORS® and Affiliates while previewing properties. Orange County REALTORS® Affiliates have opportunities for sponsoring the sessions and providing promotional materials. Held weekly, these meetings are a great place to network with active REALTOR® members.

Currently, there are seven OC REALTORS®-sponsored meetings in Orange County. In order to be approved as an official Orange County REALTORS® Marketing and Preview Session, the meetings must be operated in accordance with the Guidelines set forth below.

In order for Orange County REALTORS® to provide opportunities for networking and previewing properties at these Sessions, all attendees should understand and uphold these guidelines and/or the Orange County REALTORS® Policies and Procedures. Orange County REALTORS® Policies and Procedures may be found on the Association website. Repeated violation of these guidelines and/or the Orange County REALTORS® Policies and Procedures may result in the instant removal from the session and possible barring from an Orange County REALTORS® facilitated session for a specific period or indefinitely.

Members who are in violation of this policy will be reprimanded according to Association policies and procedures. The Association reserves the right to deny any non-member or guest who violates the Association's Policies from attending future Orange County REALTORS® events. Members who violate Association policy may be subject to discipline and may receive written notice of violation of membership. Continued violation of policy may result in suspension or termination of membership.

ATTENDANCE

Attendees: Attendees at the Marketing and Preview Sessions may include REALTOR® members of Orange County REALTORS® (“Participants”), Affiliate members of Orange County REALTORS® and adjoining Associations (“Affiliates”), REALTORS® from other Associations (“Visiting REALTORS®”), MLS Only members (“MLOs”), and invited guests.

Participants, Affiliates, and Visiting REALTORS® Entry Requirements: Attendees must agree to the Orange County REALTORS® Marketing and Preview Session Guidelines and Orange County REALTORS® Policies and Procedures prior to entry. Attendees must submit their business card to Orange County REALTORS® prior to entry.

Guest Entry Requirements: A guest may attend no more than one Session. Exceptions may be granted to special guests such as legislative representatives, local elected officials and subject matter experts. Facilitators may grant these exceptions, but Orange County REALTORS® reserves the right to deny entry to any non-member or guest.

Entry Fee: The Facilitator may permit the charge of a Session entry fee. The entry fee amount is determined by the Facilitator and must be approved by Orange County REALTORS®. Participants, Affiliate Members, Visiting REALTORS®, and Guests must pay the entry fee to attend a Session. MLOs are permitted to attend a Marketing and Preview Session at a charge of ten dollars above the entry fee. All funds and attendance records must be recorded at each Session and reported to Orange County REALTORS® on a quarterly basis: March, June, September and December. Business cards collected at each venue must be given to Orange County REALTORS® or the sponsoring Affiliate.

PARTICIPATION AND CONDUCT

Professional Conduct: All Facilitators and Attendees must conduct themselves in a professional and appropriate manner at all times. Facilitators and Attendees shall not engage in any conduct or activity that might be perceived as being offensive, discriminatory, derogatory, and/or a violation of any legal obligation. All Facilitators and Attendees must conduct themselves in accordance with all of the Orange County REALTORS® Policies and Procedures, including, but not limited to, the General Conduct Policies and Procedures as well as the Association's Policies and Procedures Relating to Inappropriate Conduct and Harassment, copies of which are available on Orange County REALTORS® website.

All actions and activities should be in compliance with and uphold the REALTOR® Code of Ethics, irrespective of membership in an Association of REALTORS®, and the Affiliate Code of Conduct.

Non-Member Guest Speakers: Guest presenters may attend meeting with prior approval of the Session Facilitator.

Non-Recruiting Policy: Members of Orange County REALTORS® are not allowed to facilitate any agent recruitment during participation at ORANGE COUNTY REALTORS® events and activities, or through any member publications.

Including but not limited to:

- OC Realtor Magazine advertisement
- Marketing Previews
- New Member Orientation
- Education and training events
- Charitable events and activities

Community outreach hosted or sponsored by ORANGE COUNTY REALTORS®.

Political Statements: Facilitators and Attendees shall refrain from political statements or references, unless it relates to an item of legislation directly affecting the real estate business in California. Notwithstanding the foregoing, in appropriate circumstances, speakers or visiting political candidates may address political issues consistent with the goals of organized real estate.

Discussion of Commission Formulas: Commission formulas or amounts shall not be discussed, pitched or communicated in any manner at a Session other than through non-oral dissemination of written marketing information contained in the MLS data base and/or other MLS publications. Under no circumstances shall any attendee be allowed to circumvent the intent of this section. This includes but is not limited to holding up signs or changing the fonts of MLS materials to emphasize the compensation payable for selling the listing.

Discussion of Boycotts: Any acts or conduct that may constitute a boycott of another group, person or business, or have the result of affecting a boycott will not be allowed or discussed at a Session.

Gifts: Any gifts for previewing a property must be distributed only if done in a manner consistent with applicable law, such as RESPA and antitrust laws. Gifts are defined as “tangible personal property” and should be given in a way that is consistent with the Orange County REALTORS® Non-Solicitation Policy.

Alcohol Use: Alcoholic beverages and controlled substances are NOT to be served, consumed, used, possessed or present in any manner during a Session. Alcohol or any controlled substance shall NOT be advertised or available at any event, showing or open house that is part of a Session. However, unopened, wrapped and packaged alcoholic beverages may be used as prizes provided the containers are not opened during a Session.

Videotaping/Filming: Any videotaping, filming or live streaming is prohibited unless prior approval is given by the Facilitator and any guest speakers. Please see Orange County REALTORS® for Video Use Form.

PROPERTIES, LISTINGS, AND PREVIEWS

Property Showing and Attendance: Orange County REALTORS® shall set rules related to property preview times and attendance for each Session. All properties scheduled for preview must be attended by Participants. A “drive-by” preview will be permitted for tenant-occupied properties. All properties on Preview are required to comply with the mandatory property showing start and end times of each specific Session as set by Orange County REALTORS®.

Property Listing Promotion: Affiliates are not permitted to promote property listings or buyers for REALTOR® members. Exceptions to this guideline may be made occasionally with prior approval from the Facilitator, in accordance with all applicable laws and Orange County REALTORS® Policies and Procedures.

Session Preview Sheet: The “Orange County REALTORS® Preview Sheet”, which is provided by the Orange County REALTORS® MLS Department containing the listing information, is the primary document to be used to conduct the Session. When a meeting includes material from another source,

additional preview sheets may be included in along with to the “Orange County REALTORS® Preview Sheet”. Affiliate members may provide their own preview sheet (“Affiliate Preview Sheet”), but it shall not contain any confidential or sensitive information such as gate codes, confidential showing instructions, etc.

There is no exclusive right for any company or person to provide Affiliate Preview Sheets, maps or any other marketing item. All Affiliates belonging to Orange County REALTORS® have equal access and the right to display their materials in a pre-designated area, provided such materials comply with the provisions of these guidelines. Orange County REALTORS® Preview sheets only may be delivered in person to attendees at the meetings, and shall not be mailed or emailed to anyone except the Facilitator. In the event of any controversy concerning the use of Affiliate Preview Sheet, the “Orange County REALTORS® Preview Sheet” shall be the only preview sheet used.

MLS Flyers: Flyers printed from the MLS must be in Client Format and not in Agent Format.

THE FACILITATOR

What is a Marketing Meeting Facilitator?

The Facilitator is a REALTOR® or Affiliate member of Orange County REALTORS® who is in charge of the meetings from start to finish. An effective Facilitator schedules speakers, distributes preview sheets and moves the meeting agendas forward in a way that keeps attendees engaged, informed, and interested in returning for future meetings.

Qualities of an Effective Facilitator:

- Professional in every way
- Highly organized
- Detailed-oriented
- Punctual
- Energetic
- Humorous

Duties of the Facilitator:

- Read, review, and be familiar with the meeting guidelines and Orange County REALTORS® Policies and Procedures
- Run meetings, move the agenda forward, start and end promptly
- Schedule speakers and sponsors for each meeting
- Maintain calendar of meeting dates and weeks dark
- Prepare the room, clean up afterward
- Collect and distribute preview sheets
- Track and confirm membership status of attendees
- Maintain clear and accurate profit/loss records, including bookkeeping for entry fees, donations, raffles, awards, catering, venue, and other financial records

Submit financial records to Orange County REALTORS® on a quarterly basis

Conduct annual evaluation by surveying meeting attendees

Report problems or complaints to Orange County REALTORS® President, CEO or to staff liaison, in accordance with Orange County REALTORS® Policies and Procedures

Facilitator Selection: Selection of a Facilitator shall be completed by participants of the Individual Marketing Meeting in coordination with Orange County REALTORS®.

Criteria Required for Selection as a Facilitator:

Affiliate or REALTOR® in Good Standing at Orange County REALTORS®

Fulfilled any outstanding financial obligations to Orange County REALTORS® by start of Term

Familiarity with the meeting policies and procedures

Skilled at public speaking and meeting management

The Facilitator Selection Process:

1. Facilitator selection shall be advertised at the Session and in Orange County REALTORS® Email Newsletter.
2. Applicants must complete a Marketing Meeting Facilitator Application.
3. The Process Selection Committee shall consist of four Orange County REALTORS® REALTOR® Members and three Orange County REALTORS® Affiliate Members who are frequent participants of the Session.
4. Interviews of the applicants shall be conducted by the Process Selection Committee.
5. The Process Selection Committee shall nominate the Facilitator.
6. The nominated Facilitator shall be ratified by Orange County REALTORS® Board of Directors.
7. Facilitator shall be required to sign this agreement.

Agreement Term:

Each term of the Facilitator Agreement begins at 12:01 a.m. on January 1st and expires at 11:59 p.m. on December 31st.

Temporary Facilitator Substitution: For a single Session, the Facilitator may select a REALTOR® or Affiliate member at their discretion to lead the Session. For a period longer than a single Session, Orange County REALTORS® must be notified of a Facilitator substitution.

Replacement Facilitator: If a Facilitator resigns or a vacancy occurs, the Facilitator shall notify Orange County REALTORS® immediately. Each individual Marketing and Preview Session may then select its own replacement facilitator pursuant to selection criteria.

MEETING MANAGEMENT

Sponsorship Opportunities: ALL sponsorship opportunities must be advertised to ALL Affiliates and are valid for one year only. Renewal of sponsorship is not automatic and ALL Affiliates must be given equal opportunity to be a sponsor.

Session Supplies and Activities: Meeting planning and coordination, such as supplying refreshments and presentations, is restricted to Orange County REALTORS® Affiliates only. Food, refreshments or other amenities must be nominal and consistent with RESPA guidelines. An exception may be made on occasion with prior approval of the meeting Facilitator.

Organizational Meeting and Session Evaluation: The Facilitator shall schedule and hold an annual organizational meeting in which the Session Participants are asked to review and approve the meeting format, door fee, sponsorships, charitable beneficiaries, etc.

Marketing Meeting Facilitator Agreement – See Exhibit B

COMPLAINTS

All complaints must be provided in accordance with Orange County REALTORS® policies and procedures. Orange County REALTORS® may, but is not required, to supply a Complaint Form. Complaint Request Form is available at www.ocar.org/mmp-complaint.

MARKETING AND PREVIEW SESSION GUIDELINES: DO'S AND DON'TS

Do's

Permitted Attendees: Members and Affiliates from Orange County REALTORS® or adjoining Associations, REALTORS® from other Associations, MLS Only members (MLOs), invited guests. Attendees must agree to these Guidelines and submit business card prior to entry. A guest may attend no more than one Session.

Fee: All Attendees must pay the entry fee. MLOs may attend for ten dollars above the entry fee.

Professional Conduct: Attendees must conduct themselves in a professional and appropriate manner at all times and follow all Orange County REALTORS® Policies and Procedures, which can be found on the Association website. All actions should uphold the REALTOR® Code of Ethics, irrespective of membership in an Association of REALTORS®, and the Affiliate Code of Conduct. Complaint Request Form is available at www.ocar.org/mmp-complaint

Gifts or Incentives: Must be consistent with applicable law, including RESPA. Unopened, wrapped and packaged alcoholic beverages may be used as prizes.

Property Showing: All properties scheduled for preview must be attended by Participants. "Drive-by" is permitted for tenant-occupied properties. Properties must comply with mandatory start and end times.

Preview Sheets: The Orange County REALTORS® Preview Sheet is the primary Session document. Affiliates may provide their own preview sheet without confidential information such as gate codes or showing instructions. In the event of controversy, the Orange County REALTORS® Preview Sheet

shall be the only preview sheet used. Printed MLS flyers must be in Client Format and not in Agent Format.

Equal Access: All Orange County REALTORS® Affiliates may display their materials in a pre-designated area, provided such materials comply with these guidelines.

Sponsorships: ALL sponsorship opportunities must be advertised to ALL Affiliates and are valid for one year only. Meeting planning and coordination, such as supplying refreshments and presentations, is restricted to Orange County REALTORS® Affiliates. Refreshments and amenities must be nominal and consistent with RESPA guidelines.

Don'ts

Prohibited behavior: Attendees shall not engage in any conduct or activity that might be perceived as a violation of Orange County REALTORS® Policies and Procedures Relating to Inappropriate Conduct and Harassment.

Alcoholic Beverages: Shall NOT to be served, consumed, used, possessed or present in any manner during a Session (except as prizes). Alcohol and controlled substances shall NOT be advertised or available at any event, showing, or open house during a Session.

Agent Recruitment: Prohibited during Orange County REALTORS® events or through any member publications.

Discussion of Commission Formulas: Prohibited except through written MLS publications. This includes holding up signs or changing the fonts of MLS materials to emphasize compensation.

Political Statements: Prohibited unless it relates to legislation affecting real estate in California.

Boycotts: Any acts or conduct that may constitute a boycott of another group, person or business, or have the result of affecting a boycott will not be allowed or discussed at a Session.

Videotaping/Filming: Any videotaping, filming or live streaming is prohibited unless prior approval is given by the Facilitator and any guest speakers.

Listing Promotion: Affiliates may not promote property listings or buyers for REALTOR® members.

Orange County REALTORS® Preview Sheets: Shall not be mailed or emailed to anyone except the Facilitator. They may be delivered in person to Attendees at the meetings.

21. COMMITTEE APPLICATION AND CHAIR/VICE CHAIR AGREEMENT

See Exhibit C

Article XVII Indemnification

Article XVIII MLS

EXHIBIT A

Director Agreement

2021

January 1

Documents attached:

- 1) 2021 Director Agreement outlining duties and responsibilities.
- 2) Antitrust Avoidance/Conflict of Interest/Confidentiality Agreements.
- 3) Board Member Expectation Assignments.

Note: A signed copy of Director Agreement must be received by ORANGE COUNTY REALTORS® by January 14, 2021

Board Member
Responsibility,
Expectation
and Policy
Agreement(s).

ORANGE COUNTY REALTORS®

2021 Board Member Agreement

ORANGE COUNTY REALTORS® MISSION STATEMENT

The mission of the Orange County REALTORS® is to promote the Code of Ethics; to provide education, services, and resources to our members; and to advocate the protection of real property rights.

POSITION: Director, Board of Directors

TERM: Three Years; limited to no more than six (6) consecutive years, excluding service by ascendancy to the position of President and Immediate Past President, according to ORANGE COUNTY REALTORS® Bylaws.

BASIC DUTIES:
RESPONSIBILITIES:

Board Members are required to perform their duties and obligations in accordance with California Corporations Code, Section 7231, including supporting and upholding ORANGE COUNTY REALTORS®'s Mission Statement, Bylaws, Policies and Procedures, and all programs, goals, and initiatives by:

Attend 10 Board of Directors Meetings per year plus any special meetings as necessary, and to actively participate in decision-making. Note: No Board Member shall create alliances. Each Director should share their voice at the Board Meetings. Each Director shall actively participate in all meetings and perform all other responsibilities of serving on the Board of Directors.

Note: As per the Bylaws, if a Board Member misses three (3) consecutive or five (5) total meetings within a twelve (12) month period, he/she will have been deemed to resign their position and will be required to vacate their Board seat for a new member who can participate fully in the organizational duties - unless said director provides to the Board of Directors, in writing, justification for missing the meetings and said justification is accepted by the Board of Directors.

Participate in strategic planning activities including the Annual Strategic Planning Meeting.

Attend and participate in the Annual Leadership Summit.

Read and understand the financial statements and assist the board in fulfilling its fiduciary responsibility.

As a Board Member and Corporate Director you are required to adhere to the following fiduciary duties

- Utmost Duty of Loyalty
- Duty is to Association - not to member or others
- Ahead of personal desires or objectives

Develop and maintain knowledge of ORANGE COUNTY REALTORS® Governing Documents, including, but not limited to the Bylaws, Policies & Procedures Manual, Strategic plan, etc.

Adopt a working knowledge and adhere to Robert's Rules of Order for all meetings.

Attend Committee Chair/Vice Chair orientation, if appropriate.

Attend C.A.R. and NAR meetings if selected as a traveling Director. (C.A.R. Spring, Winter, and Fall meetings, & NAR Mid-Year meetings and Annual Conference). Actively participate in the meetings and obtain information and practices that will benefit the Association without compromising duties and obligations as an ORANGE COUNTY REALTORS® director to maintain the confidentiality of business practices, trade secrets, and proprietary information. If requested, prepare reports of meetings attended, interactions with other attendees and other aspects of the meeting containing significant information for the Association and its members. Keep an accurate account of expenses and provide justification and receipts for all expenses claimed.

ORANGE COUNTY REALTORS® Officers are expected to attend Special Meetings and Executive Sessions when called. The content of Executive Sessions is strictly confidential and must not be discussed with anyone, including other attendees, outside of the meeting.

Be an advocate for the organization but not spokesperson except when authorized to do so. Directors shall not engage in any communications with the media, elected officials or any government representative without the express consent of the President or Chief Executive Officer.

Attend and promote major ORANGE COUNTY REALTORS® calendared activities and events in ways appropriate to the profession and your contacts. (*See 2018 Board Member Expectation Assignments - attached*).

Promote ORANGE COUNTY REALTORS®'s image/brand in a positive light.

If required and authorized, represent ORANGE COUNTY REALTORS® at other industry-related meetings such as AREAA-OC, NAHREP, WCR, Inman, etc.

Maintain your membership and support the REALTOR® Action Fund with a minimum contribution of \$148.

Make a financial contribution appropriate to your circumstances, to ORANGE COUNTY REALTORS®'s charitable foundation, OCAR Cares.

Serve on at least one committee or task force each year.

Work to develop new leadership and recommend potential Board members to the Credentials Committee.

CONFLICT OF INTEREST: A *Conflict of Interest Disclosure Statement* must be signed annually by each Board Member. (*See attached*).

CONFIDENTIALITY: All ORANGE COUNTY REALTORS® Directors must annually sign a Confidentiality Agreement. Directors should not discuss or share any confidential or proprietary information that is related to ORANGE COUNTY REALTORS®, with other competing associations including other A.O.R. Directors and members who may also be present at C.A.R. and other industry

meetings, and even with other directors outside of meetings. (*A Confidential Information Policy Agreement is attached*).

LEGAL

Board Members are bound by the laws and regulations of the State of California, including but not limited to the corporate, non-profit laws and regulations and, as such, must carry out the functions described in the Board Member Agreement.

LIABILITY:

While serving on the Board, Board Members are covered by the Directors' and Officers' Insurance, that is regularly updated, and liability coverage increased as necessary. Board Members acknowledge the potential for personal liability if they act outside the scope and authorization of their duties as directors or undertake any act or omission without Board authorization that is detrimental to the best interest of the Association.

EXPENSES & MILEAGE.

Upon request and approval, Board Members will be reimbursed for other expenses incurred while conducting official Association business.

Directors are reimbursed for mileage at the standard IRS mileage rate to and from Board of Directors meetings. Also, mileage to and from the annual Leadership Summit is also reimbursed. 1099 Forms will be issued for all required situations as defined by the IRS.

If Board Members positively RSVP to an event and ORANGE COUNTY REALTORS® prepays the ticket and Board Members cancel at the last minute, it is their responsibility to try to sell the ticket (to recoup the cost for ORANGE COUNTY REALTORS®.)

Antitrust Avoidance /Conflict of Interest /Confidentiality Agreement
ORANGE COUNTY REALTORS® 2021 Board of Directors

Antitrust Avoidance

Meeting attendees are reminded that state and federal laws prohibit the exchange of information among competitors regarding matters pertaining to price, refusals to deal, market division, tying relationships and other topics which might infringe upon antitrust regulations and that no such exchange or discussion will be tolerated during this meeting. These guidelines apply not only to the formal meeting session but to informal discussions during breaks, meals or social gatherings. Further information is set forth in the NAR pamphlet on Antitrust Avoidance.

Conflict of Interest Policy

Orange County REALTORS® cannot tolerate an actual or perceived conflict of interest on the part of any of its directors, officers, or employees. A conflict of interest includes any direct or indirect personal or financial interest, including interest of a director's officer's or employee's family, companions, relatives or close friends, in any business entity seeking to do business with the Association or obtaining a benefit from the Association.

Every director, officer, or employee knowing a potential or actual conflict of interest shall file with the Association a written disclosure of the nature and details of the potential or actual conflict of interest, including the names and relationship of the persons involved and their capacity in the transaction. The director, officer, or employee shall be prohibited from engaging in any discussions, evaluation, negotiation, decision, or any other matter relating to the matter

giving rise to the conflict unless a specific and informed waiver is granted by the Board of Directors.

Confidentiality Agreement

This Confidentiality Agreement is entered into between the undersigned and Orange County REALTORS®.

The parties hereto will engage in discussions and, in some cases, make policy decisions concerning the financial position of the Association, members' accounts, members' files, plans of the Association, Professional Standards Hearings Findings, and other confidential and sensitive information. To make prudent decisions, that serve the best interests of the Association, and to intelligently consider all options in making these recommendations, the parties must discuss and evaluate confidential, sensitive, and proprietary information ("Confidential Information").

Each Director agrees to the following:

1. "Confidential Information" as used herein, shall mean all information, documentation, concepts, data membership lists, bank records, financial records, findings from Professional Standards hearings, marketing analysis, financial projections, products, services, processes, software, trade secrets and devices disclosed or made available by any of the parties hereto to any of the other parties, including without limitation, the existence of discussions concerning the possibility of additional mergers, consolidations, sales of assets, etc. Confidential Information also includes any communications with counsel concerning any matter for which counsel has been consulted. Directors should refrain from making any comments to affect a matter, proposal, plan or other action is being pursued or not pursued because of advice from counsel because such a statement may waive the attorney-client privilege.
2. The parties acknowledge and agree that the Confidential Information is proprietary and may include valuable trade secrets and that any disclosure or unauthorized use of this information may cause irreparable harm and loss to the Association.
3. Once an issue has been discussed and a final decision has been made by a majority of the Officers and Directors, all Directors agree to abide by and support the decision.
4. The only persons with whom the parties hereto may share the Confidential Information are other Officers and Directors of the Association Board of Directors, Chief Executive Officer, Association Controller, and Accountants and Attorneys for the Association.
5. No rights or licenses, express or implied, are hereby granted to the parties hereto by any of the other parties under any patents, copyrights, or trade secrets as a result of or related to this Agreement.
6. The restrictions and obligations of this Agreement shall survive any termination, cancellation or expiration of this Agreement, and shall continue to bind the parties hereto and their successors and assigns.

7. This Agreement may be executed in any number of counterparts, all of which together shall be an original.

The undersigned having been duly elected or appointed in accordance with the Bylaws of Orange County REALTORS®, hereby agrees to comply with this Agreement, the Conflict of Interest Policy and be bound by the confidentiality terms of the foregoing Confidentiality Agreement.

I have read and understood the Board Member Agreement and understand that any violation of this contract or breach of confidentiality, can result in dismissal from the Board of Directors.

If asked I will participate in an exit interview with leadership and staff following a dismissal, or at the end of a term of office.

Please return a signed copy of this document to Debby Ritter (debby@ocar.org).

I agree to serve as indicated.

Name (Printed):

Signature:

Date:

ORANGE COUNTY REALTORS® 2021 Board Member Expectation Assignments

As outlined in the responsibilities section of the **2021 Board Member Agreement** you are expected to participate, promote and advocate ORANGE COUNTY REALTORS® activities and events throughout the coming year. You will have many opportunities to do so and should plan to attend as many of the following as possible.

When attending as an ORANGE COUNTY REALTORS® Director, you should introduce yourself, explain why or how you were elected to serve, **and preferably introduce a guest you are bringing to the event or activity. Mandatory Director attendance events/meetings shown in red.**

2021 Dates

Leadership Summit/Board of Directors	January 14-15, 2021 – Virtual
2021 New Laws, Neil Kalin	January 22, 2021 - Virtual
2021 C.A.R. Business Meetings	February 1-19 – Virtual
Board of Directors Meeting	February 3, 12:00pm - Virtual
Board of Directors Meeting	March – No Meeting due to Economic Forecast and Annual Meeting
2021 Election Informational Meeting	March 8, 2:00pm – Virtual
Membership Meeting & Housing Forecast	March 15, 11:00am-2:00pm – Virtual
Board of Directors Meeting	April 7, 12:00pm – Virtual
2021 C.A.R. Legislative Meetings	April 27 – 30 TBD
OCAR Cares Golf Tournament	May 3, TBD
Board of Directors Meeting	May 5, 12:00pm – TBD
NAR Legislative Meetings	May 10-15, TBD
Board of Directors Meeting	June 2, 12:00pm - TBD
Board of Directors Meeting	July 7, 12:00 am – TBD
Board of Directors Meeting	No August Meeting
Board of Directors Meeting	September 1, 12:00pm -TBD
2021 C.A.R. Convention & Expo	Oct 6-9 – Anaheim
Board of Directors Meeting	October 13, 12:00pm – TBD
Costume Bowl	October - TBD
Trunk or Treat	October - TBD
Board of Directors Meeting	November 3, 12:00pm – TBD
NAR Conference and Expo	November 10-15 – San Diego
Turkey Bowl	November 18, Fountain Bowl, Fountain Valley
Annual Installation Dinner	? (S)
Affiliate North Reception	?
Affiliate South Reception	?
Gov Affairs Forums	Check) www.ocar.org for date
IBF Forum	Check www.ocar.org for date
MLS Forum	Check www.ocar.org for date
Risk Management Forum	Check www.ocar.org for date
Marketing/Preview meetings	Check www.ocar.org for date(s) for your local preview

Director Agreement

January 1

2022

Board Member
Responsibility,
Expectation
and Policy
Agreement(s).

2022 Board Member Agreement

ORANGE COUNTY REALTORS® MISSION STATEMENT

The mission of the Orange County REALTORS® is to promote the Code of Ethics; to provide education, services, and resources to our members, and to advocate the protection of real property rights.

POSITION:

Director, Board of Directors

TERM:

Three Years; limited to no more than six (6) consecutive years, excluding service by ascendancy to the position of President and Immediate Past President, according to Orange County REALTORS® Bylaws.

RESPONSIBILITIES:

Board Members are required to perform their duties and obligations in accordance with California Corporations Code, Section 7231, including supporting and upholding Orange County REALTORS®'s Mission Statement, Bylaws, Policies and Procedures, and all programs, goals, and initiatives by:

Attend 10 Board of Directors Meetings per year plus any special meetings as necessary, and to actively participate in decision-making. No Board Member shall create alliances. Each Director should share their voice at the Board Meetings. Each Director shall actively participate in all meetings and perform all other responsibilities of serving on the Board of Directors.

Note: *As per the Bylaws, if a Board Member misses three (3) consecutive or five (5) total meetings within a twelve (12) month period, he/she will have been deemed to resign their position and will be required to vacate their Board seat for a new member who can participate fully in the organizational duties - unless said director provides to the Board of Directors, in writing, justification for missing the meetings and said justification is accepted by the Board of Directors.*

Participate in strategic planning activities including the Annual Strategic Planning Meeting.

Attend and participate in the Annual Leadership Summit.

Read and understand the financial statements and assist the board in fulfilling its fiduciary responsibility.

As a Board Member and Corporate Director, you are required to adhere to the fiduciary duties of Care, Loyalty, and Obedience.

Develop and maintain knowledge of Orange County REALTORS® Governing Documents, including, but not limited to the Bylaws, Policies & Procedures Manual, Strategic plan, etc.

Maintain good standing. "In good standing" means the following: The Director's California real estate license was not suspended or revoked by the Bureau of Real Estate and has not had any disciplinary issues, suspensions or other findings of a violation of the real estate licensing laws or regulations pending. The Director's membership in OCR was not suspended or terminated after a final Professional Standards proceeding hearing before the Board of Directors, or for

failure to pay any financial requirements such as dues, fees or fines. The Director's California real estate license has not been and currently is not restricted by California DRE due to fraud and/or violation of public trust, as defined by NAR guidelines. The Director has not had and currently does not have any unsatisfied or outstanding violations and is in compliance with all conditions required and orders issued by California DRE.

A Director may be a member of another local REALTOR® Association but may not be concurrently or simultaneously nominated, running, elected, appointed, or serving on an Association concurrently or simultaneously nominated, elected or serving on a board of directors of another local REALTOR® Association.

A Director has the responsibility to immediately inform the President if he/she does not or will not meet any of the qualifications to be nominated, seated, or continue to serve or to ascend to the following office.

Adopt a working knowledge and adhere to Robert's Rules of Order for all meetings.

Attend Committee Chair/Vice Chair orientation, if appropriate.

Attend C.A.R. and NAR meetings if selected as a traveling Director. (C.A.R. Spring, Winter, and Fall meetings, & NAR Mid-Year meetings and Annual Conference). Actively participate in the meetings and obtain information and practices that will benefit the Association without compromising duties and obligations as an Orange County REALTORS® director to maintain the confidentiality of business practices, trade secrets, and proprietary information. If requested, prepare reports of meetings attended, interactions with other attendees and other aspects of the meeting containing significant information for the Association and its members. Keep an accurate account of expenses and provide justification and receipts for all expenses claimed.

Orange County REALTORS® Officers are expected to attend Special Meetings and Executive Sessions when called. The content of Executive Sessions is strictly confidential and must not be discussed with anyone, including other attendees, outside of the meeting.

Serve on the Board of Directors' Review Panel, when asked.

Be an advocate for the organization but not spokesperson except when authorized to do so. Directors shall not engage in any communications with the media, elected officials or any government representative without the express consent of the President or Chief Executive Officer.

Attend and promote major Orange County REALTORS® calendared activities and events in ways appropriate to the profession and your contacts. (*See 2022 Board Member Expectation Assignments - attached*).

Promote Orange County REALTORS®'s image/brand in a positive light.

If required and authorized, represent Orange County REALTORS® at other industry-related meetings such as AREAA-OC, NAHREP, WCR, Inman, etc.

Maintain your membership and support the REALTOR® Action Fund with a minimum contribution of \$148.

Make a financial contribution appropriate to your circumstances, to Orange County REALTORS®'s charitable foundation, OCAR Cares.

Serve on at least one committee or task force each year.

Work to develop new leadership and recommend potential Board members to the Credentials Committee.

LEGAL:

Board Members are bound by the laws and regulations of the State of California, including but not limited to the corporate, non-profit laws and regulations and, as such, must carry out the functions described in the Board Member Agreement.

LIABILITY:

While serving on the Board, Board Members are covered by the Directors' and Officers' Insurance, that is regularly updated, and liability coverage increased as necessary. Board Members acknowledge the potential for personal liability if they act outside the scope and authorization of their duties as directors or undertake any act or omission without Board authorization that is detrimental to the best interest of the Association.

EXPENSES & MILEAGE:

Upon request and approval, Board Members will be reimbursed for other expenses incurred while conducting official Association business.

Directors are reimbursed for mileage at the standard IRS mileage rate to and from Board of Directors meetings. Also, mileage to and from the annual Leadership Summit is reimbursed. 1099 Forms will be issued for all required situations as defined by the IRS.

If Board Members positively RSVP to an event and Orange County REALTORS® prepays the ticket and Board Members cancel at the last minute, it is their responsibility to try to sell the ticket (to recoup the cost for Orange County REALTORS®).

Antitrust Avoidance:

Meeting attendees are reminded that state and federal laws prohibit the exchange of information among competitors regarding matters pertaining to price, refusals to deal, market division, tying relationships and other topics which might infringe upon antitrust regulations and that no such exchange or discussion will be tolerated during this meeting. These guidelines apply not only to the formal meeting session but to informal discussions during breaks, meals or social gatherings. Further information is set forth in the NAR pamphlet on Antitrust Avoidance.

Conflict of Interest Policy:

Orange County REALTORS® cannot tolerate an actual or perceived conflict of interest on the part of any of its directors, officers, or employees. A conflict of interest includes any direct or indirect personal or financial interest, including interest of a director's officer's or employee's family, companions, relatives or close friends, in any business entity seeking to do business with the Association or obtaining a benefit from the Association.

Every director, officer, or employee knowing a potential or actual conflict of interest shall file with the Association a written disclosure of the nature and details of the potential or actual conflict of interest, including the names and relationship of the persons involved and their capacity in the transaction. The director, officer, or employee shall be prohibited from engaging in any discussions, evaluation, negotiation, decision, or any other matter relating to the matter giving rise to the conflict unless a specific and informed waiver is granted by the Board of Directors.

Confidentiality Agreement:

All Orange County REALTORS® Directors must annually sign a Confidentiality Agreement. Directors should not discuss or share any confidential or proprietary information that is related to Orange County REALTORS®, with other competing associations including other A.O.R. Directors and members who may also be present at C.A.R. and other industry meetings, and even with other directors outside of meetings.

This Confidentiality Agreement is entered into between the undersigned and Orange County REALTORS®.

The parties hereto will engage in discussions and, in some cases, make policy decisions concerning the financial position of the Association, members' accounts, members' files, plans of the Association, Professional Standards Hearings Findings, and other confidential and sensitive information. To make prudent decisions, that serve the best interests of the Association, and to intelligently consider all options in making these recommendations, the parties must discuss and evaluate confidential, sensitive, and proprietary information ("Confidential Information").

Each Director agrees to the following:

1. "Confidential Information" as used herein, shall mean all information, documentation, concepts, data membership lists, bank records, financial records, findings from Professional Standards hearings, marketing analysis, financial projections, products, services, processes, software, trade secrets and devices disclosed or made available by any of the parties hereto to any of the other parties, including without limitation, the existence of discussions concerning the possibility of additional mergers, consolidations, sales of assets, etc. Confidential Information also includes any communications with counsel concerning any matter for which counsel has been consulted. Directors should refrain from making any comments to affect a matter, proposal, plan or other action is being pursued or not pursued because of advice from counsel because such a statement may waive the attorney-client privilege.
2. The parties acknowledge and agree that the Confidential Information is proprietary and may include valuable trade secrets and that any disclosure or unauthorized use of this information may cause irreparable harm and loss to the Association.
3. Once an issue has been discussed and a final decision has been made by a majority of the Officers and Directors, all Directors agree to abide by and support the decision.
4. The only persons with whom the parties hereto may share the Confidential Information are other Officers and Directors of the Association Board of Directors, Chief Executive Officer, Association Controller, and Accountants and Attorneys for the Association.
5. No rights or licenses, express or implied, are hereby granted to the parties hereto by any of the other parties under any patents, copyrights, or trade secrets as a result of or related to this Agreement.
6. The restrictions and obligations of this Agreement shall survive any termination, cancellation or expiration of this Agreement, and shall continue to bind the parties hereto and their successors and assigns.
7. This Agreement may be executed in any number of counterparts, all of which together shall be an original.

The undersigned having been duly elected or appointed in accordance with the Bylaws of Orange County REALTORS®, hereby agrees to comply with this Agreement, the Conflict of Interest Policy and be bound by the confidentiality terms of the foregoing Confidentiality Agreement.

I have read and understood the Board Member Agreement and understand that any violation of this contract or breach of confidentiality, can result in dismissal from the Board of Directors.

If asked I will participate in an exit interview with leadership and staff following a dismissal, or at the end of a term of office.

Please sign and return this page to return a signed copy of this document to Debby Ritter (debby@ocrealtors.org).

Signature: _____

Name (Printed): _____

Date: _____

**2021 C.A.R. STATE DIRECTOR APPLICATION**

Applications are due June 15, 2020

Name: _____ NRDS#: _____

Firm: _____

Address: _____
Street City State Zip Code

Preferred Phone: _____ Email: _____

State Director Responsibilities

1. Maintain a REALTOR® membership in good standing at OC REALTORS®.
2. Abide by the terms of OC REALTORS®'s "State Director Commitment and Policy on Travel."
3. Act as an ambassador for OC REALTORS® and its members while fulfilling your duties as a state director.
4. Agree to serve a minimum of one, 3-year term.

*Note: Starting in 2021, state director terms shall be three (3) years instead of one (1) year. However, the longer term will be introduced over program years 2021-2023. Starting in 2021, state directors shall be assigned either a one (1) year, two (2) year, or three (3) year term. State directors serving a "short-term" in program years 2021-2022, either one (1) year or two (2) years in duration, shall be eligible to apply for full three (3) year term subsequently. State directors having served three terms consecutively, shall be ineligible for travel funding for a minimum of one year. The initial "short terms" shall not count toward the overall three consecutive term limits.

5. Attend all three (3) C.A.R. state business meetings scheduled annually whether held live or virtually.
6. Actively serve on three (3) state committees.
7. Submit a written report no later than two (2) weeks after the conference, detailing meetings attended and people of interest, as well as issues, recommendations, conclusions, and other topics of concern.
8. Invest at least \$148 in the REALTOR® Action Fund (RAF) while serving as a State Director.
9. Serve in a volunteer capacity at OC REALTORS®, as a committee or task force member, as a project or event volunteer, or as a member of OC REALTORS®'s board of directors while serving as a State Director.
10. Agree to use a personal or corporate credit card, or other form of payment, for all upfront travel-related expenses, including airfare, parking, ground transportation, hotel, hotel incidentals, and meals.

continued on next page

Page 1 of 6
Rev 060120

Code of Conduct for State Director Attendees:

1. Individuals are expected to prepare for meetings. This includes reviewing any documents provided before the meetings and being prepared to discuss anticipated issues.
2. Individuals must be properly attired when representing the Association. Business attire is required unless otherwise advised.
3. Individuals must act appropriately at all times, refrain from inappropriate conduct or harassment, and be subject to the same rules of conduct applicable to meetings and other activities of the Association. Engaging in inappropriate conduct toward other attendees or anyone while on travel is grounds for discipline pursuant to Association policy.
4. Attendance at all meetings, including timely arrival and remaining present during the meetings, is required.
5. Travel shall be the least expensive and most practical means. Attendees will only be reimbursed or compensated for previously approved Association expenses.
6. All attendees shall prepare reports that are individually composed by the attendee and represent the perceptions and experiences of the attendee. The use of meeting organizer notes is not adequate.
7. The Association reserves the right, through the Executive Committee, to suspend or revoke, with or without cause, the right of any individual to travel to any event or meeting where it appears they may be acting on behalf of the Association.

By reviewing, completing, signing and submitting:

A. You give permission to Travel Task Force and/or Executive Committee to contact you for additional information regarding your qualifications and experience; and

B. You understand that the Task Force and/or Executive Committee will review your service record and conduct at OCR-sponsored events and other industry-related events, in accordance with the General Travel Policy.

I HAVE READ AND UNDERSTAND THE GENERAL TRAVEL POLICY AND CODE OF CONDUCT FOR ATTENDEES:

Signature

Date

Please print, sign, and email back to Debby@ocrealtors.org.

Deadline: June 15, 2020

Please print, sign, and email back to Debby@ocrealtors.org. **Deadline: June 15, 2020**

Page 2 of 6
Rev 060120

STATE DIRECTOR APPLICATION

1. How have you demonstrated your leadership in the real estate profession?

2. What does your leadership path with OC REALTORS® look like in the next three years? And, who are you mentoring or helping in Leadership?

3. Why should you be appointed or reappointed as a State Director?

5. Do you have a credit card to use for hotel and travel costs? _____

Please list your professional designations:

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Please print, sign, and email back to Debby@ocrealtors.org. **Deadline: June 15, 2020**

Page 3 of 6
Rev 060120

Association, Committee and other volunteer participation at OC REALTORS®

Committee/Volunteer Activity	Year	Position

Committee and other volunteer participation:

Participation in state committees and volunteer activities is a consideration for appointment as a traveling director. Please list State volunteer activities.

Committee/Volunteer Activity	Year	Position	Additional Information

Please print, sign, and email back to Debby@ocrealtors.org. **Deadline: June 15, 2020**

Page 4 of 6
Rev 060120

STATE DIRECTOR APPLICATION

Current State Committees and other volunteer participation (2020)

Please use the following table to list volunteer activity during 2020.

Committee/Volunteer Activity	Position	Additional Information

Please rank your top 5 State Committee Selections:

1. _____
2. _____
3. _____
4. _____
5. _____

Association Presidents, Leadership Forum
 Business Technology Forum
 C.A.R. Scholarship Foundation/C.A.R.
 Education Foundation
 California Distinguished REALTOR®
 Awards Selection
 Commercial Investment Forum
 Communications Advisory
 Credentials
 CREPAC
 Defense Strategy Advisory
 Executive
 Federal
 Global Real Estate Forum

Home Ownership Housing
 Housing Affordability Fund
 IMPAC
 Investment Housing
 Investment Subcommittee
 Land Use and Environmental
 Legal Action Trustees
 Legal Affairs Forum
 Legislative
 Local Government Forum
 Membership
 MLS Policy
 Nominating
 Past Presidents

Political Activities Fund
 Professional Development
 Professional Standards
 Public Policy Issues Forum
 REALTOR® Action Fund
 REALTOR® Risk Management and
 Consumer Protection Forum
 Sergeant-at-Arms
 Standard Forms Advisory
 Strategic Planning and Finance
 Taxation and Government Finance
 Transaction and Regulatory
 Young Professional Network Forum

Please print, sign, and email back to Debby@ocrealtors.org. **Deadline: June 15, 2020**

Page 5 of 6
 Rev 060120

2021 C.A.R. Committee Timeline

- May 2020 – C.A.R. Committee Selection Process goes live (recommendations for Chair, Vice Chair, Issues Chair, and Member positions on Standing, Special and Advisory Committees <http://www.car.org/meetings/carmeetings/committeeselection/timeline/>)
- May 29, 2020 – Deadline for submitting 2021 C.A.R. Committee Leadership and Specialized/Advisory recommendations (Chair, Vice Chair, or Issues Chair of Standing Committees, and Chair, Vice Chair or Members of Special or Advisory positions.
- July 24, 2020 – Deadline for 2021 Committee Members and Regional Chair Submission from Association
- August 2020 – 2021 C.A.R. Chairs, Vice Chairs, Executive Committee, Committee Liaisons, Strategic Planning & Finance Committee and Specialized/Advisory committee selections finalized. Respective appointees confirmed.
- September 2020 – Members notified of 2021 appointments via email. Regional Chairs and Local Associations advised of appointments of members within the Region/Local Association who have been asked to serve on 2021 C.A.R. committees.
- If you have any questions, please contact C.A.R. Staff at governance@car.org.

2021 OC REALTORS® Application Timeline

- 2021 State Director Applications available Wednesday, May 27, 2020
- 2021 State Director Application deadline Monday, June 15, 2020

Please print, sign, and email back to Debby@ocrealtors.org. **Deadline: June 15, 2020**

Page 6 of 6
Rev 060120



Orange County
REALTORS®
(OCR) State
Director
Agreement

January 1

2021

- State Director Commitment Agreement
- Travel & Expense Policy

OCR State Director,
Commitment & Travel
Agreement

Note: A signed copy of this agreement must be received by OCR January 15, 2021



2021 State Director Commitment and Travel Agreement

Congratulations on your appointment as a State Director. You will receive some information and briefing packets from both Orange County REALTORS® (OCR) and C.A.R. over the course of the year. C.A.R. communicates with the directors primarily through e-mail and the car.org website. All information regarding business meetings is available at <http://www.car.org/meetings/> where you will find schedules of meetings, locations, key contact information, hotel information, and committee meeting materials.

POSITION: C.A.R. State Director, Representing OCR.

TERM: Term set by C.A.R. for a one (1) year term for standing committees. Multi-year appointments are possible for specialized or Advisory Committees. OCR allows that a State Director position is a three (3) to five (5) year term commitment limited to no more than six (6) consecutive years unless appointed to a State Committee Chair position. *(Approved by BOD 3-23-17).*

YOUR COMMITMENT:

- You are privileged to represent your colleagues in the real estate profession during a time in which fundamental changes are sweeping the industry. OCR has demonstrated a strong resolve to actively manage the direction of these changes through innovations at our local association and vigorous participation at C.A.R. and NAR.
- As a State Director, you have a fiduciary responsibility to the membership of C.A.R. Remember, that it is your job to do what is best for the C.A.R. membership. OCR has made a substantial investment in your presence at these meetings. Here is what OCR expects of you in return:
- As an OCR-appointed State Director, you are expected to behave professionally, to positively support OCR (including its leadership, management team, and policies), and to act ethically and honestly in all your dealings.
- When you have been appointed as a State Director, it is your responsibility to apply for C.A.R. Committees for the upcoming year. You are responsible for applying to be a member of at least three (3) C.A.R. Committees – as a member or Chair or Vice Chair. Be sure, when you apply online, that you check the meeting days and times so that they are not in conflict with

each other. When you have submitted your committee requests to C.A.R., please inform OCR of your committee choices.

- When you know what committees/task forces/working groups you have officially been assigned by C.A.R. (usually by October of the year before your meetings), contact the chair of that group and introduce yourself, and let that person know that you want to be an active participant and offer to help in any way you can. As in most groups, a few people do most of the work. There always will be opportunities within a committee to do work between the meetings. Conference calls, outreach programs, and task forces are ways to immerse yourself in the work of the committee, by doing so you will develop a better understanding of C.A.R. and the importance of your committee.

Even if, at first glance, the committee does not seem particularly exciting or important, give it a chance. Involvement in the hard work of the committees is the first step toward leadership at C.A.R. and you will also benefit OCR regarding increased input into policy level decisions made at the committee level. Active participation allows for the opportunity for you to become a vice-chair and a chair of important committees at C.A.R.

- Well in advance of the actual meetings; download the meeting materials for your committee(s) from <https://www.car.org/meetings/carmeetings>. Print copies of agendas and other meeting materials will not be provided at the C.A.R. meetings. Become familiar with the issues. If you have questions, contact the chair or staff liaison at C.A.R.
- Attend all the meetings to which you are assigned. Participate actively in meeting discussions as this is especially important if you are the Regional Representative or a “member-at-large” for that committee. You are a voting member of that committee. And your full participation is important. However, please remember your Confidentiality Agreement as an OCR Director and be mindful of other competing associations that also may be present, so please do not discuss or share any proprietary information that relates to OCR.
- Attend the member forums. These are large gatherings at which the hottest topics arising at the meetings are discussed. Some of these will be the contentious issues at the final Board of Directors session. Go to the microphone and let the group know if you feel strongly about any of the issues. Be sure to state your name and Region (32) before speaking. Some of the discussions represent emerging topics and will show up on the agenda for the next meeting. Be considerate, logical, and brief.
- Review your schedule. OCR leadership and the Regional Chairperson may ask you to attend committee meetings, forums, or other events that fit into your schedule. Try to attend as many open committee meetings and forums as you can. You will not be a voting member at these additional committee meetings, but you are entitled and encouraged to participate in discussions. Learn what interests you and what puts you to sleep. Some of the meetings will be closed, or by invitation only.

- Attend all scheduled Region 32 Caucuses. These usually occur in the early evening, before dinner, on Thursday and Friday of the week. Check the caucus schedule in the C.A.R. Program for the room location and look for updates posted on the caucus boards at the main hotel or conference center. If you are a Regional Representative for a committee, be prepared to give a brief oral presentation of the important issues and action items of your committee. If you attended the meeting as a voting or non-voting member, your feedback on the day's events is appreciated. These caucuses help us to form our opinions on the action items we must vote on, and allow us to decide whether additional action items are warranted. These events are critical to our intelligent participation at C.A.R. Do not make evening plans that conflict.
- Attend the general sessions at the beginning and the end of the business meetings. The opening session is important for the introduction of the issues to be dealt with and for a C.A.R. Update. The closing session (in two parts over two days) is the actual Board of Directors meeting and incorporates all the action items to be voted on. Your vote is important, both to OCR and C.A.R., so please do not depart before the end of the board meeting on Saturday. Look for the tables marked "Region 32".
- In April or May of each year, the C.A.R. Legislative meetings will be held in Sacramento and will include a special Legislative Day on Wednesday. You will need to arrive in Sacramento by Tuesday evening as Legislative Day meetings begin early Wednesday morning at the Convention Center. After the opening session, on Wednesday delegates are invited to meet their assigned Senator and staff members in the Capitol buildings in their offices and you are invited. In the afternoon, all State Directors are invited to meet their assembly member, senators and their staff in the Capitol Building. Our participation is a lobbying opportunity for us. Review the legislative briefing materials provided by C.A.R. at the meetings or on the website before the meetings. Learn what the hot topics are and C.A.R.'s position on them. You will visit these representatives to discuss these topics in groups organized by your Government Affairs Director. Please note, this is not an opportunity for you to advance personal agendas, nor is it a partisan event. C.A.R. is a bi-partisan organization and prides itself on having relationships with all legislators. Please stick to the issues in your briefing package; be persuasive and respectful. You may not discuss money, or campaign contributions in any way. Thank your representative for any past support they have given us. Early evening on Wednesday is the Legislative Reception for all members who have contributed \$148 or more to the REALTOR® Action Fund. As a State Director, you are expected to make this contribution early in the year.
- When you return from the meetings, while they are still fresh, fill out the State Director Meeting Report and Expense Form that OCR will supply. We will ask you which meetings you attended, what happened at those meetings, what the hot topics and action items were, and the result of any floor votes. We are interested in your picture of what happened and why and whether you agree or disagree with the direction taken.
- These responses will be on the agenda of the next OCR Board of Directors meeting. We also may ask that you address OCR directors and other interested groups. Our involvement at

these meetings does not have much value unless we can help OCR members to learn about these issues and share their opinions with us. These forms are due within 14 days of the conclusion of each C.A.R. meeting.

TRAVEL & EXPENSES:

- It is your responsibility to check the C.A.R. website frequently and to make your air/travel reservations for the business meetings. The Management Team will make your hotel reservations. In the event you do not get a reservation for the main hotel for the meetings, there are be “overflow” hotels with special conference rates. Many of the meetings and events will be held there.
- If you arrive late or leave early due to unavoidable circumstances, please must notify the President, and Chief Executive Officer and the Regional Chair. C.A.R. tracks attendance at each C.A.R. meeting. If you do not attend all the required meetings or depart early or arrive late, your check will be adjusted accordingly.
- If you must cancel for some unavoidable reason, it is your responsibility to notify the President and CEO before the start of the meeting so that your room can be canceled without penalties. If OCR incurs a late fee as a result of a “no show,” you will be responsible for that amount.

Reimbursement:

- You will receive an expense check when you have completed the State Director Meeting and Expense Report Form in an amount approved (as budgeted) by the OCR Board of Directors.
- This form must be submitted within 14 days of the conclusion of each C.A.R. meeting for you to receive your reimbursement check. This check is the only compensation you will receive and is intended to cover your actual expenses incurred by attending the meeting – travel, accommodations, meals, and miscellaneous expenses such as ride-share services and parking. Hotel internet charges are covered. A record of expenses (receipts) shall be kept by each traveling director and must be produced upon request.
- Funded C.A.R. Directors who do not attend all required days, including the Friday and Saturday C.A.R. Director’s meetings will have their checks reduced for per diem and housing allocation for the days they were absent.

OCR does not issue a 1099 for these funds. You should check with your tax advisor regarding the best way to handle these reimbursements.

- No Officer, Director or Management Team member may approve his/her own reimbursement request. The President, President-Elect, and CEO receive an advance per diem and charge other expenses on the Association credit card. Management Team members are directly reimbursed in an amount not to exceed approved travel expenses.
- Funded C.A.R. Directors who do not attend all required days, including the Friday and Saturday C.A.R. Director's meetings will have their checks reduced for per diem and housing allocation for the days they were absent.
- C.A.R. Directors can be reimbursed for the prior night accommodations if their Southern California C.A.R. business meetings occur at noon or earlier.
- Any member receiving funding will need to submit a written report within 14 days after the conclusion of the meetings and provide relevant information to membership. Information to membership may be provided via marketing preview meetings or via official association communications.

Note: Traveling Directors must pay upfront their own traveling costs including flight and hotel.

During the meeting specially ticketed events such as luncheons, cocktail gatherings, installations, receptions, etc. are held. It is your responsibility to decide which of these to attend, and it will be your responsibility to pay for them unless the Board of Directors approves special funding. (If you RSVP to attend an event pre-paid by OCR, and you cancel at the last minute, it is your responsibility to try to sell your ticket to recoup the cost for OCR.)

We encourage you to attend some or all of these events. It can be a very good way to get to know the leadership and staff of C.A.R. and to let them know you are interested in being an active participant. If you know you are going to a formal reception or dance in advance, check the suggested dress code and remember to pack the tuxedo, dark suit, or evening dress. Otherwise, it will be way too easy to pick out the Southern California delegates. Thank you for serving.

Please sign and return the following page to indicate you have read and agreed to abide by these policies.



Orange County REALTORS®
2021 State Director Commitment Agreement & Travel Policy

Please return a signed copy of this page, to the CEO or Executive Assistant at the Laguna Hills location indicating you have read the State Director Agreement, accept the State Director Appointment, and affirm that you agree to the responsibilities required of you.

I have read, and agree to abide by the State Director Commitment Agreement and the Travel Policy, and I understand that if I do not abide by these policies, I may be removed from my position as a State Director by the OCR Board of Directors and could forfeit any approved funding

Print Name (Printed): _____

Signature: _____

Date: _____



2021 NAR DIRECTOR APPLICATION

Applications are due June 15, 2020

Name: _____ NRDS#: _____

Firm: _____

Address: _____
Street City State Zip Code

Preferred Phone: _____ Email: _____

NAR Director Responsibilities

1. Maintain a REALTOR® membership in good standing at OC REALTORS®
2. Act as an ambassador for OC REALTORS® and its members while fulfilling your duties as a NAR Director
3. Agree to a three (3) to five (5) year commitment
4. Attend the two (2) NAR business meetings scheduled annually
5. Actively serve on at least one (1) NAR Committee
6. Submit a written report detailing the issues and outcomes at each committee meeting assigned or requested within two (2) weeks
7. Serve in a volunteer capacity at OC REALTORS®, as a committee or task force member, as a project or event volunteer, or as a member of OC REALTORS®'s board of directors while serving as a NAR Director

Code of Conduct for National Director Attendees:

continued on next page

Page 1 of 6
 Rev 051920

NAR DIRECTOR APPLICATION

1. Individuals are expected to prepare for meetings. This includes reviewing any documents provided before the meetings and being prepared to discuss anticipated issues.
2. Individuals must be properly attired when representing the Association. Business attire is required unless otherwise advised.
3. Individuals must act appropriately at all times, refrain from inappropriate conduct or harassment, and be subject to the same rules of conduct applicable to meetings and other activities of the Association. Engaging in inappropriate conduct toward other attendees or anyone while on travel is grounds for discipline pursuant to Association policy.
4. Attendance at all meetings, including timely arrival and remaining present during the meetings, is required.
5. Travel shall be the least expensive and most practical means. Attendees will only be reimbursed or compensated for previously approved Association expenses.
6. All attendees shall prepare reports that are individually composed by the attendee and represent the perceptions and experiences of the attendee. The use of meeting organizer notes is not adequate.
7. The Association reserves the right, through the Executive Committee, to suspend or revoke, with or without cause, the right of any individual to travel to any event or meeting where it appears they may be acting on behalf of the Association.

By reviewing, completing, signing and submitting:

A. You give permission to Travel Task Force and/or Executive Committee to contact you for additional information regarding your qualifications and experience; and

B. You understand that the Task Force and/or Executive Committee will review your service record and conduct at OCR-sponsored events and other industry-related events, in accordance with the General Travel Policy.

I HAVE READ AND UNDERSTAND THE GENERAL TRAVEL POLICY AND CODE OF CONDUCT**FOR ATTENDEES:**

Signature

Date

Please print, sign, and email back to Debby@ocrealtors.org.

Deadline: June 15, 2020

Please print, sign, and email back to Debby@ocrealtors.org. **Deadline: June 15, 2020**

Page 2 of 6
Rev 051920

NAR DIRECTOR APPLICATION

1. How have you demonstrated your leadership in the real estate profession?

2. As an NAR Director what would your contribution to OC REALTORS® be upon return?

3. What does your leadership path with OC REALTORS® look like in the next three years? And, who are you mentoring or helping in Leadership?

4. Why should you be appointed or reappointed as a NAR Director?

5. REALTOR® members may be eligible to receive a \$1,000 Travel Scholarship from OC REALTORS® if they are not selected as a National Director but have received an appointment to an NAR committee and are planning to attend each of NAR's two annual conferences & meetings at their own expense. Would you like to be considered for a travel scholarship? ____Yes ____No

6. Do you have a credit card to use for hotel and travel costs? _____

Please list your professional designations:

<hr/>	<hr/>
<hr/>	<hr/>
<hr/>	<hr/>
<hr/>	<hr/>

Please print, sign, and email back to Debby@ocrealtors.org. **Deadline: June 15, 2020**

Page 3 of 6
Rev 051920

NAR DIRECTOR APPLICATION

Association, Committee and other volunteer participation at OC REALTORS®

Committee/Volunteer Activity	Year	Position

Committee and other volunteer participation:

Participation in NAR committees and volunteer activities is a consideration for appointment as a director. Please list NAR volunteer activities.

Committee/Volunteer Activity	Year	Position	Additional Information

Please print, sign, and email back to Debby@ocrealtors.org. **Deadline: June 15, 2020**

Page 4 of 6
Rev 051920

Current NAR Committees and other volunteer participation (2020)

Please use the following table to list volunteer activity during 2020.

Committee/Volunteer Activity	Position	Additional Information

Please rank your top 5 NAR Committee Selections:

1. _____
2. _____
3. _____
4. _____
5. _____

- Business Issues Policy Committee

Commercial Committee

Commercial Legislation and Regulatory Advisory Board

Commitment to Excellence Committee

Consumer Communications Committee

Conventional Financing and Policy Committee

Credentials and Campaign Rules Committee

Data Strategies Committee

Diversity Committee

Federal Financing & Housing Policy Committee

Federal Taxation Committee

Federal Technology Policy Committee

Global Business and Alliances Committee

Housing Opportunity Committee

Institute Advisory Committee

Insurance Committee

Land Use Property Rights and Environment Committee
- Legal Action Committee

Meeting and Conference Committee

Member Communications Committee

Membership Policy and Board Jurisdiction Committee

Multiple Listing Issues and Policies Committee

Professional Development Committee

Professional Standards Committee

Property Valuation Committee

Public Policy Coordinating Committee

Real Property Operations Committee

Real Property Valuation Committee

Research Committee

Resort and Second Home Real Estate Committee

Risk Management Issues Committee

Single Family Investment Management Committee

State and Local Issues Policy Committee

Strategic Thinking Advisory Committee

Please print, sign, and email back to Debby@ocrealtors.org. **Deadline: June 15, 2020**

NAR DIRECTOR APPLICATION

2021 NAR Committee Timeline

- March 2 – June 1, 2020 - Committee Application Website opens on March 2.
 - Members complete/update their Expertise Profiles.
 - Members submit a committee application for up to five (5) committees, and seek up to three (3) endorsements per application.
 - Members submit endorsements for applicants.
- June 1, 2020 - DEADLINE: Committee Application Website closes.
- May 18 – June 24, 2020
 - State AEs recommend members for their state representative positions on committees.
 - Institute, Societies, and Councils (ISC) EVPs recommend members for their ISC representative positions on committees.
- June 3 – June 24, 2020 - State Associations review and rank committee applications for members within their state.
- June 24, 2020 - DEADLINE: State Associations review and ranking period closes.
- TBD - Committee appointment notifications for chairs and vice chairs are emailed.
- August 19, 2020 - Committee Leadership Camp training in Chicago, IL for selected 2020 Chairs and Vice Chairs.
- September 23 – 30, 2020 - State Associations AEs and ISCs EVPs review the preliminary committee rosters with appointments for all members within their organization.
- September 30, 2020 - DEADLINE: State associations and ISCs feedback due.
- Mid-to-late October 2020 - Appointment notifications are emailed to committee members. NAR committee rosters are posted on nar.realtor/governance/committees.
- November 13 - 16, 2020 - REALTORS® Conference & Expo – New Orleans, LA
- January 10 – 13, 2021 - REALTOR® Party Training Conference – Washington, DC
- May 10 – 15, 2021 - REALTORS® Legislative Meetings & Trade Expo – Washington, DC
- November 12 – 15, 2021 - REALTORS® Conference & Expo – San Diego, CA

2021 OC REALTORS® Application Timeline

- 2021 NAR Director Applications available Wednesday, May 27, 2020
- 2021 NAR Director Application deadline Friday, June 15, 2020

Please print, sign, and email back to Debby@ocrealtors.org. **Deadline: June 15, 2020**

Page 6 of 6
Rev 051920

EXHIBIT B

Marketing Meeting & Preview Facilitator Agreement

January 1

2021

Documents attached:

- 1) 2021 Marketing Meeting & Preview Facilitator Agreement and Guidelines outlining duties, responsibilities, and expectations.
- 2) Orange County REALTORS® Policy and Procedures Relating the Inappropriate Conduct and Harassment
- 3) Orange County REALTORS® Policy and Procedures – General Code of Conduct for Guests and Attendees
- 4) Zoom Best Practices

Note: A signed copy of this Agreement must be received by Orange County REALTORS®. Please send to Debby Ritter at Debby@ocrealtors.org

MMP Facilitator Agreement and Guidelines





2021 Marketing Meeting Preview Facilitator Agreement

Orange County REALTORS® MISSION STATEMENT

The mission of the Orange County REALTORS® is to promote the REALTOR® Code of Ethics; to provide education, services, and resources to our members; and to advocate the protection of real property rights.

POSITION:	Marketing Meeting Preview Facilitator (MMP Facilitator)
AGREEMENT TERM:	Term of Facilitator Agreement begins at 12:01 on January 1 st and expires at 11:59 p.m. on December 31 st .
QUALIFICATION:	<p>Facilitators must have been a member in good standing with no prior violations of the Code of Ethics, and they must have fulfilled any outstanding financial obligations to the Association including but not limited to; dues, travel reimbursement, etc.</p> <p>Facilitators must have regularly attending Marketing and Meeting Previews and be familiar with the meeting policies and procedures.</p> <p>Facilitators must demonstrate a good speaking ability and a warm and welcoming personality.</p> <p>Members wishing to apply for the position of Facilitator must have met the qualifications listed above and completed a formal application for review by the Process Selection Committee and the appointment must be forwarded to the CEO before ratification by the Board of Directors.</p>

BASIC DUTIES:

RESPONSIBILITIES:	<p>MMP Facilitators are required to support and uphold the Association's Mission Statement, Bylaws, Policies and Procedures, and all programs, goals, and initiatives.</p> <p>Facilitators are responsible for managing scheduled Marketing and Preview Meetings at their assigned location.</p> <p>Facilitators are required to attend any special meetings as necessary including scheduled organizational and review meetings to ensure standardization of presentation at all locations and to review and make recommendations regarding content and procedures.</p> <p>The Facilitator is responsible for keeping guest speakers on task, making introductions and Moderating the meeting.</p>
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2021 Marketing Meetings & Preview Policies and Facilitator Agreement

Facilitators are expected to wear the Orange County REALTORS® MMP Facilitator badge provided. **Company badges are not permitted to be worn.**

EXPECTATIONS: Facilitators shall have a positive attitude, real estate knowledge, relevant input, and the ability to share their experience with new REALTOR® attendees.

Facilitators must review and agree to follow and uphold all Orange County REALTORS® Policies and Procedures, including, but not limited to, **Anti-Competitive & Antitrust Avoidance Policy, Conflict of Interest Policy, Confidentiality Agreements, Non-Recruiting Policy, Non-Solicitation Policy, Alcohol Policy, Event Promotion & Compliance with Code of Ethics, MLS Rules, & Other Member Duties, and Anti-Harassment Policy.**

Facilitators are prohibited from promoting their company and from passing out company business cards at orientation.

Facilitators are NOT allowed to recruit members attending the MMP.

Facilitators must track all revenue, door fees, and sponsorships at the end of each Session. Facilitators must report all revenue and expenses to Orange County REALTORS® quarterly.

Facilitators are expected to be an advocate for the organization, but not spokesperson except when authorized to do so. Facilitators are expected to promote the Association's image/brand in a positive light.

REMOVAL: The Orange County REALTORS® President, ratified by the Board of Directors, shall have the discretion and authority to remove the facilitator from the position.

Replacement Facilitators must meet the qualifications listed above and complete the application process.

By signing below, I have read and understood the Marketing Meeting Facilitator Guidelines and Agreement, and I agree to serve as required.

By signing below, I have received, read and understood all Orange County REALTORS® Policies and Procedures, and I agree to serve as required.

Name (Printed): _____

Signature: _____

Date: _____

Return a signed copy of this document to Debby Ritter at Debby@ocrealtors.org



MARKETING AND PREVIEW SESSION GUIDELINES

Guide for Attendees and Facilitators

2021 Marketing Meetings & Preview Policies and Facilitator Agreement

TABLE OF CONTENTS

Table of Contents

ATTENDANCE..... 1

 Attendees:1

 Participants, Affiliates, and Visiting REALTORS® Entry Requirements:.....1

 Guest Entry Requirements:.....2

 Entry Fee:2

PARTICIPATION AND CONDUCT..... 2

 Professional Conduct:2

 Non-Member Guest Speakers:.....2

 Non-Recruiting Policy:.....2

 Political Statements.3

 Discussion of Commission Formulas:3

 Discussion of Boycotts:.....3

 Gifts:3

 Alcohol Use:.....3

 Videotaping:3

PROPERTIES, LISTINGS, AND PREVIEWS 4

 Property Showing and Attendance:4

 Property Listing Promotion:.....4

 Session Preview Sheet:.....4

 MLS Flyers:4

THE FACILITATOR..... 4

 What is a Marketing Meeting Facilitator?4

 Qualities of an Effective Facilitator5

 Duties of the Facilitator.....5

 Facilitator Selection:5

Criteria Required for Selection as a Facilitator.....5

The Facilitator Selection Process and Term6

Temporary Facilitator Substitution:6

Replacement Facilitator:6

MEETING MANAGEMENT..... 6

Sponsorship Opportunities:.....6

Session Supplies and Activities:6

Organizational Meeting and Session Evaluation:7

COMPLAINTS 7

Marketing and Preview Session Guidelines

Marketing meetings afford an excellent opportunity to network with Brokers and REALTORS®. Orange County REALTORS® members have the opportunity to network with other REALTORS® and Affiliates while previewing properties. Orange County REALTORS® Affiliates have opportunities for sponsoring the sessions and providing promotional materials.

Held weekly, these meetings are a great place to network with active REALTOR® members. Currently, there are seven OC REALTORS®-sponsored meetings in Orange County. In order to be approved as an official Orange County REALTORS® Marketing and Preview Session, the meetings must be operated in accordance with the Guidelines set forth below.

In order for Orange County REALTORS® to provide opportunities for networking and previewing properties at these Sessions, all attendees should understand and uphold these guidelines and/or the Orange County REALTORS® Policies and Procedures. Orange County REALTORS® Policies and Procedures may be found on the Association website. Repeated violation of these guidelines and/or the Orange County REALTORS® Policies and Procedures may result in the instant removal from the session and possible barring from an Orange County REALTORS® facilitated session for a specific period or indefinitely.

Members who are in violation of this policy will be reprimanded according to Association policies and procedures. The Association reserves the right to deny any non-member or guest who violates the Association's Policies from attending future Orange County REALTORS® events.

Members who violate Association policy may be subject to discipline and may receive written notice of violation of membership. Continued violation of policy may result in suspension or termination of membership.

ATTENDANCE

Attendees: Attendees at the Marketing and Preview Sessions may include REALTOR® members of Orange County REALTORS® ("Participants"), Affiliate members of Orange County REALTORS® and adjoining Associations ("Affiliates"), REALTORS® from other Associations ("Visiting REALTORS®"), MLS Only members ("MLOs"), and invited guests.

Participants, Affiliates, and Visiting REALTORS® Entry Requirements: Attendees must agree to the Orange County REALTORS® Marketing and Preview Session Guidelines and Orange County REALTORS® Policies and Procedures prior to entry. Attendees must submit their business card to Orange County REALTORS® prior to entry.

Guest Entry Requirements: A guest may attend no more than one Session. Exceptions may be granted to special guests such as legislative representatives, local elected officials and subject matter experts. Facilitators may grant these exceptions, but Orange County REALTORS® reserves the right to deny entry to any non-member or guest.

Entry Fee: The Facilitator may permit the charge of a Session entry fee. The entry fee amount is determined by the Facilitator and must be approved by Orange County REALTORS®. Participants, Affiliate Members, Visiting REALTORS®, and Guests must pay the entry fee to attend a Session. MLOs are permitted to attend a Marketing and Preview Session at a charge of ten dollars above the entry fee. All funds and attendance records must be recorded at each Session and reported to Orange County REALTORS® on a quarterly basis: March, June, September and December. Business cards collected at each venue must be given to Orange County REALTORS® or the sponsoring Affiliate.

PARTICIPATION AND CONDUCT

Professional Conduct: All Facilitators and Attendees must conduct themselves in a professional and appropriate manner at all times. Facilitators and Attendees shall not engage in any conduct or activity that might be perceived as being offensive, discriminatory, derogatory, and/or a violation of any legal obligation. All Facilitators and Attendees must conduct themselves in accordance with all of the Orange County REALTORS® Policies and Procedures, including, but not limited to, the General Conduct Policies and Procedures as well as the Association's Policies and Procedures Relating to Inappropriate Conduct and Harassment, copies of which are available on Orange County REALTORS® website.

All actions and activities should be in compliance with and uphold the REALTOR® Code of Ethics, irrespective of membership in an Association of REALTORS®, and the Affiliate Code of Conduct.

Non-Member Guest Speakers: Guest presenters may attend meeting with prior approval of the Session Facilitator.

Non-Recruiting Policy: Members of Orange County REALTORS® are not allowed to facilitate any agent recruitment during participation at ORANGE COUNTY REALTORS® events and activities, or through any member publications.

Including but not limited to:

- OC Realtor Magazine advertisement
- Marketing Previews
- New Member Orientation

- Education and training events
- Charitable events and activities
- Community outreach hosted or sponsored by ORANGE COUNTY REALTORS®.

Political Statements: Facilitators and Attendees shall refrain from political statements or references, unless it relates to an item of legislation directly affecting the real estate business in California. Notwithstanding the foregoing, in appropriate circumstances, speakers or visiting political candidates may address political issues consistent with the goals of organized real estate.

Discussion of Commission Formulas: Commission formulas or amounts shall not be discussed, pitched or communicated in any manner at a Session other than through non-oral dissemination of written marketing information contained in the MLS data base and/or other MLS publications. Under no circumstances shall any attendee be allowed to circumvent the intent of this section. This includes but is not limited to holding up signs or changing the fonts of MLS materials to emphasize the compensation payable for selling the listing.

Discussion of Boycotts: Any acts or conduct that may constitute a boycott of another group, person or business, or have the result of affecting a boycott will not be allowed or discussed at a Session.

Gifts: Any gifts for previewing a property must be distributed only if done in a manner consistent with applicable law, such as RESPA and antitrust laws. Gifts are defined as “tangible personal property” and should be given in a way that is consistent with the Orange County REALTORS® Non-Solicitation Policy.

Alcohol Use: Alcoholic beverages and controlled substances are NOT to be served, consumed, used, possessed or present in any manner during a Session. Alcohol or any controlled substance shall NOT be advertised or available at any event, showing or open house that is part of a Session. However, unopened, wrapped and packaged alcoholic beverages may be used as prizes provided the containers are not opened during a Session.

Videotaping/Filming: Any videotaping, filming or live streaming is prohibited unless prior approval is given by the Facilitator and any guest speakers. Please see Orange County REALTORS® for Video Use Form.

PROPERTIES, LISTINGS, AND PREVIEWS

Property Showing and Attendance: Orange County REALTORS® shall set rules related to property preview times and attendance for each Session. All properties scheduled for preview must be attended by Participants. A “drive-by” preview will be permitted for tenant-occupied properties. All properties on Preview are required to comply with the mandatory property showing start and end times of each specific Session as set by Orange County REALTORS®.

Property Listing Promotion: Affiliates are not permitted to promote property listings or buyers for REALTOR® members. Exceptions to this guideline may be made occasionally with prior approval from the Facilitator, in accordance with all applicable laws and Orange County REALTORS® Policies and Procedures.

Session Preview Sheet: The “Orange County REALTORS® Preview Sheet”, which is provided by the Orange County REALTORS® MLS Department containing the listing information, is the primary document to be used to conduct the Session. When a meeting includes material from another source, additional preview sheets may be included in along with to the “Orange County REALTORS® Preview Sheet”. Affiliate members may provide their own preview sheet (“Affiliate Preview Sheet”), but it shall not contain any confidential or sensitive information such as gate codes, confidential showing instructions, etc.

There is no exclusive right for any company or person to provide Affiliate Preview Sheets, maps or any other marketing item. All Affiliates belonging to Orange County REALTORS® have equal access and the right to display their materials in a pre-designated area, provided such materials comply with the provisions of these guidelines. Orange County REALTORS® Preview sheets only may be delivered in person to attendees at the meetings, and shall not be mailed or emailed to anyone except the Facilitator. In the event of any controversy concerning the use of Affiliate Preview Sheet, the “Orange County REALTORS® Preview Sheet” shall be the only preview sheet used.

MLS Flyers: Flyers printed from the MLS must be in Client Format and not in Agent Format.

THE FACILITATOR

What is a Marketing Meeting Facilitator?

The Facilitator is a REALTOR® or Affiliate member of Orange County REALTORS® who is in charge of the meetings from start to finish. An effective Facilitator schedules speakers, distributes preview sheets and moves the meeting agendas forward in a way that keeps attendees engaged, informed, and interested in returning for future meetings.

Qualities of an Effective Facilitator

- Professional in every way
- Highly organized
- Detailed-oriented
- Punctual
- Energetic
- Humorous

Duties of the Facilitator

- Read, review, and be familiar with the meeting guidelines and Orange County REALTORS® Policies and Procedures
- Run meetings, move the agenda forward, start and end promptly
- Schedule speakers and sponsors for each meeting
- Maintain calendar of meeting dates and weeks dark
- Prepare the room, clean up afterward
- Collect and distribute preview sheets
- Track and confirm membership status of attendees
- Maintain clear and accurate profit/loss records, including bookkeeping for entry fees, donations, raffles, awards, catering, venue, and other financial records
- Submit financial records to Orange County REALTORS® on a quarterly basis
- Conduct annual evaluation by surveying meeting attendees
- Report problems or complaints to Orange County REALTORS® President, CEO or to staff liaison, in accordance with Orange County REALTORS® Policies and Procedures

Facilitator Selection: Selection of a Facilitator shall be completed by participants of the Individual Marketing Meeting in coordination with Orange County REALTORS®.

Criteria Required for Selection as a Facilitator

- Affiliate or REALTOR® in Good Standing at Orange County REALTORS®
- Fulfilled any outstanding financial obligations to Orange County REALTORS® by start of Term
- Familiarity with the meeting policies and procedures
- Skilled at public speaking and meeting management

The Facilitator Selection Process

1. Facilitator selection shall be advertised at the Session and in Orange County REALTORS® Email Newsletter.
2. Applicants must complete a Marketing Meeting Facilitator Application.
3. The Process Selection Committee shall consist of four Orange County REALTORS® REALTOR® Members and three Orange County REALTORS® Affiliate Members who are frequent participants of the Session.
4. Interviews of the applicants shall be conducted by the Process Selection Committee.
5. The Process Selection Committee shall nominate the Facilitator.
6. The nominated Facilitator shall be ratified by Orange County REALTORS® Board of Directors.
7. Facilitator shall be required to sign this agreement.

Agreement Term:

Each term of the Facilitator Agreement begins at 12:01 a.m. on January 1st and expires at 11:59 p.m. on December 31st.

Temporary Facilitator Substitution: For a single Session, the Facilitator may select a REALTOR® or Affiliate member at their discretion to lead the Session. For a period longer than a single Session, Orange County REALTORS® must be notified of a Facilitator substitution.

Replacement Facilitator: If a Facilitator resigns or a vacancy occurs, the Facilitator shall notify Orange County REALTORS® immediately. Each individual Marketing and Preview Session may then select its own replacement facilitator pursuant to selection criteria.

MEETING MANAGEMENT

Sponsorship Opportunities: **ALL** sponsorship opportunities must be advertised to **ALL** Affiliates and are valid for one year only. Renewal of sponsorship is not automatic and **ALL** Affiliates must be given equal opportunity to be a sponsor.

Session Supplies and Activities: Meeting planning and coordination, such as supplying refreshments and presentations, is restricted to Orange County REALTORS® Affiliates only. Food, refreshments or other amenities must be nominal and consistent with RESPA guidelines. An exception may be made on occasion with prior approval of the meeting Facilitator.

Organizational Meeting and Session Evaluation: The Facilitator shall schedule and hold an annual organizational meeting in which the Session Participants are asked to review and approve the meeting format, door fee, sponsorships, charitable beneficiaries, etc.

COMPLAINTS

All complaints must be provided in accordance with Orange County REALTORS® policies and procedures. Orange County REALTORS® may, but is not required, to supply a Complaint Form. Complaint Request Form is available at www.ocar.org/mmp-complaint.

EXHIBIT C



Committee Member Application

If you are interested in serving on a committee, please complete this form.

Committee appointments are one year in duration in accordance with the bylaws. Some committees may be shorter ad hoc and task forces. Review the Responsibilities for Committee Members on page 2 to ensure you can meet expectations. Please return completed forms to Debby Ritter at debby@ocrealtors.org by August 20, 2020.

ANY PRIMARY REALTOR® MEMBER IN GOOD STANDING AT ORANGE COUNTY REALTORS® WHO ARE NOT NOMINATED, RUNNING, ELECTED, OR SERVING ON A BOARD OF DIRECTORS OR A COMMITTEE OR TASK FORCE OF ANOTHER LOCAL REALTOR® ASSOCIATION ARE ELIGIBLE TO SERVE ON COMMITTEES, SUBJECT TO THE TRAINING REQUIRED, AS APPLICABLE.

PER ORANGE COUNTY REALTORS® BYLAWS, SPECIFIC COMMITTEES ARE OPEN TO REALTOR® MEMBERS ONLY.

Name: _____ Title: _____

Company: _____

Address: _____

Work Phone: _____ Cell Phone: _____ Email: _____

Committee Preference(s):

Please designate your top 3 committee preferences.

- | | |
|--|---|
| <input type="checkbox"/> Affiliate (North) | <input type="checkbox"/> Leadership & Personal Development |
| <input type="checkbox"/> Affiliate (South) | <input type="checkbox"/> Local Governmental Relations (North) |
| <input type="checkbox"/> Bylaws | <input type="checkbox"/> Local Governmental Relations (South) |
| <input type="checkbox"/> Credentials | <input type="checkbox"/> MLS |
| <input type="checkbox"/> Education | <input type="checkbox"/> OCAR Cares Steering* |
| <input type="checkbox"/> Finance | <input type="checkbox"/> Professional Standards |
| <input type="checkbox"/> Global Business Alliance | <input type="checkbox"/> REALTOR® Risk Management** |
| <input type="checkbox"/> Green | <input type="checkbox"/> Young Professionals Network (YPN) |
| <input type="checkbox"/> Grievance | |
| <input type="checkbox"/> Independent Broker Alliance | |

*If chosen to serve on the OCAR Cares Steering Committee, a one time \$500 contribution to OCAR Cares is required.

**On question #2 please list any experience as a broker, attorney or office manager.

1. List any committees on which you have served and dates of service:

2. List relevant skills, licenses, certificates and/or experience (e.g. attorney, CPA, mediator, trainer, etc.):

3. List your top 3 real estate interests (e.g. risk management, MLS, leadership, global/international sales, training, independent brokerage, public policy, volunteering, etc.):

4. If you have not had the time nor interest to become actively involved at Orange County REALTORS, what conditions have changed that now enable you to seek involvement at Orange County REALTORS, the community, or the industry?



Committee Member Application

Rules of Order

Agenda ensures that important business is covered and discussions are on topic.

Motions are proposals for action, beginning with, "I move we..."

A **Second** is required for the motion to be discussed.

Amendments may be made to most motions if they improve the intent or clarify the original motion.

Tabling lays the motion aside.

Calling the Question refers to ending the discussion and voting on the motion.

Voting is the official action after discussion to adopt, amend, kill, or table the motion.

Minutes protect the organization by recording the time and location of the meeting participants, and the outcome of the motions. They are not a place to record conversations, assignments, reports, etc. (including reports and discussions that can incriminate.)

A **Quorum** is the number of directors required to conduct business.

Common Sense

1. It's a team; no individual has an agenda more important than the group.
2. Respect the chairperson.
3. Bring a calendar to meetings.
4. Be respectful and arrive on time.
5. Prepare for meetings; read, read, read!
6. Stick to the agenda; no sidebars.
7. Listen more than you speak.
8. Speak when you have an essential, clear point.
9. Respect the rules of order.
10. Leave personal and political agendas at the door.
11. Respect confidentiality.
12. Don't speak for the organization without authority.
13. Support the actions of the Association; don't bad-mouth any action or person. Dissenting votes may be noted in the minutes – not outside the meeting.

Committee Policies & Procedures

1. All Committees shall operate under Robert's Rules of Order.
2. Committees supplement the work of the Board of Directors. They provide knowledge, time, and resources that the Board and staff may not have.
3. Committees get their authority from the governing documents; and their assignments from the Board of Directors.
4. OC REALTORS® Standing Committees: Bylaws, Finance, Grievance, Credentials, Professional Standards, MLS, and Executive

Quorum

1. The majority of Committee members constitutes a quorum. As per Robert's Rules of Orders, a quorum only needs to be established at the beginning of a meeting.

General Operational Policies and Procedures

1. Chairperson for the following year shall be selected by the President-Elect, except as otherwise provided in the Bylaws of Policies and Procedures Manual and confirmed by the Board of Directors.
2. No Committee may contractually or financially bind or obligate OC REALTORS®.
3. All correspondence, contracts, and advertisements must be directed to OC REALTORS® business office address to the attention of the CEO.
4. All correspondence and/or press releases shall be approved by the President and/or CEO and proceed through office staff.
5. OC REALTORS® Stationery shall not be used without the express written permission of the CEO.
6. If provided by OC REALTORS®, Committee Chairs and Vice Chairs shall attend an orientation regarding legal duties provided by OC REALTORS®.
7. Committee Chairs, Vice Chairs, members, and guests shall sign OC REALTORS® Confidentiality Agreement, Anti-Trust Agreement and Conflict of Interest Agreement.
8. Committee Liaisons keep open communications between the board and the committee and serve as an advocate.

9. A staff liaison is assigned to serve as a resource and promote progress. Liaisons do not replace the Committee Chair.
10. Minutes shall be maintained for all committee and task force meetings.

Meeting Call and Notice

1. May be called by the Chair, any two Committee members, or the President.
2. Shall be scheduled through OC REALTORS® office and held in an OC REALTORS® facility, during regular OC REALTORS® office hours.
3. Meeting notice is to be sent out by OC REALTORS® staff at least one week prior to the meeting. All Committee Chairs and members shall have electronic mail capacity to receive notices and other information.

Meeting Attendance

1. Any committee member, who fails to attend seventy-five percent (75%) of the regular or special meetings of the committee without an excuse acceptable to the President and Chair of the committee, shall be deemed to have resigned from the committee, subject to Board of Directors approval. The vacancy shall be filled as provided for original appointees.

COMMITTEE CHAIR DUTIES

Organizational Meeting of the Committee

1. Conduct an organizational meeting as soon as possible.
2. Meet with staff liaison and/or board liaison prior to the organizational meeting and determine how the committee will be organized.
3. Ask the President/President-Elect about current year charges and performance expectations for your committee.

Committee Meetings

1. Arrange dates and locations with the liaisons. Try to schedule meetings when the liaisons can attend. It is recommended that meetings be scheduled for the entire year – in advance.
2. Meeting notices are sent to committee members. Do not change a meeting date, time, or location without advising all persons and ensuring the change is OK.
3. Prepare an agenda and distribute it in advance of the meeting to committee members.
4. Maintain attendance records for all meetings.

Minutes

1. A staff liaison shall serve as 'Secretary' to prepare the minutes. The liaison should submit typed minutes to the committee chair no later than ten (10) days after the meeting.
2. The Chair should edit the minutes and send a final version to the staff Liaison.
3. Staff Liaisons will reproduce the minutes and email copies to the Board of Directors for ratification. A permanent record for all committee minutes is maintained in the Association office.
4. Consult with liaisons in preparing reports or proposals to the Board of Directors.

RESPONSIBILITIES OF COMMITTEE MEMBERS

Committee Charge

1. Be familiar with the objective and activities of the committee.
2. Be familiar with the general responsibilities of all committees.

Committee Meetings

1. Plan to attend all meetings of your committee. If you cannot attend, advise the chair and/or staff in advance of the meeting.
2. Complete assignments on a timely basis. Be accountable for your commitments.

Policies and Procedures

1. Understand the policies and procedures that relate to the work of the committee.
2. Seek help on interpretations or questions.

Correspondence/Communications

1. Abide by the policy on public statements, especially regarding official communications and speaking for OC REALTORS®.

Reporting

1. All Committee recommendations must be forwarded to the CEO for presentation to the Board of Directors.



Committee Chair/Vice Chair Agreement

January 1

2021

Documents attached:

- 1) 2021 Committee Chair/Vice Chair Agreement outlining duties and responsibilities.
- 2) Antitrust Avoidance/Conflict of Interest/Confidentiality Agreements.
- 3) Orange County REALTORS® Conduct Policies

Note: A signed copy of Documents 1) and 2) must be received by ORANGE COUNTY REALTORS® December 30, 2020

**Committee
Chair/Vice Chair
Responsibility
and Policy
Agreement(s).**



2021 Committee Chair/Vice Chair Agreement

ORANGE COUNTY REALTORS® MISSION STATEMENT

The mission of the Orange County REALTORS® is to promote the REALTOR® Code of Ethics; to provide education, services, and resources to our members; And to advocate for the protection of real property rights.

POSITION: Committee Chair/Vice Chair

TERM: One Year – ratified by the Board of Directors according to Article XII, Section 7 of the Orange County REALTORS® Bylaws. Terms begin at 12:01 on January 1st and expire at 11:59 p.m. on December 31st.

BASIC DUTIES:

RESPONSIBILITIES:

Committee Chairs and Vice Chairs are required to support and uphold ORANGE County Realtors®' Mission Statement, Bylaws, Policies and Procedures, and all programs, goals, and initiatives by:

Chairs are responsible for planning and attending regularly scheduled Committee Meetings, plus any special meetings as necessary.

Committee Chairs/Vice Chairs are responsible for carrying out the goals of their committee, and meeting attendance is part of that responsibility.

Note: *If a Committee Chair/Vice Chair or Committee Member misses three (3) consecutive or five (5) total meetings within a twelve (12) month period, he/she will have been deemed to resign their committee membership. They will be required to vacate their Committee seat for a new member who can participate fully in the organizational duties - unless said person provides to the Board of Directors, in writing, the justification for missing the meetings and said justification is accepted by the Board of Directors.*

Schedule all meetings through ORANGE COUNTY REALTORS® Office and host meetings at an ORANGE COUNTY REALTORS® facility, during normal ORANGE COUNTY REALTORS® office hours.

All Committee recommendations must be forwarded to the CEO for presentation to the Board of Directors for possible action.

The Committee Chair to attend the Annual Leadership Summit.

Attend Committee Chair/Vice Chair Orientation meeting,

Maintain familiarity with ORANGE COUNTY REALTORS® Governing Documents, such as Bylaws, Policies & Procedures and the Strategic Plan, etc.

Understand and utilize Robert's Rules of Order for all meetings.

Be an advocate for the organization, but not spokesperson except when authorized to do so.

Promote ORANGE COUNTY REALTORS®'s image/brand in a positive light.

If required, represent ORANGE COUNTY REALTORS® at other industry-related meetings such as CRMLS, AAREA, NAHREP, WCR, Inman, etc.

CONFLICT OF INTEREST/ANTI-TRUST/CONFIDENTIALITY:

Antitrust Avoidance/Conflict of Interest/Confidentiality Agreements (see attached) must be signed annually by each Committee Chair/Vice Chair before taking office, and by Committee Members and guests. (*see attached*) at the start of the first meeting attended.

BUDGET/EXPENSES:

Requests for all non-budgeted expenditures must be submitted to the Budget and Finance Committee through the CEO and approved by the Board of Directors. Approved budget requests will be presented to staff for processing.

I have read and understood the Committee Chair/Vice Chair Agreement.

I agree to serve as indicated.

Name (Printed): _____

Signature: _____

Date: _____

Return a signed copy of this document to Debby Ritter (debby@ocrealtors.org) at or before December 30, 2020.



**Antitrust Avoidance /Conflict of Interest /Confidentiality Agreement
ORANGE COUNTY REALTORS® 2021 Committee Chair/Vice Chair**

Anti-Competitive and Antitrust Conduct Avoidance

Orange County REALTORS® strictly prohibits any act or omission on its premises or at any activity, function, meeting or event associated with the Association constituting a violation of the antitrust or anticompetitive laws of the United States or the State of California. Attendees at any activity, function, meeting or event associated with the Association shall refrain from engaging in any act or omission that could be the basis of an allegation of a violation of the anti-trust or anti-competitive laws of the United States or State of California, including, but not limited to price fixing, group boycotts or any other anti-competitive conduct. Meeting attendees are reminded that state and federal laws prohibit the exchange of information among competitors regarding matters pertaining to price, refusals to deal, market division, tying relationships and other topics which might infringe upon antitrust regulations and that no such exchange or discussion will be tolerated during this meeting. These guidelines apply not only to the formal meeting session but informal discussions during breaks, meals or social gatherings. Directors and Committee Members also agree to maintain their duty of confidentiality when participating in Orange County REALTORS® activities and events.

The Association reserves the right to deny any non-member or guest who violates the Association's Conduct Policies from attending future Orange County REALTORS® events. Members who violate this policy may be subject to discipline and may receive written notice of this violation of membership. Continued violation of this policy may result in suspension or termination of membership.

Conflict of Interest Policy

Orange County REALTORS® cannot tolerate an actual or perceived conflict of interest on the part of any of its directors, officers, members or employees. A conflict of interest includes any direct or indirect personal or financial interest, including an interest of Committee Chair/Vice Chair or Member, Director, Officer or employee's family, companions, relatives or close friends, in any business entity seeking to do business with the Association or obtaining a benefit from the Association.

Every director, officer, committee chair/vice chair, committee member or employee having knowledge of a potential or actual conflict of interest shall file with the Association a written disclosure of the nature and details of the potential or actual conflict of interest, including the names and relationship of the persons involved and their capacity in the transaction. The director, officer, or employee shall be prohibited from engaging in any discussions, evaluation, negotiation, decision, or any other matter relating to the matter giving rise to the conflict.

The Association reserves the right to deny any non-member or guest who violates the Association's Conduct Policies from attending future Orange County REALTORS® events. Members who violate this policy may be subject to discipline and may receive written notice of this violation of membership. Continued violation of this policy may result in suspension or termination of membership.

Confidentiality Agreement

This Confidentiality Agreement is entered into between Committee Chair/Vice Chair of the Orange County REALTORS®.

The parties hereto will engage in discussions and, in some cases, make policy decisions concerning the financial position of the Association, members' accounts, members' files, future plans of the Association, Professional Standards Hearings Findings, and other confidential and sensitive information. In order to make prudent decisions, that serve the best interests of the Association, and to intelligently consider all options in making these recommendations, the parties must discuss and evaluate confidential, sensitive, and proprietary information ("Confidential Information").

Each Chair/Vice Chair agrees to the following:

1. "Confidential Information" as used herein, shall mean all information, documentation, concepts, data membership lists, bank records, financial records, findings from Professional Standards hearings, marketing analysis, financial projections, products, services, processes, software, trade secrets and devices disclosed or made available by any of the parties hereto to any of the other parties, including without limitation, the existence of discussions concerning the possibility of additional mergers, consolidations, sales of assets, etc.
2. The parties acknowledge and agree that the Confidential Information is proprietary and may include valuable trade secrets and that any disclosure or unauthorized use of this information may cause irreparable harm and loss to the Association.
3. Once an issue has been discussed and a final decision has been made by a majority of the Officers and Directors, all Directors agree to abide by and support the decision.
4. The only persons with whom the parties hereto may share the Confidential Information are other Officers and Directors of the Association Board of Directors, Chief Executive Officer, Association Controller, and Accountants and Attorneys for the Association.
5. No rights or licenses, express or implied, are hereby granted to the parties hereto by any of the other parties under any patents, copyrights, or trade secrets as a result of or related to this Agreement.
6. The restrictions and obligations of this Agreement shall survive any termination, cancellation or expiration of this Agreement, and shall continue to bind the parties hereto and their successors and assigns.
7. This Agreement may be executed in any number of counterparts, all of which together shall be original.

We, the undersigned Committee Chair/Vice Chair of the Orange County REALTORS® having been duly appointed as per the Bylaws, hereby agree to comply with the Conflict of Interest Policy and be bound by the confidentiality terms of the preceding Confidentiality Agreement.

Date: _____

Printed Name of 2021 Committee Chair

2021 Committee Chair Signature

Printed Name of 2021 Committee Vice Chair

2021 Committee Vice Chair Signature

Return a signed copy of this document to Debby Ritter (debby@ocrealtors.org) by December 30, 2020.

CRMLS Rules and Regulations

California Regional Multiple Listing Service, Inc.



CRMLS.ORG | 800.925.1525

Effective September 21, 2020

Contents

1. AUTHORITY.....	7
2. PURPOSE.	7
3. THE AOR/MLS COMMITTEE.....	7
4. PARTICIPATION AND AUTHORIZED ACCESS.	7
4.1 Participant.	7
4.1.1 Broker Participant.....	8
4.1.2 Appraiser Participant.....	8
4.1.3 Redundant Participant Qualifications	9
4.2 Subscriber.	9
4.2.1 R.E. Subscriber.....	9
4.2.2 Appraiser Subscriber.	9
4.2.3 Redundant Subscriber Qualifications.	9
4.3 Clerical Users.....	9
4.4 Registered Assistant Access.....	10
4.4.1 Assistant Fees.....	10
4.4.2 Assistant Written Agreement.	10
4.4.3 Assistant Information.	10
4.4.4 Assistant Identification.....	10
4.4.5 Assistant Eligibility.....	10
4.5 Notification of Licensees.....	10
4.6 Participation Not Transferable.	10
4.7 Listing Broker Defined.....	10
4.8 Buyer Broker Defined.	11
4.9 Appraiser Defined.....	11
4.10 Authorization for Mandatory Training.	11
4.11 Subject to MLS Rules.....	11
5. MLS FEES AND CHARGES.	11
5.1 Service Fees and Charges.....	11
5.1.1 Initial Participation and/or Application Fee.	11
5.1.2 Recurring Participation Fee.....	11
5.1.3 Listing Fee.....	12
5.1.4 Publication Fees.	12
5.1.5 Computer Access Fees.	12
5.1.6 Certification of Nonuse.	12
5.1.7 Other Fees.	12
5.2 Responsibility for Fees.	12
6. REGIONAL AND RECIPROCAL AGREEMENTS.	13

7. LISTING PROCEDURES.....	13
7.1 Listings Subject to Rules and Regulations of the MLS.....	13
7.2 Property Already Listed by Another Agent/Broker.....	13
7.3 Listing and Co-Listing Agents/Brokers.....	13
7.4 Range Pricing.....	13
7.5 Types of Listings; Responsibility for Classification.....	13
7.5.1 Scope of Service; Limited Service Listings.....	14
7.5.2 Scope of Service; MLS Entry-Only Listings.....	14
7.5.3 Scope of Service; Legal Obligations.....	15
7.6 Types of Properties; Responsibility for Classification.....	15
7.7 Compliance with California and Federal Law.....	15
7.8 Mandatory Delivery of Listing Agreement.....	15
7.9 Mandatory Submission upon Marketing.....	16
7.9.1 No Cooperation Listing.....	16
7.10 Service Area.....	16
7.11 Change of Listing Information.....	17
7.12 Withdrawal of Listing Prior to Expiration.....	17
7.13 Contingencies.....	17
7.14 Detail on Listings Filed With the MLS.....	17
7.15 Unilateral Contractual Offer; Subagency Optional.....	17
7.16 Acceptance of Contractual Offer.....	18
7.17 Consent to Act as Dual Agent.....	18
7.18 Estate Sale, Probate, Bankruptcy, Auction, and Lender Approval Listings.....	18
7.18.1 Probate and Bankruptcy Listings.....	18
7.18.2 Lender Approval Listings.....	19
7.18.3 Auction Listings.....	19
7.18.4 New Construction Listings.....	19
7.19 Changes to Offer of Compensation to All Broker Participants.....	20
7.20 Broker Participant or R.E. Subscriber as Principal.....	20
7.21 Multiple Unit Properties.....	20
7.22 Expiration, Extension, and Renewal of Listings.....	20
7.22.1 Extension for Protected Buyer.....	21
7.23 Listings of Participants or Subscribers Suspended, Expelled, or Resigned.....	21
7.23.1 Failure to Pay MLS Fees; Resignation.....	21
7.23.2 Violations of MLS Rules.....	21
7.24 No Control of Commission Rates or Fees Charged by Participants.....	21
7.25 Dual or Variable Rate Commission Arrangements (Listing Broker Advantage).....	21
7.26 Right of Listing Broker and Presentation of Counter-Offers.....	22

7.27	REO Disclosure	22
8.	DOCUMENTATION; PERMISSION; ACCURACY OF INFORMATION	22
8.1	Listing Agreement and Seller's Permission	22
8.2	Written Documentation	22
8.3	Accuracy of Information; Responsibility for Accuracy	22
8.4	Input Defined	23
8.5	Buyer, Seller, Purchase, and Sale Defined	23
9.	SELLING PROCEDURES	23
9.1	Showings and Negotiations	23
9.2	Disclosing the Existence of Offers	23
9.3	Availability to Show or Inspect	24
9.4	Presentation of Offers	24
9.5	Submission of Offers and Counter-Offers	24
9.6	Right of Buyer Broker in Presentation of Offer	24
9.7	Change of Compensation Offer by Buyer Broker	24
9.8	Buyer Broker as a Buyer	24
9.9	Physical Presence of Participant or Subscriber	25
10.	REPORTING SALES AND OTHER INFORMATION TO THE MLS	25
10.1	Statuses	25
10.2	Reporting of Sales	26
10.3	Removal of Listings for Refusal/Failure to Timely Report Status Changes	26
10.4	Reporting Cancellation of Pending Sale	26
10.5	Refusal to Sell	26
11.	OWNERSHIP OF MULTIPLE LISTING SERVICE COMPILATIONS AND COPYRIGHTS	27
11.1	MLS Compilation Defined	27
11.2	Active Listing MLS Compilation Defined	27
11.3	Comparable Data MLS Compilation Defined	27
11.4	Authority to Put Listings in MLS Compilation	27
11.5	Media on the MLS	27
11.5.1	Mandatory submission Photograph/Rendering	28
11.5.2	Removal of Media	28
11.6	Copyright Ownership	28
11.7	Leasing of MLS Compilations	28
11.8	Removal of Historical Records	28
11.9	Removal of and Responsibility for Content	28
11.10	Indemnification; Limitation of Liability	29
11.11	Pursuing Complaints of Unauthorized Use of Listing Content	29
12.	PROHIBITIONS AND REQUIREMENTS	29

7.27	REO Disclosure	22
8.	DOCUMENTATION; PERMISSION; ACCURACY OF INFORMATION	22
8.1	Listing Agreement and Seller's Permission.....	22
8.2	Written Documentation	22
8.3	Accuracy of Information; Responsibility for Accuracy	22
8.4	Input Defined.....	23
8.5	Buyer, Seller, Purchase, and Sale Defined.....	23
9.	SELLING PROCEDURES.	23
9.1	Showings and Negotiations.....	23
9.2	Disclosing the Existence of Offers.....	23
9.3	Availability to Show or Inspect.....	24
9.4	Presentation of Offers.....	24
9.5	Submission of Offers and Counter-Offer	24
9.6	Right of Buyer Broker in Presentation of Offer	24
9.7	Change of Compensation Offer by Buyer Broker.....	24
9.8	Buyer Broker as a Buyer	24
9.9	Physical Presence of Participant or Subscriber.....	25
10.	REPORTING SALES AND OTHER INFORMATION TO THE MLS.	25
10.1	Statuses	25
10.2	Reporting of Sales.....	26
10.3	Removal of Listings for Refusal/Failure to Timely Report Status Changes.....	26
10.4	Reporting Cancellation of Pending Sale.....	26
10.5	Refusal to Sell.....	26
11.	OWNERSHIP OF MULTIPLE LISTING SERVICE COMPILATIONS AND COPYRIGHTS.....	27
11.1	MLS Compilation Defined.....	27
11.2	Active Listing MLS Compilation Defined	27
11.3	Comparable Data MLS Compilation Defined	27
11.4	Authority to Put Listings in MLS Compilation	27
11.5	Media on the MLS.....	27
11.5.1	Mandatory submission Photograph/Rendering	28
11.5.2	Removal of Media.....	28
11.6	Copyright Ownership	28
11.7	Leasing of MLS Compilations	28
11.8	Removal of Historical Records	28
11.9	Removal of and Responsibility for Content.....	28
11.10	Indemnification; Limitation of Liability	29
11.11	Pursuing Complaints of Unauthorized Use of Listing Content.....	29
12.	PROHIBITIONS AND REQUIREMENTS.....	29

12.1	Notification of California Department of Real Estate (DRE) or California Bureau of Real Estate Appraisers (BRE) Action.....	30
12.2	Violations of the Law	30
12.3	Supervision of R.E. Licensees and Appraisers	30
12.4	Solicitation of Listing Filed With the MLS	30
12.5	Misuse of Public Remarks and Media	30
12.5.1	Misuse of Other Remarks and Media	31
12.6	“For Sale” Signs	31
12.7	“Sold” Signs and Use of the Term “Sold.”.....	31
12.8	Advertising of Listing Filed With the MLS.....	31
12.9	Limitations on Use of MLS Information in Advertising.....	32
12.10	False or Misleading Advertising and Representations; True Picture Standard of Conduct.	32
12.11	Use of MLS Information.....	33
12.12	Confidentiality of MLS Information.....	33
12.12.1	Clerical Users	33
12.13	Access to Comparable and Statistical Information.....	33
12.14	Display	34
12.15	Reproduction.....	34
12.15.1	Copies to Prospective Buyers.....	34
12.15.2	Information Reproduced.....	34
12.15.3	Copies for Appraisals	35
12.15.4	Downloading into Computers	35
12.15.5	Sold Information.....	35
12.16	Use of Active Listing Information on Internet (Also known as Internet Data Exchange (“IDX”))	35
12.16.1	Authorization.....	35
12.16.2	Consent.....	36
12.16.3	Control.....	36
12.16.4	Display Content.....	36
12.16.5	Listing Credit.....	36
12.16.6	Source.....	36
12.16.7	Usage.....	37
12.16.8	Security.....	37
12.16.9	Display Purpose.....	37
12.16.10	Restricted Display	37
12.16.11	Restricted Access and Distribution	37
12.16.12	Excluded Listings	37
12.16.13	Website Identification	37
12.16.14	Co-Mingling	37

12.16.15	Third Party Comments and Automated Value Estimates	38
12.16.16	Making Corrections	38
12.16.17	Compliance.....	38
12.16.18	Notification by Authorized Participants and Subscribers.....	38
12.16.19	Right to Charge for Download	39
12.16.20	Modifications and Augmentations	39
12.17	Applicability of Rules to MLS	39
12.18	Listing Broker's Right to Opt Out of Internet Advertising of MLS Information	39
12.19	Website Name and Status Disclosure	39
12.20	Use of the Terms MLS and Multiple Listing Services.....	39
12.21	Participant and Subscriber Standards of Conduct	39
12.22	Required Email Address.....	40
13.	LOCKBOXES.....	40
13.1	Eligibility for Lockboxes.....	40
13.2	Key Use and Service.....	40
13.3	Accountability.....	40
13.4	Deemed Unaccountable.....	40
13.5	Written Authority.....	40
13.6	Lockbox Requirements.....	41
13.6.1	Approved Lockboxes	41
13.7	Listing Broker's Permission.....	41
13.8	Unaccountable Keys	41
13.9	Removal.....	41
13.10	Rules Violations.....	41
13.11	Right to Limit Access	42
14.	VIOLATIONS OF RULES AND REGULATIONS.....	42
14.1	Grounds for Disciplinary Action and Sanctions	42
14.2	Sanctions	42
14.3	Citations	42
14.4	Duty to Correct and Cooperate.....	42
15.	PROCEDURES FOR MLS RULES HEARINGS.	43
16.	ARBITRATION.....	43
16.1	Mandatory Arbitration.....	43
16.2	Other Arbitration Agreements.....	43
16.3	Arbitration Between Association Members.....	43
16.4	Arbitration Involving Non-Association Members.....	43
16.5	Same Firm.....	44
16.6	Timing.....	44

17.	NONPAYMENT OF MLS FEES.	44
17.1	Nonpayment of MLS Fees	44
17.2	Disputed Amounts	44
17.3	Reinstatement	45
18.	CHANGE IN RULES AND REGULATIONS.	45
19.	VIRTUAL OFFICE WEBSITES (VOW).	45
19.1	VOW Definitions.....	45
19.2	VOW Operating Parameters.....	45
19.3	VOW Registrant Access Requirements.....	46
19.4	VOW Contact Requirements.....	47
19.5	VOW Data Security.....	47
19.6	VOW Listing Display Restrictions	47
19.7	Posting Consumer Comments and Automated Value Estimate.....	48
19.8	Correction of VOW Listing Information.....	48
19.9	VOW Mandatory Listing Refresh.....	49
19.10	VOW MLS Listing Distribution Limitations.....	49
19.11	VOW Privacy Policy	49
19.12	VOW Selective Listing Display.....	49
19.13	Notification of MLS of Intent to Operate a VOW.....	49
19.14	Operation of Multiple VOWs.....	49
19.15	VOW Data Display Limitations. NOT ADOPTED	49
19.16	Changes to Listing Content.....	49
19.17	Listing Accuracy Disclaimer.....	49
19.18	Listing Broker or Agent Identification.....	50
19.19	Listing Search Result Limitation.....	50
19.20	Mandatory Registrant Password Change.....	50
19.21	VOW Co-Branding and Advertising.....	50
19.22	Identifying Listing Source.....	50
19.23	Separate Source Listing Search.....	50
19.24	MLS Licensing Agreement for VOW.....	50
19.25	Seller's Direction to Withhold from Internet.....	50
20.	REJECTION OF APPLICATION.	50

1. **AUTHORITY.**

The Associations of REALTORS® (AOR)/Multiple Listing Service may maintain a Multiple Listing Service (“MLS”) or other “Services” for the use of licensed real estate Brokers and Salespersons and licensed or certified Appraisers under the terms of these rules as from time to time amended.

2. **PURPOSE.**

A Multiple Listing Service is a means by which authorized MLS Broker participants decide to cooperate with one another for the benefit of each of their respective clients by establishing legal relationships with other participants in making a blanket unilateral contractual offer of compensation and cooperation to other Broker participants; by which information is accumulated and disseminated to enable authorized participants to prepare appraisals, analyses and other valuations of real property for bona fide clients and customers; by which participants engaging in real estate appraisal contribute to common databases; and is a facility for the orderly correlation and dissemination of listing information among the participants so that they may better serve their clients, customers, and the public. Acceptance of the offered compensation is determined by the Buyer Broker’s performance as a procuring cause of the sale or lease consistent with these Rules.

3. **THE AOR/MLS COMMITTEE.**

The AOR/MLS shall be governed by its board of directors (hereinafter “Board of Directors”) in accordance with its articles of incorporation and its bylaws. Committees may be established to perform such functions as may be delegated, but all actions of committees shall be subject to the approval and confirmation of the Board of Directors.

4. **PARTICIPATION AND AUTHORIZED ACCESS.**

4.1 Participant. A Participant is any individual who applies and is accepted by the MLS, meets and continues to meet all of the following requirements of either a Broker Participant or an Appraiser Participant as defined below in Sections 4.1.1 and 4.1.2.

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

The key is that the Participant or potential Participant actively endeavors to make or accept

offers of cooperation and compensation with respect to properties of the type that are listed on the MLS in which participation is sought. This requirement does not permit an MLS to deny participation to a Participant or potential Participant that operates a Virtual Office Website (“VOW”) [See Rule No.19] (including a VOW that the Participant uses to refer customers to other Participants) if the Participant or potential Participant actively endeavors to make or accept offers of cooperation and compensation. An MLS may evaluate whether a Participant or potential Participant “actively endeavors during the operation of its real estate business” to “offer and/or accept compensation” only if the MLS has a reasonable basis to believe that the Participant or potential Participant is in fact not doing so.

The membership requirement shall be applied on a nondiscriminatory manner to all Participants and potential Participants

4.1.1 Broker Participant. A Broker Participant is a Participant who meets all of the following requirements:

- a) The individual or corporation, for whom the individual acts as a Broker/officer, holds a valid California Real Estate Broker’s license;
- b) The individual is a principal, partner, corporate officer, or branch office manager acting on behalf of a principal;
- c) The individual or corporation for whom the individual acts as a Broker/officer offers or accepts compensation in the capacity of a Real Estate Broker;
- d) The individual has signed a written agreement to abide by the rules of the MLS in force at that time and as from time to time amended;
- e) The individual pays all applicable MLS fees; and
- f) The individual has completed any required orientation program of no more than eight (8) classroom hours within ninety (90) days after access has been provided said program to be attended in-person or through remote means. Failure to complete the required orientation shall result in termination of all MLS privileges unless extensions have been granted by applicant’s service center or AOR/MLS.

4.1.2 Appraiser Participant. An Appraiser Participant is a Participant who meets all of the following requirements:

- a) The individual holds a valid California Appraiser’s certification or license issued by the Bureau of Real Estate Appraisers (“BRE”) (also referred to as “Office” of Real Estate Appraisers or OREA);
- b) The individual is a principal, partner, corporate officer, or branch office manager acting on behalf of a principal;
- c) The individual has signed a written agreement to abide by the rules of the MLS in force at that time and as from time to time amended;
- d) The individual pays all applicable MLS fees; and
- e) The individual has completed any required orientation program of no more than eight (8) classroom hours within ninety (90) days after access has been provided said program to be attended in-person or through remote means. Failure to complete the required orientation shall result in termination of all MLS privileges unless extensions have been granted by applicant’s service center or

AOR/MLS.

4.1.3 Redundant Participant Qualifications. Participant type (Broker or Appraiser) must be selected during application for participation. A Participant with both a California Real Estate Broker's license and a California Appraiser's certification or license must join as a "Broker Participant" to be a Listing Broker (see Section 4.7), or Buyer Broker (see Section 4.8).

4.2 Subscriber. A Subscriber is an individual who applies and is accepted by the AOR/MLS, and meets and continues to meet all of the following requirements of either a R.E. Subscriber or Appraiser Subscriber as defined below in sections 4.2.1 and 4.2.2:

4.2.1 R.E. Subscriber. A R.E. Subscriber is a Subscriber who meets all of the following requirements:

- a) The individual holds a valid California real estate salesperson's or broker's license;
- b) The individual is employed by or affiliated as an independent contractor with a Broker Participant;
- c) The individual has signed a written agreement to abide by the rules and regulations of the service in force at that time and as from time to time amended;
- d) The individual pays all applicable MLS fees; and
- e) The individual has completed any required orientation program of no more than eight (8) classroom hours within ninety (90) days after access has been provided said program to be attended in-person or through remote means.

4.2.2 Appraiser Subscriber. An Appraiser Subscriber is a Subscriber who meets all of the following requirements:

- a) The individual holds a valid California real estate appraiser's certification or license issued by the BREAA;
- b) The individual is employed by or affiliated as an independent contractor with an Appraiser Participant;
- c) The individual has signed a written agreement to abide by the rules and regulations of the service in force at that time and as from time to time amended;
- d) The individual pays all applicable MLS fees; and
- e) The individual has completed any required orientation program of no more than eight (8) classroom hours within thirty (30) days after access has been provided said program to be attended in-person or through remote means.

4.2.3 Redundant Subscriber Qualifications. Subscriber type (R.E. or Appraiser) must correlate to the participant type. A Subscriber who is both a California Real Estate Licensee and a California certified or licensed Appraiser must join as a "R.E. Subscriber," unless the employing or affiliated Participant is an Appraiser Participant.

4.3 Clerical Users. Individuals (whether licensed or unlicensed) under the direct supervision of an MLS Participant or Subscriber that perform only administrative and clerical tasks that do not require a real estate license or an Appraiser's certificate or license. Each Participant and

Subscriber shall provide the AOR/MLS with a list of all Clerical Users employed by or affiliated as independent contractors with the Participant or Subscriber and shall immediately notify the AOR/MLS of any changes, additions, or deletions from the list.

- 4.4 Registered Assistant Access.** Individuals (whether licensed or unlicensed) that use the MLS for clerical tasks such as entering listings and/or searching the database and are under the direct supervision of a Participant, Subscriber or Appraiser, may be given access to the MLS by a unique and individual passcode. The Assistant passcode will be directly linked to the Assistant's employer and will be terminated if said employer should become inactive in the MLS. An Assistant must adhere to the following requirements:

4.4.1 Assistant Fees. The Assistant fees will be up-to-date as set forth by the service center or AOR/MLS that the Assistant's employer participates at;

4.4.2 Assistant Written Agreement. The Assistant will have signed a written agreement to abide by the rules and regulations of the service center or AOR/MLS and will be required to either attend MLS orientation or pass a standardized test administered by staff covering the service center or AOR/MLS rules and regulations;

4.4.3 Assistant Information. The Assistant will only relay MLS information to his/her employer and not to members of the public, other service centers, and/or other AOR/MLS participants, subscribers or appraisers (this does not prohibit licensed assistants from performing duties of a real estate licensee or appraiser licensee outside of the MLS as long as the duties performed do not involve data retrieved from the service center or AOR/MLS database);

4.4.4 Assistant Identification. The Assistant may not be identified as an agent or contact person for a property listed with the service center or AOR/MLS;

4.4.5 Assistant Eligibility. Assistants may be eligible for lockbox access services, unless otherwise prohibited, and are prohibited from using any other Participant, Subscriber or Appraiser's access device.

- 4.5 Notification of Licensees.** Each Participant shall provide the AOR/MLS with a list of all real estate licensees or certified or licensed Appraisers employed by or affiliated as independent contractors with such Participant or with such Participant's firm and shall immediately notify the AOR/MLS of any changes, additions, or deletions from the list. This list shall include any licensees under any Broker associate affiliated with the Participant.

- 4.6 Participation Not Transferable.** Participation in the MLS is on an individual basis and may not be transferred or sold to any corporation, firm, or other individual. Any reimbursement of MLS fees is a matter of negotiation between those transferring the business or determined by internal contract arrangement within the firm. However, providing the first Participant consents, the AOR/MLS shall allow a firm to designate a different person as a Participant within the firm without additional initial participation fees. The AOR/MLS may charge an administrative fee for this service of reassigning Participants within a firm.

- 4.7 Listing Broker Defined.** For purposes of these MLS rules, a Listing Broker is a Broker

Participant who is also a listing agent in accordance with California Civil Code Section 1086, et. seq., who has obtained a written listing agreement by which the Listing Broker has been authorized to act as an agent to sell or lease the property or to find or obtain a buyer(s) or tenant(s). Whenever these rules refer to the Listing Broker, the term shall include a Subscriber in addition to the Participant or a licensee retained by the Listing Broker but shall not relieve the Listing Broker of responsibility for the act or rule specified.

4.8 Buyer Broker Defined. For purposes of these MLS rules, a Buyer Broker is a Broker Participant who is also a buyer's agent as defined in California Civil Code Section 1086, et. seq., who acts in cooperation with a Listing Broker by accepting the offer of compensation and/or subagency offered by the Listing Broker to find or obtain a buyer(s) or tenant(s). The Buyer Broker may be the agent of the buyer(s) or, if subagency is offered and accepted, may be the agent of the seller(s). Whenever these rules refer to the Buyer Broker, the term shall include a Subscriber in addition to the Participant or licensee retained by the Buyer Broker but shall not relieve that Broker Participant of responsibility for the act or rule specified.

4.9 Appraiser Defined. For purposes of these MLS rules, an Appraiser is an Appraiser Participant, Appraiser Subscriber, or a licensed or certified Appraiser acting for the Appraiser Participant or Appraiser Subscriber. Whenever these rules refer to the Appraiser, the term shall also include the Appraiser Subscriber, or a licensed or certified Appraiser employed by or affiliated as an independent contractor with the firm that employs the Appraiser but shall not relieve that Appraiser Participant of responsibility for the act or rule specified.

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

4.11 Subject to MLS Rules. By becoming and remaining a Participant, Subscriber or Clerical User, each Participant, Subscriber and Clerical User agrees to be subject to these MLS Rules and regulations.

5. MLS FEES AND CHARGES.

5.1 Service Fees and Charges. The AOR/MLS Board of Directors shall establish a schedule of MLS fees applicable to the MLS, which may include the following service fees and charges:

5.1.1 Initial Participation and/or Application Fee. Applicants for MLS services may be assessed initial participation and/or application fees.

5.1.2 Recurring Participation Fee. The recurring participation fee of each Broker Participant shall be an amount equal to the fee set for each individual times the total number of (1) the Broker Participant, plus (2) the number of Salespersons who have access to and use of the MLS, whether licensed as Brokers or as Salespersons, who are employed by or affiliated as independent contractors with such Participant or the Participant's firm. If more than one principal Broker in the same firm elects to be a

Participant, the number of Salespersons in the firm will only be used once in calculating the recurring participation fees. A Broker Participant is not obligated to pay recurring participation fees or other MLS fees and charges for real estate licensees affiliated with the Participant or the Participant's firm if such licensees work out of a branch office of the Participant or the Participant's firm that does not participate in or otherwise use the MLS.

The recurring participation fee of each Appraiser Participant shall be an amount times the total number of (1) the Appraiser Participant, plus (2) the number of Appraisers who have access to and use of the MLS, who are employed by or affiliated as independent contractors with such Participant or the Participant's firm. If more than one principal Appraiser in the same firm elects to be a Participant, the number of Appraisers in the firm will only be used once in calculating the recurring participation fees. An Appraiser Participant is not obligated to pay recurring participation fees or other MLS fees and charges for licensed or certified Appraisers affiliated with the Participant or the Participant's firm if such Appraisers work out of a branch office of the Participant or the Participant's firm that does not participate in or otherwise use the MLS.

5.1.3 Listing Fee. A listing fee may be charged for each listing submitted to the MLS.

5.1.4 Publication Fees. The Participant shall be responsible for publication fees for each MLS publication the Participant wishes to lease. The Participant may not obtain more MLS publications than the total number of Subscribers affiliated with the Participant where applicable.

5.1.5 Computer Access Fees. The recurring computer access fee for each Participant shall be an amount established and approved by the AOR/MLS Board of Directors equal to the total number of Subscribers and Salespersons licensed or certified as Appraisers, Brokers, or Salespersons, who are employed by or affiliated as independent contractors with such Participant.

5.1.6 Certification of Nonuse. Participants may be relieved from payment under Sections 5.1.2 and 5.1.5 hereunder by certifying to the AOR/MLS that a licensed or certified person in the office is engaged solely in activities that do not require a real estate license or certification (clerical, etc.), or that the real estate Licensee or licensed or certified Appraiser will not use the MLS or MLS compilation in any way. In the event a real estate Licensee or Appraiser is found in violation of the nonuse certification, the Participant shall be subject to all MLS fees dating back to the date of the certification. The Participant and Subscriber may also be subject to any other sanction imposed for violation of MLS rules, including, but not limited to, a citation and suspension or termination of Participation rights and access to the MLS.

5.1.7 Other Fees. Other fees that are reasonably related to the operation of the MLS may be adopted.

5.2 Responsibility for Fees. In the event the AOR/MLS allows for direct billing or payment by a Subscriber for fees under these rules, such fees shall be the exclusive obligation of that

Subscriber regardless of whether such Subscriber becomes affiliated with a different Participant. If the MLS does not allow for direct billing or payment by a Subscriber for MLS fees, such fees shall be the responsibility of the Participant with whom the Subscriber was affiliated with at the time the MLS fees were incurred. This section does not preclude in any way the ability of Participants to pursue reimbursement of MLS fees from current or past Subscribers or to establish agreements with Subscribers regarding payment or reimbursement of MLS fees.

6. REGIONAL AND RECIPROCAL AGREEMENTS.

The AOR/MLS Board of Directors may approve and enter into regional or reciprocal agreements with AORs or MLS corporations owned or governed solely by AORs or licensed real estate brokers to allow the other MLS participants and subscribers access to the MLS in exchange for comparable benefits to the Participants and Subscribers of this MLS. In the event of such agreements, the Participants and Subscribers agree to abide by the respective rules of the other MLSs receiving and publishing a listing pursuant to such agreements and to abide by such rules when accessing the other databases or datasets.

7. LISTING PROCEDURES.

- 7.1 Listings Subject to Rules and Regulations of the MLS.** Any listing filed with the MLS by a Listing Broker are subject to the rules of the MLS.
- 7.2 Property Already Listed by Another Agent/Broker.** The MLS allows one listing per property type for a specific property. There may be situations where more than one Broker believes they have a valid listing agreement for the same property. The MLS and/or Association cannot determine the validity of claims of competing contracts. It is the responsibility of the Brokers and seller to resolve the validity question prior to entering a listing into the MLS. Entering a listing into the MLS without a valid listing agreement is a violation of MLS Rules. Failure to remove a listing from the MLS following cancelation or expiration is a violation of MLS Rules.
- 7.3 Listing and Co-Listing Agents/Brokers.** Only the listings of Participants and Subscribers will be accepted by the MLS. Inclusion of co-listings where the co-listing broker/agent is not a Participant or Subscriber in the MLS is prohibited.
- 7.4 Range Pricing.** If a listing is specified as a Range Price Listing, the Listing Agent or Broker must enter a valid range for the list price of that listing. In all cases, the default List Price shall be the high end of the range and the low end of the range can be no less than 85% of this price.
- 7.5 Types of Listings; Responsibility for Classification.** The MLS shall accept exclusive right to sell, seller reserved, open, and probate listings in accordance with California Civil Code Section 1086, et seq., and auction listings that satisfy the requirements of these MLS rules. As used in these rules, “probate” includes conservatorships, guardianships, and similar protective proceedings in the Superior Court of California. Exclusive right to sell listings that contain any exceptions whereby the owner need not pay a commission if the property is sold to particular individuals shall be classified for purposes of these rules as an exclusive right to

sell listing, but the Listing Broker shall notify all of the exceptions. It shall be the responsibility of the Listing Broker to properly classify the type of listing, and if necessary, obtain a legal opinion to determine the correct classification. By classifying the type of listing, the Listing Broker certifies that the listing falls under the legal classification designated. The MLS shall have no affirmative responsibility to verify the listing type of any listing filed with the MLS. However, the MLS shall have the right to have legal counsel make a determination as to the classification of the listing type, and if the Listing Broker does not reclassify it accordingly, the MLS shall have the right to reject or remove any such listing that the MLS determines falsely represents the classification of listing type.

7.5.1 Scope of Service; Limited Service Listings. Limited Service listings are listings whereby the Listing Broker, pursuant to the listing agreement, will not provide one, or more, of the following services:

- a) Provide Buyer Brokers with any additional information regarding the property not already displayed in the MLS, but instead gives Buyer Brokers authority to contact the seller(s) directly for further information;
- b) Accept and present to the seller(s) offers to purchase procured by Buyer Brokers, but instead gives Buyer Brokers authority to present offers to purchase directly to the seller(s);
- c) Advise the seller(s) as to the merits of offers to purchase; assist the seller(s) in developing, communicating, or presenting counter-offers; or
- d) Participate on the seller's(s') behalf in negotiations leading to the sale of the listed property.

Said Limited Service listings will be identified with an appropriate code or symbol (e.g. "LS") in MLS compilations so potential Buyer Brokers will be aware of the extent of the services the Listing Broker will provide to the seller(s), and any potential for Buyer Brokers being asked to provide some or all of these services to Listing Broker's clients, prior to initiating efforts to show or sell the property.

7.5.2 Scope of Service; MLS Entry-Only Listings. MLS Entry-Only listings are listings whereby the Listing Broker, pursuant to the listing agreement, will not provide any of the following services:

- a) Provide Buyer Brokers with any additional information regarding the property not already displayed in the MLS, but instead gives Buyer Brokers authority to contact the seller(s) directly for further information;
- b) Accept and present to the seller(s) offers to purchase procured by Buyer Brokers, but instead gives Buyer Brokers authority to present offers to purchase directly to the seller(s);
- c) Advise the seller(s) as to the merits of offers to purchase;
- d) Assist the seller(s) in developing, communicating, or presenting counter-offers; or
- e) Participate on the seller's(s') behalf in negotiations leading to the sale of the listed property.

Said MLS Entry-Only listings will be identified with an appropriate code or symbol

(e.g. “EO”) in MLS compilations so potential Buyer Brokers will be aware of the extent of the services the Listing Broker will provide to the seller(s), and any potential for Buyer Brokers being asked to provide some or all of these services to Listing Broker’s clients, prior to initiating efforts to show or sell the property.

7.5.3 Scope of Service; Legal Obligations. The scope of service classifications set forth in these Rules do not alter any obligations otherwise imposed on real estate licensees under California law, including Department of Real Estate Regulations, statutory law and/or common law. The MLS’s acceptance or publication of listings eligible for MLS submission in no way constitutes a validation that said obligations have been met.

7.6 Types of Properties; Responsibility for Classification. The MLS shall accept listings that satisfy the requirements of these rules on the following types of property:

- a) Residential
- b) Residential Lease
- c) Residential Income
- d) Lots and Land
- e) Mobile Home
- f) Commercial
- g) Commercial Lease
- h) Business Opportunity

It shall be the responsibility of the Listing Broker to properly classify the type of property listed, and if necessary, obtain a legal opinion to determine the correct classification. By classifying the type of property listed, the Listing Broker certifies that the listing falls under the classification designated. The MLS shall have no affirmative responsibility to verify the property type of any listing filed with the MLS. However, the MLS shall have the right to have legal counsel make a determination as to the classification of the property type, and if the Listing Broker does not reclassify it accordingly, the MLS shall have the right to reject or remove any such listing that it determines falsely represents the classification of property type listing.

7.7 Compliance with California and Federal Law. Notwithstanding any other provision of these MLS rules to the contrary, the MLS shall accept any listing that it is required to accept under California or federal law.

7.8 Mandatory Delivery of Listing Agreement. Listing Broker shall input into the MLS any and all properties located in the MLS Service Area within two (2) Business Days of the Effective Date of any listing agreement on any exclusive right to sell/lease or seller reserved listing agreement on one to four-unit residential property and vacant lots. The Effective Date of a listing agreement is the later of all necessary signatures of the seller(s) have been obtained, or at the beginning date of the listing as specified in the contract. Registered properties shall not be made available for viewing, compensation or cooperation in the MLS database to cooperating Participants and DOM shall not calculate on a Registered listing. All necessary signatures are those needed to create an enforceable listing, which generally means all named signatories to the listing agreement. In the event there are known additional property owners not made a signatory to the listing, the Listing Broker shall disclose said fact

to the MLS and state whether the listed seller will make the sale contingent on the consent of the additional property owners. In the event the listing agent is prevented from complying with the 1-business daytime period due to seller's delay in returning the signed listing agreement, the Listing Broker must deliver the listing to the MLS within 2 business days of receipt back from seller. The AOR/MLS may require the Listing Broker to present documentation to the AOR/MLS evidencing the seller's delayed transmission. Only those listings that are within the service area of the MLS must be input. Open listings or listings of property located outside the MLS's service area (see Section 7.10) are not required by the MLS but may be input at the Broker Participant's option.

- 7.9 Mandatory Submission upon Marketing.** Within one (1) business day of marketing or advertising a residential property to any member of the public for sale which contains one to four units, or is a residential vacant land lot which is subject to any exclusive right to sell or seller reserved listing agreement, the Listing Broker must submit the property into the MLS for cooperation with other CRMLS participants. Marketing and advertising includes, but is not limited to, any information about the property or its availability for sale displayed on any: signs, websites, social media, brokerage or franchise operated websites, communications (verbal or written), multi-brokerage or franchise listing sharing networks, flyers or written material, on any applications, or by conducting an open house. Any individual or entity that has signed, within the previous year a Disclosure Regarding Real Estate Agency Relationship form in compliance with CA Civil Code section 2079.16 that identifies the Listing Broker shall not be considered a "member of the public" under this rule.

7.9.1 No Cooperation Listing. If the seller in writing refuses to permit the property listing to be marketed or advertised as defined by Rule 7.9, and also instructs the Listing Broker to not disseminate the listing in the MLS, the Listing Broker shall obtain a written instruction from the seller instructing the Listing Broker to do no marketing or advertising and refuses to authorize the listing to be disseminated by the MLS. The instruction shall include an advisory to seller that, in keeping the listing off the MLS, (1) No marketing or advertising of any kind will occur, (2) real estate agents and brokers from other real estate offices, and their buyer clients, who have access to the MLS may not be aware seller's property is for sale, (3) seller's property will not be included on any real estate Internet sites or applications that are used by the public to search for property listings, (4) real estate agents, brokers and members of the public may be unaware of the terms and conditions under which seller is marketing the property, and (5) the reduction in exposure of the listing may lower the number of offers made on the property and may adversely impact the overall price.

- 7.10 Service Area.** The MLS shall service the area which shall include the entire county that contains any of the territorial jurisdiction of (1) any member association, or (2) any data share partner AOR/MLS. At the option of the AOR/MLS, the MLS may adopt a policy to accept listings of properties located outside the territorial jurisdiction of the AOR/MLS. At the option of the AOR/MLS, the MLS may adopt a policy to accept listings of properties located outside the territorial jurisdiction of the AOR/MLS. If the AOR/MLS have entered into regional MLS agreements or a regional MLS corporation with other MLSs and have enlarged the service area as part of the agreement, submission of listings is mandatory for the enlarged service area covered by the combined territorial jurisdictions of the AOR's signatories to the regional MLS agreement or part of the regional MLS corporation.

- 7.11 Change of Listing Information.** Listing Brokers shall submit any change in listing information, including the listed price or other change in the original listing agreement, to the MLS within 2 business days after the authorized change is received by the Listing Broker. By submitting such changes to the MLS, the Listing Broker represents that the listing contract has been modified in writing to reflect such change or that the Listing Broker has obtained other legally sufficient written authorization to make such change.
- 7.12 Withdrawal of Listing Prior to Expiration.** Listings of property must be withdrawn from the MLS by the Listing Broker before the expiration date of the listing agreement if the Listing Broker has received written instructions from the seller to withdraw the listing from the MLS. Listing Broker may withdraw any listing from the MLS 48 hours after providing seller with written notice of the broker's intention to withdraw the listing based on a dispute with the seller regarding the terms of the listing agreement. The MLS may require the Listing Broker to provide a copy of any notice of dispute or any written instructions from the seller. Sellers do not have the unilateral right to require the MLS to cancel any listing. However, the MLS reserves the right to remove a listing from the MLS data base if the seller can document that his or her listing agreement with the Listing Broker has been terminated or is invalid. Withdrawal from the MLS with the seller's consent does not relieve the obligation of the Listing Broker to report the sale and sales price if it closes escrow while the seller is represented by the Listing Broker.
- 7.13 Contingencies.** Any contingency or condition of any term in a listing shall be specified and noticed to the participants.
- 7.14 Detail on Listings Filed With the MLS.** Electronically input data or a property data form, when filed with the MLS by the Listing Broker, shall be complete in every detail as specified on the property data form, including full gross listing price, termination date, compensation offered to other Broker Participants, and any other item required to be included as determined by the AOR/MLS Board of Directors. Property data forms may be returned if incomplete, and if not completed and returned within 2 business days from the day the incomplete property data form was returned to the Listing Broker, the Broker Participant and R.E. Subscriber may be subject to penalties for failure to submit the completed property data form in a timely manner.
- 7.15 Unilateral Contractual Offer; Subagency Optional**
- a) In placing a listing with the AOR/MLS into a status of Coming Soon, Active, Active Under Contract, or Hold the Broker Participant makes a blanket unilateral contractual offer of compensation to the other MLS Broker Participants for their services in selling the property.
 - b) Except as set forth in Rule 7.18 below, a Listing Broker must specify some compensation to be paid to either a buyer's Broker or a subagent and the offer of compensation must be stated in one or a combination of, the following forms: (1) a percentage of the gross selling price; or, (2) a definite dollar amount.
 - c) The amount of compensation offered through the MLS may not contain any provision that varies the amount of compensation offered based on conditions precedent or subsequent or on any performance, activity, or event.
 - d) In the event there are any service fees or administrative costs, etc., to be imposed on buyer's agent's compensation, any such reductions should be factored in as a reduced

amount the listing broker initially offers to a Buyer Broker and may not be made a condition of the offer.

- e) Furthermore, the AOR/MLS reserves the right to remove a listing from the AOR/MLS database that does not conform to the requirements of this section.
- f) At the Listing Broker's option, a Listing Broker may limit his or her offer of compensation to buyer's(s') agents only, to subagents only, or make the offer of compensation to both. Any such limitations on the contractual offer of compensation must be specified on the property data form and in the MLS. The amount of compensation offered to buyers' agents or subagents may be the same or different but must be clearly specified on the property data profile sheet. Listing Brokers wishing to offer subagency to the other MLS Broker Participants must so specify on the property data profile sheet and on the MLS, otherwise the offer of compensation does not constitute an offer of subagency.

7.16 Acceptance of Contractual Offer. The Listing Broker's contractual offer (with or without subagency) is accepted by the Buyer Broker by procuring a buyer which ultimately results in the creation of a sales or lease contract. Payment of compensation by the Listing Broker to the Buyer Broker under this section is contingent upon either (1) the final closing, or (2) the Listing Broker's receipt of monies resulting from the seller's or buyer's default of the underlying sales or lease contract. Notwithstanding this section, the Listing Broker and/or Buyer Broker shall still retain any remedies they may have against either the buyer(s) or seller(s) due to a default under the terms of the purchase agreement, listing agreement, or other specific contract. Any dispute between Participants arising out of this section shall be arbitrated under Local AOR Rules, C.A.R. Interboard Arbitration Rules, or Section 16 of these Rules and shall not be considered an MLS Rules violation.

7.17 Consent to Act as Dual Agent. By offering compensation and/or subagency to Broker participants, the Listing Broker is not automatically representing that the seller(s) have consented to the Buyer Broker acting as a dual agent representing both the buyer(s) and the seller(s). No Buyer Broker shall act as both an agent of the buyer(s) and the seller(s) without first contacting the Listing Broker and ascertaining that the seller(s) have consented to such dual agency.

7.18 Estate Sale, Probate, Bankruptcy, Auction, and Lender Approval Listings.

7.18.1 Probate and Bankruptcy Listings. Compensation offered through AOR/MLS to Buyer Brokers on probate or bankruptcy listings is for the amount published therein as long as the Buyer Broker produces the contract which is ultimately successful and confirmed by the court, if court confirmation is required. In the event the contract produced by the Buyer Broker is overbid in court and the overbid contract is confirmed, the original Buyer Broker shall receive the amount of compensation specified as "unconfirmed Buyer Broker's compensation" or "u.b.b." in the property data profile sheet and on the MLS. For probate listings, the compensation offered through the MLS under these Rules and this section shall be considered an agreement as referred to in California Probate Code Section 10165 and is specifically intended to supersede any commission splits provided by statute as permitted in Section 10165. This section contemplates that probate and a bankruptcy judge have broad discretion, and therefore is not intended as a guarantee of a specific result as to commissions in every probate or bankruptcy sale.

7.18.2 Lender Approval Listings. Compensation offered through the MLS to Buyer Brokers on listings which require lender approval (commonly referred to as “short sale” listings) is for the amount published therein unless the Listing Broker indicates on the MLS the following: (a) the fact that the sale and gross commission are subject to lender approval; and (b) the amount or method by which the compensation offered through the MLS will be reduced if the lender reduces the gross commission. This section does not allow an additional reduction from the commission offered for items such as a short sale negotiator fee or other administrative costs of the transaction. Any reductions from the commission offered for such items should be factored in as a reduced amount the Listing Broker initially offers to a Buyer Broker and may not be made a condition of the offer.

7.18.3 Auction Listings. Only auction listings which comply with these MLS Rules and Regulations, including, but not limited to Sections 7.12 and 7.13, may be submitted to the Service. Auction listings entered into the MLS system shall have listing contracts as required under these Rules, be clearly labeled as auction listings, and provide all the terms and conditions of the auction. Reserve auctions are not permitted on the MLS. Auction listings shall further specify the following:

- a) The list price, which shall be seller’s minimum acceptable bid price;
- b) The date, time and place of the auction;
- c) All required procedures for Buyer’s Broker to register their representation of a potential bidder;
- d) The amount of the buyer’s premium, if any;
- e) The time or manner in which potential bidders may inspect the listed property;
- f) Whether or not the seller will accept a purchase offer prior to the scheduled auction; and
- g) Any other material rules or procedures for the auction.

Subsections (b) through (g) above shall not appear in a listing’s Public Remarks.

7.18.4 New Construction Listings

- a) Any Residential Property listed in the MLS that requires the disclosure of a Final Public Report pursuant to the Subdivided Lands Law prior to a sale of the property, or that requires a new construction building permit, shall be designated a NEW CONSTRUCTION LISTING (NCL). All MLS Rules shall apply to an NCL except as modified as follows:
- b) Submitting an NCL shall cause to be exempted from the Mandatory Delivery Rule 7.8 each individual lot within the subdivision covered by the same Final Public Report as the NCL.
- c) NCL Listing Broker agrees that the offer of compensation for the NCL filed with the MLS shall be the same offer of compensation pursuant to Rule 7.15 for all of the properties requiring disclosure of the same Final Public Report as the NCL property.
- d) Any agreement to modify the amount of the offered compensation published in the MLS as of the date the offer from a buyer is made, shall be voidable at the

- option of the buyer's agent.
- e) NCL's may remain in a Coming Soon status until such time as a certificate of occupancy is issued.

Upon final closing of any property subject to the same Final Public Report as the NCL, Listing Broker shall report or input in the MLS as "sold" and report the selling price within 2 business days of the final closing date.

- 7.19 Changes to Offer of Compensation to All Broker Participants.** The Listing Broker may, from time to time, adjust the published compensation offered to all MLS Broker Participants with respect to any listing by changing the compensation offered on the MLS or providing written notice to the MLS of the change. Any change in compensation will be effective after the change is published in the MLS, either through electronic transmission or printed form, whichever occurs first. The Listing Broker may revoke or modify the offer of compensation in advance as to any individual Broker Participant in accordance with general contract principles and subject to applicable law, but in no event shall the Listing Broker revoke or modify the offer of compensation without the Buyer Broker's consent later than the time the Buyer Broker (a) physically delivers or transmits by fax or e-mail to the Listing Broker a signed offer from a prospective buyer(s) or tenant(s) to purchase or lease the property for which the compensation has been offered through the MLS, or (b) notifies the Listing Broker in person or by telephone, fax, or e-mail that the Buyer Broker is in possession of such a signed offer and is awaiting instructions from the Listing Broker as to the manner of presentation or delivery of that offer. Any independent advance revocations, or modifications of the offer or agreements between real estate Brokers, are solely the responsibility of such Brokers and shall not be submitted to, published by, or governed in any way by the MLS.
- 7.20 Broker Participant or R.E. Subscriber as Principal.** If a Listing Broker, including any Subscriber has any interest in a property, the listing which is disseminated through the MLS shall contain a disclosure of that interest on the MLS.
- 7.21 Multiple Unit Properties.** All properties which are to be sold or which may be sold separately must be indicated individually in the MLS and will be published separately. When part of a listed property has been sold, the Listing Broker shall input the appropriate changes on the MLS within 2 business days.
- 7.22 Expiration, Extension, and Renewal of Listings.**
- a) Listings shall be changed to the appropriate off-market status on the expiration date specified on the listing unless the listing is extended or renewed by the Listing Broker.
 - b) The Listing Broker shall obtain written authorization from the seller(s) before filing any extension or renewal of a listing.
 - c) Any renewals or extensions received after the expiration date of the original listing shall be treated as a new listing and will be subject to any fees applicable to new listings.
 - d) The calculation of Days on Market (DOM) is based on the MLS #. The calculation of Cumulative Days on Market (CDOM) is based on APN # or address and will accumulate until a change of ownership has occurred or the property is not available for sale and no listing agreement is in effect for a period of 90 days or more.
 - e) At any time and for any reason, the MLS has the right to request a copy of the seller's(s') written authorization to extend or renew a listing. If a Listing Broker is requested to

provide a copy of such authorization and does not do so within 1 business days of the request, the listing shall be subject to immediate removal from the MLS.

7.22.1 Extension for Protected Buyer. In the event a Listing Broker's listing has Expired or been Canceled, but a commission extension right for a protected buyer has been timely activated in the listing agreement and Listing Broker represents seller in said transaction, Listing Broker may be considered the "listing broker" for MLS reporting of sale as long as satisfactory documentation is presented to MLS.

7.23 Listings of Participants or Subscribers Suspended, Expelled, or Resigned.

7.23.1 Failure to Pay MLS Fees; Resignation. When a Participant or Subscriber of the MLS is suspended or expelled from the MLS for failure to pay MLS fees or charges, or if the Participant or Subscriber resigns from the MLS, the MLS shall cease to provide services to such Participant or Subscriber, including continued inclusion of listings in the MLS compilation of current listing information. In the event listings are removed from the MLS pursuant to this section, it shall be the sole responsibility of the Participant to notify the sellers(s) that the property is no longer listed in the MLS.

7.23.2 Violations of MLS Rules. When a Participant or Subscriber is suspended or expelled from the MLS for a violation of the MLS Rules, the AOR/MLS shall cease to provide MLS services to such Participant or Subscriber except that the listings in the MLS at the time of suspension or expulsion shall, at the suspended or expelled Participant's option, be retained in the MLS compilation of current listing information until sold, withdrawn, or expired, and shall not be renewed or extended by the MLS beyond the termination date of the listing agreement in effect when the expulsion became effective. In the event listings are removed from the MLS pursuant to this section, it shall be the responsibility of the Participant to notify the seller(s) that the property is no longer listed in the MLS.

7.24 No Control of Commission Rates or Fees Charged by Participants. The AOR/MLS shall not fix, control, recommend, suggest, or maintain commission rates or fees for services to be rendered by Participants. Further, the AOR/MLS shall not fix, control, recommend, suggest, or maintain the division of commissions or fees between cooperating Participants or between Participants and non-participants.

7.25 Dual or Variable Rate Commission Arrangements (Listing Broker Advantage). The existence of a dual or variable commission arrangement shall be disclosed by the Listing Broker by a key, code, or symbol as required by the MLS. A dual or variable rate commission arrangement is one in which the seller(s) or owner agrees to pay a specified commission if the property is sold by the Listing Broker without assistance and a different commission if the sale results through the efforts of a Buyer Broker, or one in which the seller(s) or owner agrees to pay a specified commission if the property is sold by the Listing Broker either with or without the assistance of a Buyer Broker and a different commission if the sale results through the efforts of a seller. The Listing Broker shall, in response to inquiries from potential Buyer Brokers, disclose the differential that would result in either a cooperative transaction or, alternatively, in a sale that results through the efforts of the seller(s) or owner. If the Buyer Broker is representing a buyer(s) or lessee(s), the Buyer Broker must then disclose such

information to his or her client before the client makes an offer to purchase or lease.

7.26 Right of Listing Broker and Presentation of Counter-Offers. The Listing Broker has the right to participate in the presentation of any counter-offer made by the seller(s) or lessor(s). The Listing Broker does not have the right to be present at any discussion or evaluation of a counter-offer by the buyer(s) or lessee(s) (except where the Buyer Broker is a subagent). However, if the buyer(s) or lessee(s) give written instructions to the Buyer Broker that the Listing Broker not be present when a counter-offer is presented, the Listing Broker has the right to a copy of the buyer's(s') or lessee's(s') written instructions.

7.27 REO Disclosure. Listing Brokers submitting foreclosure, bank-owned or real estate owned ("REO") listings to the service shall disclose said status upon submission of the listing to the service.

8. DOCUMENTATION; PERMISSION; ACCURACY OF INFORMATION.

8.1 Listing Agreement and Seller's Permission. Prior to submitting a listing to the MLS, the Listing Broker shall obtain the written agreement of the seller(s) expressly granting the Listing Broker authority to:

- a) file the listing with the MLS for publication and dissemination to those authorized by the MLS;
- b) act as an agent for the seller(s);
- c) abide by the rules of the MLS;
- d) provide timely notice of status changes of the listing to the MLS;
- e) provide sales information, including selling price, to the MLS upon sale of the property for publication and dissemination to those authorized by the MLS; and
- f) publish sales information after the final closing of a sales transaction in accordance with these MLS rules (See Section 10.1).

8.2 Written Documentation.

- a) Any Listing Broker filing any property as a listing with the MLS shall have a written listing agreement with all necessary signatures in their possession. Only listings that create an agency relationship between the seller(s) and the Listing Broker are eligible for submission to the MLS. By submitting a listing to the MLS, Listing Broker represent that they have in their possession such written agreements establishing agency and the represented type of listing agreement.
- b) The AOR/MLS shall have the right to demand a copy of written documentation to verify the adequacy, and the information reported to the MLS, at any time.
- c) The AOR/MLS shall also have the right to demand a copy of any written authorization required under these rules.
- d) If the Participant or Subscriber fails to provide documentation requested by the AOR/MLS within 1 business day, the AOR/MLS shall have the right to immediately remove the listing from the database.

8.3 Accuracy of Information; Responsibility for Accuracy. By inputting information into the MLS computer database, the Listing Broker represents that the information input is accurate to the best of the Listing Broker's knowledge. The Listing Broker shall use good faith efforts to determine the accuracy of the information and shall not submit or input information which

the Listing Broker knows to be inaccurate. Upon receipt of the first publication or electronic transfer by the MLS of such information, the Listing Broker shall make all necessary corrections. The MLS merely publishes the MLS information and has no affirmative responsibility to verify the accuracy of the MLS information. The AOR/MLS, however, reserves the right to require Participants and Subscribers to change their MLS information if the AOR/MLS is made aware of alleged inaccuracies in the MLS information and the AOR/MLS determines that such inaccuracies do in fact exist. The MLS also reserves the right to remove a listing that contains said inaccurate information from the MLS compilation of current listings should Participant or Subscriber refuse or fail to timely correct. A Participant or Subscriber is required to correct inaccurate information within 2 days after being notified of the inaccuracies by the MLS. If a Participant or Subscriber fails to make necessary or required corrections to their MLS information, the Participant and Subscriber shall indemnify and hold harmless the AOR/MLS for any claims, cost, damage, or losses, including reasonable attorney fees and court costs, incurred by the MLS as a result of such failure. The AOR/MLS also reserves the right to remove information and listings from the database when it is clear that inaccurate data has been entered, in addition to disciplining the Participant and Subscriber for violations of the MLS rules. In no event will the AOR/MLS be liable to any Participant, Subscriber, or any other party for any indirect, special, or consequential damages arising out of any information published in the MLS, and all other damages shall be limited to an amount not to exceed the MLS fees paid by the Listing Broker.

8.4 Input Defined. All references or uses of the word “input” shall also include information which is submitted to the MLS for input in the MLS database by the AOR/MLS staff, whether such information was provided to the AOR/MLS staff on a “property data form” or otherwise.

8.5 Buyer, Seller, Purchase, and Sale Defined. All references to the buyer(s) shall also include tenant(s) and lessee(s). All references to the seller(s) shall also include landlord(s) and lessor(s). All references to a purchase shall also include a lease. All references to a sale shall also include a lease.

9. SELLING PROCEDURES.

9.1 Showings and Negotiations. Appointments for showings and negotiations with the seller(s) for the purchase of listed property filed with the MLS shall be conducted through the Listing Broker except under the following circumstances:

- a) The Listing Broker gives the Buyer Broker specific authority to show and/or negotiate directly with the seller(s), or;
- b) After reasonable effort and no less than 24 hours, the Buyer Broker cannot contact the Listing Broker or his or her representative. However, the Listing Broker, at his or her option, may preclude such direct negotiations by the Buyer Broker by giving notice to all Participants through the MLS. In the event all showings and negotiations will be conducted solely by the seller(s), the Listing Broker shall clearly set forth such fact in the listing information published by the MLS.

9.2 Disclosing the Existence of Offers. Listing Brokers, in response to inquiries from buyers or Buyer Brokers, shall, with the seller’s(s’) approval, disclose the existence of offers on the property. Where disclosure is authorized, the Listing Broker shall also disclose whether offers

were obtained by the listing licensee, by another licensee in the listing firm, or by a Buyer Broker only if asked.

- 9.3 Availability to Show or Inspect.** Listing Brokers shall not misrepresent the availability of access to show or inspect a listed property. For any property in which Listing Broker selected a status of Coming Soon or Hold, Listing Broker represents that the property shall have no showings or tours, whether conducted by Listing Broker or otherwise, until such time as the Property is placed in the Active or Active Under Contract status.
- 9.4 Presentation of Offers.** The Listing Broker must make arrangements to present the offer as soon as possible or give the Buyer Broker a satisfactory reason for not doing so. If a seller(s)/landlord(s) has directed that offers from Buyer Brokers are not to be presented for any length of time, seller's direction authorizing such arrangement shall be in writing and Listing Broker shall provide clear and accurate notice of the date of presentation of offers to Participants and Subscribers in the MLS. In the event the Listing Broker will not be participating in the presentation of offers, the Listing Broker shall clearly indicate this fact in the listing information published by the MLS.
- 9.5 Submission of Offers and Counter-Offers.** The Listing Broker shall submit to the seller(s) all offers and counter-offers until closing unless precluded by law, governmental rule, or expressly instructed in writing by the seller(s)/landlord(s) otherwise. If requested by Buyer Broker in writing, Listing Broker shall provide Buyer Broker with Listing Broker's written verification that Buyer Broker's offer was presented (or a written notification that the seller has waived the obligation to have the offer presented), said verification to be provided to Buyer Broker within 3 days of Buyer Broker's written request. The Buyer Broker acting for a buyer(s)/tenant(s), shall submit to buyer/tenant all offers and counter-offers until acceptance unless precluded by law, governmental rule, or expressly instructed by the buyer(s)/tenant(s) otherwise.
- 9.6 Right of Buyer Broker in Presentation of Offer.** The Buyer Broker has the right to participate in the presentation of any offer to purchase he or she secures. The Buyer Broker does not have the right to be present at any discussion or evaluation of that offer by the seller(s) and the Listing Broker. However, if the seller(s) give written instructions to the Listing Broker requesting that the Buyer Broker not be present when an offer the Buyer Broker secured is presented, the Buyer Broker shall convey the offer to the Listing Broker for presentation. In such event, the Buyer Broker shall have the right to receive a copy of the seller's(s') written instructions from the Listing Broker. Nothing in this section diminishes or restricts the Listing Broker's right to control the establishment of appointments for offer presentations.
- 9.7 Change of Compensation Offer by Buyer Broker.** The Buyer Broker shall not use the terms of an offer to purchase to attempt to modify the Listing Broker's offer of compensation nor make the submission of an executed offer to purchase contingent on the Listing Broker's agreement to modify the offer of compensation. However, failure of a Buyer Broker to comply with this rule shall not relieve a Listing Broker of the obligation to submit all offers to the seller(s) as required by Section 9.5.
- 9.8 Buyer Broker as a Buyer.** If a Buyer Broker wishes to acquire an interest in property listed

with a Listing Broker, such contemplated interest shall be disclosed to the Listing Broker prior to the time an offer to purchase is submitted to the Listing Broker.

- 9.9 Physical Presence of Participant or Subscriber.** A Participant or Subscriber must be physically present on the property at all times when providing access to a listed property unless the Seller has consented otherwise

NOTE: Nothing in these rules shall preclude the Listing Broker and Buyer Broker from entering into a mutual agreement to change cooperative compensation.

10. REPORTING SALES AND OTHER INFORMATION TO THE MLS.

- 10.1 Statuses.** The following statuses shall apply to listings on the MLS and Listing Broker shall place a listing in the correct status:

Registered: A valid listing contract exists, and no offer has been accepted. The listing will not be disseminated or displayed to any Cooperating Brokers. The property is not being Marketed or Advertised as those terms are defined in Rule 7.9.

Coming Soon: A valid listing contract exists, and no offer has been accepted. The Listing Broker is in possession of a seller signed instruction to submit the listing as “Coming Soon”. Marketing and Advertising as defined in Rule 7.9 is permitted and shall include language that the property is “Coming Soon” and shall include the date the property will become Active. The property is not available for showings consistent with Rule 9.3.

Active: A valid listing contract exists and no offer (with or without contingencies) has been accepted. Marketing and Advertising as defined in Rule 7.9 is permitted.

Active Under Contract: Offer accepted and either: 1) seller requests that property remain in an On-Market status and is looking for back-up offers, or; 2) the sale is subject to court or other third -party approval. Marketing and Advertising as defined in Rule 7.9 is permitted.

Hold: A valid listing contract exists, and no offer has been accepted. The Listing Broker is in possession of a seller written instruction to submit the listing as “Hold” This instruction may be due to various reasons such as multiple quality offers already received, repairs, illness, guests, etc. Marketing and Advertising as defined in Rule 7.9 is permitted. The property is not available for showings consistent with Rule 9.3.

Withdrawn: A valid listing contract is in effect. However, the property is no longer being marketed and as such no Marketing or Advertising shall occur consistent with Rule 7.9.

Pending: The seller has accepted an offer and is not soliciting offers through the MLS. Any Marketing or Advertising of the property while in Pending status will not be considered a violation of Rule 7.9.

Canceled: The listing agreement has been canceled.

Expired: The listing agreement has expired. The time frame of the existing listing contract has

run out.

Sold: Escrow has closed.

Leased: The property has been leased.

10.2 Reporting of Sales.

- a) Listings with accepted offers shall be reported to the MLS or input into the MLS database as “pending” or “active under contract” within 2 business days of the acceptance by the Listing Broker unless the negotiations were carried on under Section 9.1 (a) or (b), in which case, the Buyer Broker shall notify the Listing Broker of the “pending” or “active under contract” status within 2 business days after acceptance, whereby the Listing Broker shall then report or input the status change to the MLS within 2 business days of receiving notice from the Buyer Broker.
- b) The listing shall be published on the MLS as “pending” or “active under contract” with no price or terms prior to the final closing.
- c) Upon final closing, the Listing Broker shall report or input the listing in the MLS as “sold” and report the selling price within 2 business days of the final closing date unless the negotiations were carried on under Section 9.1 (a) or (b), in which case, the Buyer Broker shall notify the Listing Broker of the “sold” status and selling price within 2 business days after the final closing date, whereby the Listing Broker shall then report or input the status change and selling price to the MLS within 2 business days of receiving notice from the Buyer Broker.
- d) Listings which were not input into the MLS for cooperation as a result of the seller’s instructions may be input into the MLS “sold” data at the Listing Broker’s option. However, listings which were input into the MLS but subsequently withdrawn must still be reported under this section if the seller is represented by the Listing Broker when it closes.
- e) The MLS may accept the reporting of sales information for comparable purposes about other properties which were not otherwise eligible for input into the MLS but are located in the MLS’s service area and “sold” by a Participant who represented a party in the transaction (i.e. broker who represented the seller or broker who represented the buyer), as long as such reporting is authorized by a party in the transaction to the broker who represented it, (if requested by the MLS documentation must be presented to MLS within 2 business days), and the circumstances of the representation are disclosed on the Service by the reporting participant or subscriber. Any submission of sales information must occur within 2 business days after close of escrow.

10.3 Removal of Listings for Refusal/Failure to Timely Report Status Changes. The AOR/MLS is authorized to remove any listing from the MLS compilation of current listings where the Listing Broker has refused or failed to timely report status changes. Prior to the removal of any listing from the MLS, the Listing Broker shall be advised of the intended removal so the Listing Broker can advise his or her client(s).

10.4 Reporting Cancellation of Pending Sale. The Listing Broker shall report to the MLS within 2 business days the cancellation of any pending sale and the listing shall be reinstated immediately as long as there is still a valid listing.

10.5 Refusal to Sell. If the seller(s) of any listed property filed with the MLS refuses to accept a

written offer satisfying the terms and conditions stated in the listing, such fact shall be transmitted immediately to the MLS and to all Participants.

11. OWNERSHIP OF MULTIPLE LISTING SERVICE COMPILATIONS AND COPYRIGHTS.

11.1 MLS Compilation Defined. The term “MLS compilation” includes, but is not limited to, the MLS computer database, all printouts of data from the MLS computer database, and all MLS publications.

11.2 Active Listing MLS Compilation Defined. “Active listing MLS compilation” shall mean that portion of the MLS compilation which includes listings currently for sale and all other indexes and other information relating to the current listing information.

11.3 Comparable Data MLS Compilation Defined. “Comparable Data MLS compilation” shall mean that portion of the MLS compilation that includes the off-market data, sold and appraisal information regarding properties that are not currently for sale, and all indexes and information relating to the sold information compilation.

11.4 Authority to Put Listings in MLS Compilation. By submitting any property listing content (e.g., photographs, images, graphics, audio and video recordings, virtual tours, drawings, renderings or any other representation, descriptions, remarks, narratives, pricing information, and other details or information related to listed property) to the MLS or inputting listing information into the MLS compilation, Participants and Subscribers represent and warrant that they have been authorized to grant license and also thereby do grant authority for and license the MLS to include the property listing content in its copyrighted MLS compilation. By submitting any property listing content to the MLS, Participants and Subscribers represent and warrant that they have been authorized to report information about the sales, price and terms of a listing, have authority to grant and also thereby do grant authority for the MLS to include the sold information in its copyrighted MLS compilation.

11.5 Media on the MLS.

- a) Media is defined as any depiction or expression of works including, but not limited to, photographs, images, drawings, renderings, audio, video, and virtual tours.
- b) By submitting any media to the MLS, the Participant and Subscriber represent and warrant that they own the right to reproduce and display the media or they have procured such rights and all necessary licenses from appropriate parties.
- c) The submitting Participant and Subscriber grants CRMLS an irrevocable, unrestricted, transferable, perpetual, royalty-free, non-exclusive license (with right to sublicense) to use, store, reproduce, compile, display and distribute the media as part of its compilation.
- d) Use of media by any subsequent Participant and Subscriber requires prior written authorization from the submitting Participant and Subscriber or other appropriate party with the legal right to grant such authorization.
- e) Branding of any Media submitted to the MLS is prohibited.
- f) Media submitted to the MLS will be a truthful representation of the property including the interiors and views from the property, of what is listed for sale as part of the listing

transaction, and, any photos that are not of the property, from the property, or of the HOA amenities must be captioned to indicate as such.

11.5.1 Mandatory submission Photograph/Rendering

- a) At least one photograph or rendering accurately depicting a substantial portion of the exterior of the subject property must be submitted to the MLS within two days of entry of listing and must remain in the listing at all times for all statuses.
- b) Exemptions
 - i. Business Opportunity entries are exempted from 11.5.1.
 - ii. If applicable, a seller's written instruction to the listing broker expressly directing that photographs/renderings of the subject property not appear in the MLS compilation must be provided to the MLS/AOR within five days of listing entry.
- c) The MLS/AOR reserves the right, after notice has been given to the Participant and Subscriber, to remove any listing from the database for failing to comply with this section.

11.5.2 Removal of Media. The MLS/AOR reserves the right, without notice, to remove any Media that does not comply with the MLS Rules and Regulations.

11.6 Copyright Ownership. Notwithstanding 11.5, the MLS may brand any media submitted as part of a listing entry to protect its rights under this section. All right, title, and interest in each copy of every MLS compilation created and copyrighted by the MLS, and in the copyrights therein, shall at all times remain vested in the MLS. The MLS shall have the right to license such compilations or portions thereof to any entity pursuant to terms agreed upon by the Board of Directors. All right, title, and interest in each copy of every compilation created by any technology solution aggregator, shall, pursuant to agreement with the MLS, at all times remain vested in the aggregator.

11.7 Leasing of MLS Compilations. Each Participant shall be entitled to lease from the MLS the number of copies of each MLS compilation of active listing information sufficient to provide the Participant and Subscriber with one copy of such MLS compilation.

Participants and Subscribers shall acquire by such lease only the right to use the MLS compilations in accordance with these rules. Clerical Users may have access to the information solely under the direction and supervision of the Participant or Subscriber. Clerical Users may not provide any MLS compilation or information to persons other than the Participant or the Subscriber under whom the Clerical User is registered.

11.8 Removal of Historical Records. The removal of history information from the MLS compilation is forbidden. No exceptions are to be made at any time.

11.9 Removal of and Responsibility for Content. The MLS has the right, but not the obligation, to reject, pull down, restrict publication of, access to or availability of content the MLS in good faith considers to be obscene, lewd, lascivious, filthy, excessively violent, harassing, unlawful or otherwise objectionable. Participants and Subscribers remain solely responsible and liable for the content they provide. In no case will any monitoring or removal of Participants' or Subscribers' content by the MLS make it responsible or liable for such

content.

11.10 Indemnification; Limitation of Liability. Participant and Subscriber shall defend, indemnify and hold harmless the service and every other Participant and Subscriber ~~for~~ from and against any liability, claims, costs, damage or losses, including reasonable attorney fees and court costs, resulting from or arising out of any content Participant and/or Subscriber submit to or in any way wrongfully reproduce from the Service. In no event will the MLS be liable to any MLS Participant, Subscriber or any other party for any indirect, special or consequential damages arising out of any information published in the MLS and all other damages shall be limited to an amount not to exceed the MLS fees paid by the Listing Broker.

11.11 Pursuing Complaints of Unauthorized Use of Listing Content. MLS Participants and Subscribers may not take legal action against another Participant or Subscriber for alleged rules violation(s) unless the complaining Participant or Subscriber has first exhausted the remedies provided in these rules.

- a) **Notice.** Any Participant or Subscriber who believes another Participant or Subscriber has engaged in the unauthorized use or display of listing content, including photographs, images, audio or video recordings, and virtual tours, shall send notice of such alleged unauthorized use to the MLS. Such notice shall be in writing, specifically identify the allegedly unauthorized content, and be delivered to the MLS not more than sixty (60) days after the alleged misuse was first identified. No Participant or Subscriber may pursue action over the alleged unauthorized use and display of listing content in a court of law without first completing the notice and response procedures outlined in this section of the MLS rules.
- b) **Response.** Upon receiving a notice, the applicable Committee/Board of Directors will send the notice to the Participant or Subscriber who is accused of unauthorized use. Within ten (10) days from receipt, the Participant or Subscriber must either: 1) remove the allegedly unauthorized content, or 2) provide proof to the Committee/Board of Directors that the use is authorized. Any proof submitted will be considered by the Committee/Board of Directors, and a decision of whether it establishes authority to use the listing content will be made within thirty (30) days.
- c) **Determination.** If the Committee/Board of Directors determines that the use of the content was unauthorized, the Committee/Board of Directors may issue sanctions pursuant to the MLS rules, including a request to remove and/or stop the use of the unauthorized content within ten (10) days after transmittal of the decision. If the unauthorized use stems from a violation of the MLS rules, that too will be considered at the time of establishing an appropriate sanction.
- d) **Court Action If Uncured.** If after ten (10) days following transmittal of the Committee's/Board of Director's determination the alleged violation remains uncured (i.e. the content is not removed or the rules violation remains uncured), then the complaining party may seek action through a court of law.

12. PROHIBITIONS AND REQUIREMENTS.

- 12.1 Notification of California Department of Real Estate (DRE) or California Bureau of Real Estate Appraisers (BREAA) Action.** Participants and Subscribers are required to notify the AOR/MLS within 24 hours of any final action taken by the DRE or the Bureau of Real Estate Appraisers (BREAA) against the Participant, Subscriber, or any licensee affiliated with the Participant or Subscriber, including, but not limited to, any final decisions restricting, suspending, or revoking a real estate license or Appraiser's certification or license of a Participant, the Participant's firm or corporation under which the Participant or Subscriber acts, or any licensee affiliated with the Participant or the Participant's firm or licensee or Appraiser who was affiliated with the Participant or Participant's firm at the time of the underlying act.
- 12.2 Violations of the Law.** If a Participant, Subscriber, Appraiser, or a licensee affiliated with a Participant or Subscriber commits a felony or a crime involving moral turpitude or violates the Real Estate Law or the laws relating to Appraisers, the Participant and Subscriber shall be in violation of this section. However, a Participant or Subscriber shall not be found to have violated this section unless the Participant, Subscriber, Appraiser, or salesperson licensed to the Participant has been convicted, adjudged, or otherwise recorded as guilty by a final judgment of any court of competent jurisdiction of (1) a felony, or (2) a crime involving moral turpitude, or (3) on a determination by any court of competent jurisdiction, or official of the State of California authorized to make the determination, that the Participant or Subscriber violated a provision of the California Real Estate Law or a Regulation of the Real Estate Commissioner or law relating to Appraisers.
- 12.3 Supervision of R.E. Licensees and Appraisers.** In addition to the notification requirements of Section 12.1, a Participant may not allow any licensee, under the Participant's license, whose license has been revoked, suspended or restricted by the DRE to use the MLS in any manner while the DRE discipline is in effect except that the licensee may use the MLS under a restricted license providing such use is consistent with and does not violate such license restrictions.
- 12.4 Solicitation of Listing Filed With the MLS.** Participants and Subscribers shall not solicit a listing filed with the MLS unless such solicitation is consistent with Article 16 of the N.A.R. Code of Ethics, its Standards of Practice, and its Case Interpretations. The purpose of this section is to encourage sellers to permit their properties to be filed with the MLS by protecting them from being solicited through unwanted phone calls, visits, and communications, prior to expiration of the listing, by Brokers and salespersons seeking the listing upon its expiration. This section is also intended to encourage Brokers to participate in the MLS by assuring them that other Participants and Subscribers will not attempt to persuade the seller(s) to breach the listing agreement or to interfere with the Listing Broker's attempts to market the property. This section does not preclude solicitation of listings under circumstances otherwise permitted under Article 16 of the N.A.R. Code of Ethics, its Standards of Practice, and its Case Interpretations.
- 12.5 Misuse of Public Remarks and Media.** Information in the public remarks shall only relate to the marketing, description and condition of the property. No contact information is permitted, including names, phone or fax numbers, email addresses or website addresses (including virtual tours and transaction tracking URLs). No showing instructions are permitted, including references to lockbox, alarm, gate or other security codes, or the

occupancy of the property (a statement that the property shall be delivered vacant is not a violation of this section). No information directed toward real estate agents or Brokers, including compensation or bonuses offered to Buyer Brokers may be shown in public remarks. No information other than the marketing, description and condition of the property is permitted. By submitting remarks to the MLS, Participant and/or Subscriber represents and warrants he or she has the authority to grant, and hereby grants the MLS and the other Participants and Subscribers the right to reproduce and display the remarks in accordance with these rules. Copying of remarks by a subsequent listing agent for use in his or her own listing requires prior written authorization from the originating listing agent or other appropriate party with the legal right to reproduce and display such remarks.

12.5.1 Misuse of Other Remarks and Media. Participants and Subscribers may not use any remarks or other media fields in a property data profile sheet or listing submitted to the MLS or inputted directly into the MLS database for purposes of disparaging other real estate agents or conveying information about other offices or for conveying any other information that does not directly relate to the marketing of the listing.

12.6 “For Sale” Signs. Only the “For Sale” signs of the Listing Broker may be placed on the property.

12.7 “Sold” Signs and Use of the Term “Sold.” Only Real Estate Brokers or R.E. Subscribers who participated in the transaction as the Listing Broker or Buyer Broker may claim to have “sold” the property. Prior to closing, a Buyer Broker may post a “sold” sign on a property only with the consent of the Listing Broker. This section does not, however, prohibit any Broker from advertising the addresses and prices of the properties that have sold in a neighborhood after the information regarding the properties has been published as long as the advertisement does not imply the agent was involved in the transaction unless such is the case and as long as the advertisement otherwise presents a ‘true picture’ as is meant under Article 12 of the N.A.R. Code of Ethics, its Standards of Practice, and its Case Interpretations.

12.8 Advertising of Listing Filed With the MLS. A listing shall not be advertised in any media including the Internet by any Participant or Subscriber, other than the Listing Broker, without the prior consent of the Listing Broker except as provided in Section 12.16 relating to display of listings on the Internet.

12.8.1 Advertising of Listing in Printed Neighborhood Market Report. Subject to the conditions set forth in (a) through (c) below, as well as throughout these Rules, Participants and Subscribers may include the listings of others in their printed “Neighborhood Market Reports.” The “Neighborhood Market Report” is defined as an advertising and/or information sheet (typically appearing in the form of a postcard, flier or newsletter) compiled by and/or for use by a licensee which sets forth a list of home activity in a particular neighborhood area. Advertising appearing in newspapers, magazines or other classified forms is not included in the definition of “Neighborhood Market Report” and is not authorized by this Rule 12.8.1.

a) **Consent.** The listing brokers’ consent for such advertising is presumed, in satisfaction of Rule 12.8, unless a listing broker affirmatively notifies the MLS

that the listing broker refuses to permit others to advertise his listing in the “Neighborhood Market Report” (i.e. “opts-out”) either on a blanket or listing by listing basis. Listing brokers that refuse to permit other Broker Participants or Subscribers to advertise their listings on a blanket basis may not display the listings of the other brokers’ listings in their own “Neighborhood Market Reports”. Even where Listing Brokers have given blanket authority for other Broker Participants and Subscribers to advertise their listings in the “Neighborhood Market Report”, such consent may be withdrawn on a listing-by-listing basis where the seller has prohibited it. Participants and Subscribers are not permitted to include listings in their Neighborhood Market Report from which listing broker has opted out and will be responsible for verifying that they have permission to advertise all listings contained in their Neighborhood Market Reports.

- b) **Listing Attribution.** All On-Market listings in the “Neighborhood Market Report” must identify the name of the listing firm(s) and the name of the listing agent(s) in a manner designed to easily identify such listing firm(s) or agent(s). Such identification shall be in a reasonably prominent location and in a readily visible color and typeface not smaller than the median used in the display of listing data.
- c) **Allowable Listing Content.** Broker Participants and Subscribers may include only those portions of the MLS compilation consisting of the following: property address (and whether attached or detached), status, price, number of bedrooms, number of bathrooms, number of garages (and whether attached or detached), square footage, lot size, year built, tract or development name, and if there’s a pool. Display of other fields, as well as confidential information and photographs, is prohibited.

12.9 Limitations on Use of MLS Information in Advertising. Except as provided in Sections 12.7, 12.8, 12.11 and 12.15, truthful use of information from the MLS compilation of current listing information, from the MLS’ “statistical report,” or from any “sold” or “comparable” report of the MLS for public mass media advertising by an MLS Participant or Subscriber or in other public representations for purposes of demonstrating market share is not prohibited. However, any print or non-print forms of advertising or other forms of public representations must clearly demonstrate the period of time over which such claims are based and must include the following, or substantially similar, notice in a manner readily visible to consumers but not less than 7pt type:

“Based on information from California Regional Multiple Listing Service, Inc. as of [date the AOR/MLS data was obtained] and /or other sources. All data, including all measurements and calculations of area, is obtained from various sources and has not been, and will not be, verified by broker or MLS. All information should be independently reviewed and verified for accuracy. Properties may or may not be listed by the office/agent presenting the information.”

12.10 False or Misleading Advertising and Representations; True Picture Standard of Conduct. Participants and Subscribers may not engage in false or misleading advertising, including, but not limited to, advertisements or representations regarding the Participant’s or Subscriber’s relationship to the MLS, about the MLS itself, or about any property listed with

the MLS. MLS Participants and Subscribers shall present a true picture in their advertising and representations to the public, including internet content, images and the URLs and domain names they use, and Participants and Subscribers may not:

12.10.1 Engage in deceptive or unauthorized framing of real estate brokerage websites;

12.10.2 Manipulate (e.g., presenting content developed by others) listing content and other content in any way that produces a deceptive or misleading result;

12.10.3 Deceptively use metatags, keywords or other devices/methods to direct, drive or divert Internet traffic;

12.10.4 Present content developed by others without either attribution or without permission, or;

12.10.5 Otherwise mislead consumers, including use of misleading images.

12.11 Use of MLS Information. In recognition that the purpose of the MLS is to market properties and offer compensation to other Broker Participants and R.E. Subscribers for the sole purpose of selling the property, and that sellers of properties filed with the MLS have not given permission to disseminate the information for any other purpose, Participants and Subscribers are expressly prohibited from using MLS information for any purpose other than to market property to bona fide prospective buyers or to support market evaluations or appraisals as specifically allowed by Sections 12.14, 12.15 and 12.16. MLS information may also be used to develop Statistics, Market Condition Reports, and Broker or Agent Metrics. Any use of MLS information inconsistent with these sections is expressly prohibited. Nothing in this section, however, shall limit the MLS from entering into licensing agreements with MLS Participants and Subscribers or other third parties for use of the MLS information.

12.12 Confidentiality of MLS Information. Any information provided by the MLS to the Participants and Subscribers shall be considered and treated as confidential by Participants and Subscribers and shall be for the exclusive use of the Participants and Subscribers for purposes described in Sections 2, 12.7, 12.11, 12.14, 12.15, 12.16 and this section. Participants and Subscribers shall at all times maintain control over and responsibility for each copy of any MLS compilation leased to them by the MLS and shall not distribute any such copies to persons other than Participants and Subscribers. Participants and Subscribers are responsible for the security of their pass codes and shall not give or allow use of or make available their pass codes to any person. Participants and Subscribers may reproduce or display the information as provided in these rules.

12.12.1 Clerical Users. Clerical Users may have access to MLS information solely under the direction and supervision of the Participant or Subscriber. Clerical Users are expressly prohibited from displaying or distributing MLS information to anyone other than the Participant or Subscriber under whom they are registered. Access by Clerical Users to the database is solely for clerical and administrative functions for the Participant or Subscriber under whom the Clerical User is registered.

12.13 Access to Comparable and Statistical Information. AOR/MLS members who are actively

engaged in real estate brokerage, management, mortgage financing, appraising, land development, or building, but who do not participate in the MLS, are nonetheless entitled to receive, by purchase or lease, all information other than current listing information that is generated wholly or in part by the MLS, including “comparable” information, “sold” information, and statistical reports. This information is provided for the exclusive use of AOR/MLS members and individuals affiliated with AOR/MLS members who are also engaged in the real estate business and may not be transmitted, retransmitted, or provided in any manner to any unauthorized individual, office, or firm except as otherwise specified in these rules.

12.14 Display. Subject to Sections 12.15 and 12.16, Broker Participants and R.E. Subscribers shall be permitted to display the MLS compilation in either electronic or printed format to specifically identify and bona fide prospective buyers only in conjunction with their ordinary business activities of attempting to locate ready, willing, and able buyers for the properties described in said MLS compilation. Broker Participants and R.E. Subscribers shall be permitted to display the MLS compilation in either electronic or printed format to specifically identified and bonafide sellers or prospective sellers only in conjunction with their ordinary business activities in listing properties. Appraiser Participants and Appraiser Subscribers shall be permitted to display the MLS compilation to the person requesting the appraisal only in conjunction with their ordinary business activities of producing a written appraisal. Such displays under this section shall be only in the immediate presence of the MLS Participant or Subscriber.

12.15 Reproduction. “Reproduction” shall include, but not be limited to, making photocopies, computer printouts, electronic transfers (including email), or downloading of MLS data or compilations. Participants and Subscribers or their affiliated licensees shall not reproduce any MLS compilation or any portion thereof except as provided in Section 12.6 and in the following limited circumstances:

12.15.1 Copies to Prospective Buyers. Broker Participants and R.E. Subscribers may reproduce from the MLS compilation, and distribute to prospective real estate buyers, copies of those portions of the MLS compilation consisting only of a description of the property, including the address, features, financing, and price, as well as photographic images and recordings of the property.

12.15.2 Information Reproduced. Unless the Participant or Subscriber obtains prior written consent from the Listing Broker, the information reproduced pursuant to this section shall not include the following:

- a) Property owner’s name, phone number, and address (if different than the listed property);
- b) Instructions or remarks intended for Buyer Brokers, including, but not limited to, showing instructions or security references (ex: lock box, burglar alarm, or security system, vacancies) regarding the listed property;
- c) Type of listing;
- d) Compensation or bonuses offered to Buyer Brokers; and
- e) Other information which goes beyond a description of the property.

12.15.3 Copies for Appraisals. Participants and Subscribers may reproduce from the MLS compilation, and attach to an appraisal as supporting documentation copies of those portions of the MLS compilation consisting only of such information on properties necessary to support a written appraisal or estimate of value on a particular property.

12.15.4 Downloading into Computers. Participants and subscribers may download MLS information into a computer or computer system as long as:

- a) Access to the computer or computer system receiving the information is strictly limited to authorized Participants, Subscribers, and Clerical Users as defined in these rules; and
- b) The information is only retransmitted to the Participants, Subscribers, and Clerical Users authorized to access the computer or computer system by these rules; and
- c) The information is not reformatted or used to create another product except as may be used by the Participant who downloaded the data and such use strictly complies with Sections 12.7, 12.11, 12.15 and 12.16.

12.15.5 Sold Information. Individuals legitimately in possession of current listing information, “sold” information, “comparables” or statistical information may utilize such information to support an estimate of value on a particular property for a particular client. However, only such information that the MLS has deemed to be non-confidential and necessary to support the estimate of value may be reproduced and attached to the report as supporting documentation. Any other use of such information is unauthorized and prohibited by these rules with the exception of usage as defined under Section 12.16.

12.16 Use of Active Listing Information on Internet (Also known as Internet Data Exchange (“IDX”). “Internet Data Exchange” is a means by which each Participant subscribing to the program (IDX) permits the limited electronic display of Participant’s listings appearing in Internet Data Exchange Database on each Participant’s IDX Internet websites and on applications for mobile devices that said participating Broker Participants and R.E. Subscribers control. The “Internet Data Exchange Database” is the current aggregate compilation of all On-Market listings information as defined in Section 10.1, Pending and Sold/Leased listings of all Internet Data Exchange Participants except those listings where the property seller has opted out of Internet publication by so indicating on the listing contract. Sold/Leased listings may be displayed for a period of three (3) years following the Sold/Leased date of the subject listing. The intent of IDX is to allow Participants that represent real estate sellers or buyers (or both) to permit other such Participants to advertise their listings on their public web sites. IDX is not available to any other Participants.

12.16.1 Authorization. Subject to sections 12.16.2 through 12.16.15 below, and notwithstanding anything in these rules and regulations to the contrary, Participants and Subscribers may electronically display aggregated MLS On- Market listing information, Pending and Sold/Leased statuses through either downloading or by framing such information on the MLS or association public access website (if such a site is available). The download will include at least 3 years of Publicly Accessible sold listing data. “Publicly Accessible” sold information as used in the IDX policy

and rules, means data that is available electronically or in a hard copy to the public from city, county, state and other government records. The downloading of raw data will be through the Participant only.

- 12.16.2 Consent.** The Listing Brokers' consent for such Internet display is presumed, in satisfaction of Rule 12.8, unless a Listing Broker affirmatively notifies the MLS that the Listing Broker refuses to permit display on either a blanket or on a listing-by-listing basis. Listing Brokers that refuse to permit other MLS Participants or Subscribers to display their listing information on a blanket basis may not display MLS listing information of other Brokers' listings. Even where Listing Brokers have given blanket authority for other Broker Participants and R.E. Subscribers to partake in IDX display of their listings, such consent may be withdrawn on a listing-by-listing basis where the seller has prohibited all Internet display.
- 12.16.3 Control.** Broker Participants and R.E. Subscribers may only partake in IDX display on websites and applications for mobile devices which they control. Under IDX policy, "control" means that Broker Participants and R.E. Subscribers must have the ability to add, delete, modify and update information as required by the IDX policy. All displays of IDX listings must also be under the actual and apparent control of the Broker Participant and/or R.E. Subscriber and must be presented to the public as being that Broker Participant's and/or R.E. Subscriber's display. Actual control requires that Broker Participants and R.E. Subscribers have developed the display or caused the display to be developed for themselves pursuant to an agreement giving the Broker Participant and/or R.E. Subscriber authority to determine what listings will be displayed, and how those listing will be displayed. Apparent control requires that a reasonable consumer viewing the Broker Participant's and/or R.E. Subscriber's display will understand the display is the Broker Participant's and/or R.E. Subscriber's, and that the display is controlled by the Broker Participant and/or R.E. Subscriber.
- 12.16.4 Display Content.** Participants and Subscribers shall not display confidential information fields, as determined by the MLS in the MLSs' sole discretion, such as that information intended for Buyer Brokers rather than consumers.
- 12.16.5 Listing Credit.** All IDX listing displays shall identify the name of the listing firm and the name of the listing agent in a manner designed to easily identify such listing firm or agent. The name of a co-listing firm and name of a co-listing agent, if any, will be displayed in a manner designed to easily identify such listing firm or agent. Displays of minimum information (e.g. a one-line or thumbnail search result, text messages, "tweets", etc. of two hundred (200) characters or less) are exempt from this requirement but only when linked directly to a display that includes all required disclosures.
- 12.16.6 Source.** Information displayed shall indicate the source MLS of the information being displayed and the most recent date updated. Participants and Subscribers shall update all downloads and refresh all MLS downloads and IDX displays fed by those downloads of data at least once every 7 days.

- 12.16.7 Usage.** Participants and Subscribers shall indicate on their displays that the information being provided is for consumers' personal, non-commercial use and may not be used for any purpose other than to identify prospective properties consumers may be interested in purchasing. Displays of minimum information (e.g. a one-line thumbnail search result, text messages, "tweets", etc. of two hundred (200) characters or less) are exempt from this requirement but only when linked directly to a display that includes all required disclosures.
- 12.16.8 Security.** Participants' and Subscribers' websites must protect MLS data from misappropriation by employing reasonable efforts to monitor for and prevent "scraping" and other unauthorized accessing, reproduction or use of the MLS database.
- 12.16.9 Display Purpose.** Broker Participants and R.E. Subscribers may not use IDX-provided listings for any purpose other than display as provided in these rules. This does not require Broker Participants and R.E. Subscribers to prevent indexing of IDX listings by recognized search engines.
- 12.16.10 Restricted Display.** Listings, including property addresses, can be included in IDX displays except where sellers have directed their Listing Brokers to withhold their listing or the listing's property address from all display on the Internet (including, but not limited to publicly accessible websites or VOWs). This does not preclude listing Participants or Subscribers from displaying on their IDX sites or their other website(s) the listing or property address of consenting sellers.
- 12.16.11 Restricted Access and Distribution.** Sharing of the MLS compilation with any third party not authorized by the MLS is prohibited. Except as provided in the IDX policy and these rules, an IDX site or a Participant or user operating an IDX site or displaying IDX information as otherwise permitted may not distributed, provide or make any portion of the MLS database available to any person or entity.
- 12.16.12 Excluded Listings.** Not all listings from the MLS must be displayed on the Participant's and/or Subscriber's IDX sites so long as any exclusions are based on objective criteria, e.g. type of property, listed price or geographical location. Selection of listings displayed on any IDX site must be independently made by each Participant.
- 12.16.13 Website Identification.** Any IDX display controlled by a Broker Participant or R.E. Subscriber must clearly identify the name of the brokerage firm under which they operate and the subscriber's name, if applicable, in a readily visible type font and color.
- 12.16.14 Co-Mingling.** A Participant or Subscriber may co-mingle listings through IDX from this MLS with listings from other MLS sources on its IDX display, provided all such displays are consistent with these rules. Co-mingling is (a) the ability for a visitor to the site to execute a single search that searches any portion of the IDX database at the same time it searches listing data from any other MLS source(s); or (b) the display on a single web page of any portion of the IDX database and listing data

from any other MLS source. Listings obtained from other MLSs must display the source from which each such listing was obtained. Displays of minimum information (e.g. a one-line or thumbnail search result, text messages, “tweets”, etc. of two hundred (200) characters or less) are exempt from this requirement but only when linked directly to a display that includes all required disclosures.

12.16.15 Third Party Comments and Automated Value Estimates. Any IDX display controlled by a Broker Participant or RE Subscriber that:

- (a) Allows third-parties to write comments or reviews about particular listings or displays a hyperlink to such comments or reviews in immediate conjunction with particular listings, or
- (b) Displays an automated estimate of the market value of the listing (or hyperlink to such estimate) in immediate conjunction with the listing, shall disable or discontinue either or both of those features as to the seller’s listing at the request of the seller. The Listing Broker or agent shall communicate to the MLS that the seller has elected to have one or both these features disabled or discontinued on all displays controlled by Broker Participants and R.E. Subscribers. Except for the foregoing and subject to section 12.16.15 below, a Broker Participant’s or R.E. Subscriber’s IDX site may communicate the Broker Participant’s or R.E. Subscriber’s professional judgment concerning any listing. Nothing shall prevent an IDX site from notifying its viewers that a particular feature has been disabled at the request of the seller.

12.16.16 Making Corrections. Broker Participants and R.E. Subscribers shall maintain a means (e.g., e-mail address, telephone number) to receive comments about the accuracy of any data or information that is added by or on behalf of Broker Participants and R.E. Subscribers beyond that supplied by the MLS and that relates to a specific property displayed on the IDX site. Broker Participants and R.E. Subscribers shall correct or remove any false data or information relating to a specific property upon receipt of a communication from the Listing Broker or listing agent for that property explaining why the data or information is false. However, the Broker Participants and R.E. Subscribers shall not be obligated to remove or correct any data or information that simply reflects good faith opinion, advice, or professional judgment.

12.16.17 Compliance. All IDX sites are subject to ongoing compliance auditing by the AOR/MLS. Changes to an IDX site necessary to cure a violation of MLS Rules must be accomplished within ten (10) calendar days of the transmittal of notice from the AOR/MLS of such violation. Violations may subject a Participant to sanctions as defined in the MLS Citation Policy, including but not limited to the immediate termination of the download agreement to receive or republish the IDX information.

12.16.18 Notification by Authorized Participants and Subscribers. Participants and Subscribers partaking in the display of MLS On-Market, Pending and/or Sold/Leased listing information of other Brokers’ listings pursuant to Section 12.6 must notify the MLS before displaying said MLS active listing information and must give the MLS direct access as well as allow access for other Participants for purposes of monitoring/ensuring compliance with applicable rules and policies.

12.16.19 Right to Charge for Download. The MLS has the right to charge the costs of adding or enhancing its downloading capacity to Participants and Subscribers who request downloading of listing information pursuant to Section 12.16.

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

12.17 Applicability of Rules to MLS. These Rules are binding on the MLS Participants and Subscribers. Nothing in these Rules shall limit the right of the MLS to enter into licensing agreements with third parties for use of the MLS compilations or any portion thereof in accordance with terms approved by the Association or MLS Board of Directors.

12.18 Listing Broker's Right to Opt Out of Internet Advertising of MLS Information. If the MLS advertises MLS information on the Internet or licenses MLS information for advertising on the Internet, the Listing Broker shall have the right to opt out of such advertising in accordance with the MLS's procedures for opting out. The Listing Broker shall have the right to refuse to have listings displayed on a blanket basis or on a listing- by-listing basis in accordance with Section 12.16 by affirmatively notifying the AOR/MLS in accordance with the MLS procedures for opting out. Notwithstanding anything in these Rules to the contrary, the AOR/MLS Board of Directors reserve the right to determine whether to provide Internet advertising services and whether such services are to be made available to non-REALTOR® members.

12.19 Website Name and Status Disclosure. MLS Participants' firm websites shall disclose the firm's name and state(s) of licensure in a reasonable and readily apparent manner. Websites of Subscribers affiliated with a Participant's firm shall disclose the firm's name and the Subscriber's state(s) of licensure in a reasonable and readily apparent manner.

12.20 Use of the Terms MLS and Multiple Listing Services. No MLS Participant or Subscriber shall, through the name of their firm, their URLs, their e-mail addresses, their website addresses, or in any other way represent, suggest, or imply that the individual or firm is an MLS, or that they operate an MLS. Participants and Subscribers shall not represent, suggest, or imply that consumers or others have direct access to MLS databases, or that consumers or others are able to search MLS databases available only to Participants and Subscribers. This does not prohibit Participants and Subscribers from representing that any information they are authorized under MLS rules to provide to clients or customers is available on their websites or otherwise.

12.21 Participant and Subscriber Standards of Conduct. The services which MLS Participants provide to their clients and customers shall conform to the standards of practice and competence which are reasonably expected in the specific real estate disciplines in which

they engage; specifically, residential real estate brokerage, real property management, commercial and industrial real estate brokerage, real estate appraisal, real estate counseling, real estate syndication, real estate auction, and international real estate.

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

12.22 Required Email Address. Every MLS Participant/Subscriber shall be required to maintain on file with the AOR/MLS a current, accurate, and active email address at which they may be contacted.

13. LOCKBOXES.

13.1 Eligibility for Lockboxes. MLS Participants and Subscribers are eligible for lockbox privileges if they otherwise qualify under this section. Clerical Users are not eligible for lockbox privileges. MLS Participants and Subscribers shall be eligible to hold a lockbox key provided:

- a) The key holder signs a lease agreement with the lockbox provider.
- b) The Participant to which the key holder is licensed cosigns the lease agreement with the lockbox provider.
- c) The key holder continues to comply with all MLS rules relating to lockbox keys.
- d) The key holder and Participant to whom the key holder is licensed remain eligible for MLS services.

13.2 Key Use and Service. Keys may not be used under any circumstances by anyone other than the key holder, including, but not limiting to, lending, borrowing or sharing keys with others. Access codes may not be provided to third-parties without the consent of the seller. The AOR/MLS is not obligated to provide service on keys or lockboxes to an individual who is not the registered lessee or owner of the component. The key will only be used for the purpose of facilitating the sale/lease of a property.

13.3 Accountability. Key holders must account for keys upon request by the AOR/MLS. Key holders who cease to participate or subscribe to the MLS shall return all keys in their possession to the MLS.

13.4 Deemed Unaccountable. Keys shall be deemed unaccounted for if a key holder refuses or is unable to demonstrate that the key is within the key holder's physical control.

13.5 Written Authority. Participants and Subscribers shall not place a lockbox on a property without written authority from the seller(s) and occupant if other than the seller(s). A lockbox shall be removed from a listed property within 1 business day after the close of escrow or upon expiration/cancellation of the listing (unless written agreement to the contrary is obtained from all parties). Inclusion in MLS compilations cannot be required as a condition of placing lockboxes on listed property.

13.6 Lockbox Requirements. If any lockbox or other device giving access to an On- Market listed property for Participants, Subscribers, and/or real estate professionals is authorized by the seller and/or occupant and is placed on or present on property listed through the MLS, such lockbox or device must be one that is approved by the MLS where the listing has been submitted. The authorized lockboxes sold by, leased by or otherwise offered through the local Association or MLS where the listing is submitted have been approved by the MLS. Unless expressly indicated otherwise by the MLS, for any other lockbox or device to be considered “MLS-approved,” use of it must provide reasonable, timely access to listed property such that (1) it allows all Participants and Subscribers timely access to listed property by reliance solely on data submitted to and residing on the MLS; (2) complete, accurate and stand-alone instructions are provided for accessing the listed property in the appropriate agent section on the MLS; and (3) it ensures that the lockbox or device will provide reasonable access to listed property with any information, code or key needed to access the contents of the lockbox or device to be made available or access to the property otherwise scheduled within 4 hours of initial contact in the event the lockbox or device requires the participating member to obtain additional information to enable access (ex: “call listing agent for entry code”) with said 4 hour response obligation in effect every day from 8am to 6pm. The MLS reserves the right to require that the device be submitted in advance for approval. The MLS also may revoke the approval and/or subject the Participant to discipline if the device is used in a manner that fails to continue to satisfy this requirement. Failure to provide reasonable and timely access as required by this section will subject the listing agent to discipline and potential fines. More than one lockbox or access device may be used on a property as long as one of them is MLS-approved where the listing is submitted. It is incumbent upon the MLS Participant or Subscriber to verify the validity of the requesting party prior to providing the access information.

13.6.1 Approved Lockboxes. The following are approved lockboxes: Supra, Sentrilock, Combo Lockbox, Programmable Electronic Deadbolt and all AOR/MLS contracted lockboxes.

13.7 Listing Broker’s Permission

- a) No MLS Participant or Subscriber may enter a property with or without a lockbox without the Listing Broker’s permission. Such permission may be granted by the Listing Broker by specifying permission to use the lockbox through the MLS. Appraiser Participants are expressly prohibited from using lockbox keys to enter a property without either the owner’s or Listing Broker’s permission.
- b) Failure to follow showing instructions as set forth in the MLS is a violation of this Rule.

13.8 Unaccountable Keys. Key holders and Participants cosigning with a key holder shall immediately report lost, stolen, or otherwise unaccountable keys to the AOR/MLS.

13.9 Removal. The lockbox must be removed with one (1) day after the close of escrow or expiration/cancellation of the listing.

13.10 Rules Violations. Failure to abide by Rules relating to lockboxes as set forth in this section

or failure to abide by the key lease agreement may result in discipline as provided in Sections 14 and 15 of these Rules, in addition to loss of or restriction on all lockbox and key privileges.

- 13.11 Right to Limit Access.** The AOR/MLS reserves the right to refuse to issue a key or limit access to lockboxes if, in its sole discretion, it determines the security of the system would be compromised by issuing such keys or granting access to lockboxes.

14. VIOLATIONS OF RULES AND REGULATIONS.

All references to *California Code of Ethics and Arbitration Manual* refer to the publication of the California Association of REALTORS® as amended from time to time.

- 14.1 Grounds for Disciplinary Action and Sanctions.** After a hearing by a hearing panel as provided in the *California Code of Ethics and Arbitration Manual*, the Association or MLS Board of Directors may take disciplinary action and impose sanctions against any Participant and Subscriber:

- a) For violation of any MLS rule.
- b) On the Participant's or Subscriber's being convicted, adjudged, or otherwise recorded as guilty by a final judgment of any court of competent jurisdiction of (1) a felony, or (2) a crime involving moral turpitude, or (3) on a determination by any court of competent jurisdiction, or official of the State of California authorized to make the determination, that the Participant or Subscriber violated a provision of the California Real Estate Law or a Regulation of the Real Estate Commissioner or the laws relating to Appraisers or a Regulation of the Office of Real Estate Appraisers (OREA).
- c) For any violation of subsection (a) by any person, including, but not limited to, a Clerical User or a salesperson, who is not a Participant or Subscriber but is employed by or affiliated with such Participant or Subscriber and was providing real estate related services within the scope of the Participant's or Subscriber's license. Lack of knowledge by the Participant or Subscriber of such salesperson's conduct shall only go to mitigation of discipline imposed.
- d) For any violation of the N.A.R. Code of Ethics while a member of any Association of REALTORS®.

- 14.2 Sanctions.** Sanctions or disciplinary action for violation of an MLS Rule may consist of one or more of those specified in the *California Code of Ethics and Arbitration Manual*.

- 14.3 Citations.** The AOR/MLS may implement a schedule of fines (as outlined in the MLS Citation Policy) for certain MLS Rules violations and direct staff to issue citations for the specified MLS rules violations and implement a procedure whereby the Participant and Subscriber receiving the citation may either pay the amount specified on the citation or request a full hearing in accordance with the procedures set forth in the California Code of Ethics and Arbitration Manual.

- 14.4 Duty to Correct and Cooperate.**

- a) A Participant and Subscriber, within two business days of a Citation, must correct any violation of the Rules and Regulations and bring the listing into compliance.

- b) Failure to correct violations or cooperate with an investigation under the Rules and Regulations within the two-business day correction period may subject a non-conforming listing to removal from the MLS database.
- c) Any fines levied against a Participant under this Section as a result of the actions of a Subscriber under the Participant may be transferred to an appropriate manager under the Participant at Participant's discretion. Copies of all notices related to such fines shall be retained by the Participant.

15. PROCEDURES FOR MLS RULES HEARINGS.

All MLS Rules hearings shall be processed in accordance with the *California Code of Ethics and Arbitration Manual* as from time to time amended which is hereby incorporated by reference. Failure to abide by the procedures of the *California Code of Ethics and Arbitration Manual* shall be a violation of these MLS rules.

16. ARBITRATION.

16.1 Mandatory Arbitration. By becoming and remaining a Participant or Subscriber in the MLS, each Participant and Subscriber agrees to submit disputes arising out of the real estate business which also arises out of, or is in conjunction with, any listing filed with the MLS or any appraisal, to binding arbitration with any other Participant or Subscriber of this MLS, or participants or subscribers of any other MLS who are authorized to have access to this MLS under Section 6 of these rules. Such arbitrations shall be governed by the *California Code of Ethics and Arbitration Manual* as from time to time amended which is hereby incorporated by reference. This shall be deemed an arbitration agreement within the meaning of Part 3, Title 9 of the California Code of Civil Procedure. Failure to submit to arbitration and abide by the arbitration award, including but not limited to timely payment of the arbitration award as provided herein shall be a violation of these MLS Rules and subjects Participants and Subscribers to possible suspension from the MLS and/or other penalties.

16.2 Other Arbitration Agreements. Notwithstanding any other provision of these Rules, if any Participant or Subscriber enters into an agreement (either before or after a dispute arises) with another Participant or Subscriber to arbitrate a dispute utilizing non-MLS facilities, such persons are not bound to arbitrate the dispute covered by such agreement under these rules utilizing the AOR/MLS facilities.

16.3 Arbitration Between Association Members. Notwithstanding any other provision of these Rules:

- a) If all disputants are members of the same AOR, they shall arbitrate under that AOR in accordance with its rules.
- b) If the disputants are members of different AORs, they shall arbitrate in accordance with any applicable regional or shared professional standards agreement. In the absence of such an agreement, the disputants remain obligated to arbitrate in accordance with the Interboard Arbitration Rules of the California Association of REALTORS® ("C.A.R.").

16.4 Arbitration Involving Non-Association Members. Notwithstanding any other provision of these Rules:

- a) If one or more of the disputants are non-AOR members and all disputants receive MLS services through the same AOR, they shall arbitrate at the AOR unless the AOR participates in a regional MLS, in which case, they shall arbitrate in accordance with any applicable regional agreements between the AOR and the regional MLS
- b) If one or more of the disputants are non-AOR members and the disputants receive MLS services through different AORs and the AORs participate in a regional MLS, they shall arbitrate in accordance with any applicable regional agreements between the AORs and the regional MLS.
- c) In the absence of a regional agreement regarding the location of the arbitration, any dispute under subsection (a)-(c) may be conducted at any AOR where the respondent(s) holds AOR membership or receives MLS services.

16.5 Same Firm. Arbitration between persons from the same firm shall not be available and is not mandated by these Rules unless covered by arbitration rules relating to the obligations of AOR members to arbitrate.

16.6 Timing. For purposes of this Section 16, the duty to arbitrate shall be determined when facts giving rise to the dispute occurred. Therefore, a Participant or Subscriber shall have a duty to arbitrate if the person was an MLS Participant or Subscriber when facts giving rise to the dispute occurred. Termination of MLS participation or subscription shall not relieve the arbitration duty under this section for disputes that arose when the person was an MLS Participant or Subscriber. Requests for arbitration must be filed within one hundred and eighty (180) days after the closing of the transaction, if any, or after the facts constituting the matter could have been known in the exercise of reasonable diligence, whichever is later.

17. NONPAYMENT OF MLS FEES.

17.1 Nonpayment of MLS Fees. If MLS fees, fines, charges, or other amounts owed the MLS are not paid on the due date specified on the invoice, the nonpaying Participant and/or Subscriber's MLS services shall be subject to suspension until such outstanding amounts are paid in full. The MLS may suspend MLS services under this section provided the MLS gives the Participant and/or Subscriber at least twenty (20) calendar days' prior notice of the proposed suspension date. Such notice may be included with the original billing statement for MLS fees, fines, or charges or any time thereafter. In the event the amounts owed remain unpaid for three months after the due date, the nonpaying Participant and/or Subscriber's MLS services shall automatically terminate regardless if notice of such termination is given.

17.2 Disputed Amounts. If a Participant and/or Subscriber disputes the accuracy of amount owed, the Participant and/or Subscriber may request a hearing before the Association or MLS Board of Directors. In order to request such a hearing, the Participant and/or Subscriber must first pay the disputed amount in whole which may be refunded in whole or part in accordance with the Board of Directors' determination. Hearings under this section shall be conducted in accordance with the *California Code of Ethics and Arbitration Manual*. In the event the Board of Directors confirms the accuracy of the amount owed, the Participant and/or Subscriber shall also be subject to paying interest at the rate of ten (10%) per annum on such past due amounts.

- 17.3 Reinstatement.** Any Participant and/or Subscriber whose MLS services have been terminated for nonpayment of MLS fees may reapply for participation in the MLS. However, prior to being granted access, such Participant and/or Subscriber must pay all fees applicable to new applicants and all past due amounts owed, including paying interest at the rate of ten (10%) per annum on such past due amounts.

18. CHANGE IN RULES AND REGULATIONS.

The Rules of the MLS may be amended by a majority vote of the CRMLS Board of Directors based on recommendations from a Rules and Regulations subcommittee made up of members from each participating AOR/MLS. Any changes to these rules which are mandated by the National Association of REALTORS® shall automatically be incorporated into these rules and do not require subcommittee or CRMLS Board of Directors approval. All changes to the rules shall be submitted to all reciprocating MLS.

19. VIRTUAL OFFICE WEBSITES (VOW).

19.1 VOW Definitions.

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

19.2 VOW Operating Parameters.

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

19.3 VOW Registrant Access Requirements.

- a) Before permitting any consumer to search for or retrieve any MLS Listing Information on his or her VOW, the Participant must take each of the following steps:
 - i. The Participant must first establish with that consumer a lawful broker-consumer relationship (as defined by state law), including completion of all actions required by state law in connection with providing real estate brokerage services to clients and customers (hereinafter "Registrants"). Such actions shall include, but are not limited to, satisfying all applicable agency, non-agency, and other disclosure obligations, and execution of any required agreements.
 - ii. The Participant must obtain the name of, and a valid email address for, each Registrant. The Participant must send an email to the address provided by the Registrant confirming that the Registrant has agreed to the Terms of Use (described in subsection (d) below). The Participant must verify that the email address provided by the Registrant is valid and that the Registrant has agreed to the Terms of Use.
 - iii. The Participant must require each Registrant to have a user name and a password, the combination of which is different from those of all other Registrants on the VOW. The Participant may, at his or her option, supply the user name and password or may allow the Registrant to establish its user name and password. The Participant must also assure that any email address is associated with only one user name and password.
- b) The Participant must assure that each Registrant's password expires on a date certain but may provide for renewal of the password. The Participant must at all times maintain a record of the name, email address, user name, and current password of each Registrant. The Participant must keep such records for not less than 180 days after the expiration of the validity of the Registrant's password.
- c) If the MLS has reason to believe that a Participant's VOW has caused or permitted a breach in the security of MLS Listing Information or a violation of MLS rules, the Participant shall, upon request of the MLS, provide the name, email address, user name, and current password, of any Registrant suspected of involvement in the breach or violation. The Participant shall also, if requested by the MLS, provide an audit trail of activity by any such Registrant.
- d) The Participant shall require each Registrant to review, and affirmatively to express agreement (by mouse click or otherwise) to, a "Terms of Use" provision that provides at least the following:
 - i. That the Registrant acknowledges entering into a lawful consumer-broker relationship with the Participant;

- ii. That all information obtained by the Registrant from the VOW is intended only for the Registrant's personal, non-commercial use;
- iii. That the Registrant has a bona fide interest in the purchase, sale, or lease of real estate of the type being offered through the VOW;
- iv. That the Registrant will not copy, redistribute, or retransmit any of the information provided except in connection with the Registrant's consideration of the purchase or sale of an individual property;
- v. That the Registrant acknowledges the MLS's ownership of, and the validity of the MLS's copyright in, the MLS database.
- e) The Terms of Use Agreement may not impose a financial obligation on the Registrant or create any representation agreement between the Registrant and the Participant. Any agreement entered into at any time between the Participant and Registrant imposing a financial obligation on the Registrant or creating representation of the Registrant by the Participant must be established separately from the Terms of Use, must be prominently labeled as such, and may not be accepted solely by mouse click.
- f) The Terms of Use Agreement shall also expressly authorize the MLS, and other MLS Participants or their duly authorized representatives, to access the VOW for the purposes of verifying compliance with MLS rules and monitoring display of Participants' listings by the VOW. The Agreement may also include such other provisions as may be agreed to between the Participant and the Registrant.

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

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

19.6 VOW Listing Display Restrictions.

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

a document that includes the following (or a substantially similar) provision:

Seller Opt-Out Form

1. Please check either Option a or Option b
 - a. ☐ I have advised my broker or sales agent that I do not want the listed property to be displayed on the Internet.
 - OR
 - b. ☐ I have advised my broker or sales agent that I do not want the address of the listed property to be displayed on the Internet.
2. I understand and acknowledge that, if I have selected option a, consumers who conduct searches for listings on the Internet will not see information about the listed property in response to their search.

Initials of Seller

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

19.7 Posting Consumer Comments and Automated Value Estimate.

- a) Subject to subsection (b), a Participant's VOW may allow third-parties:
 - i. to write comments or reviews about particular listings or display a hyperlink to such comments or reviews in immediate conjunction with particular listings, or
 - ii. display an automated estimate of the market value of the listing (or hyperlink to such estimate) in immediate conjunction with the listing.
- b) Notwithstanding the foregoing, at the request of a seller the Participant shall disable or discontinue either or both of those features described in subsection (a) as to any listing of the seller. The Listing Broker or agent shall communicate to the MLS that the seller has elected to have one or both of these features disabled or discontinued on all Participants' websites. Subject to the foregoing and to Section 19.8, a Participant's VOW may communicate the Participant's professional judgment concerning any listing. A Participant's VOW may notify its customers that a particular feature has been disabled "at the request of the seller."

19.8 Correction of VOW Listing Information. A Participant's VOW shall maintain a means (e.g., email address, telephone number) to receive comments from the Listing Broker about the accuracy of any information that is added by or on behalf of the Participant beyond that supplied by the MLS and that relates to a specific property displayed on the VOW. The Participant shall correct or remove any false information relating to a specific property within 2 business days following receipt of a communication from the Listing Broker explaining why the data or information is false. The Participant shall not, however, be obligated to correct or remove any data or information that simply reflects good faith opinion, advice, or

professional judgment.

- 19.9 VOW Mandatory Listing Refresh.** A Participant shall cause the MLS Listing Information available on its VOW to be refreshed at least once every three (3) days.
- 19.10 VOW MLS Listing Distribution Limitations.** Except as provided in these rules, the NATIONAL ASSOCIATION OF REALTORS® VOW Policy, or any other applicable MLS rules or policies, no Participant shall distribute, provide, or make accessible any portion of the MLS Listing Information to any person or entity.
- 19.11 VOW Privacy Policy.** A Participant's VOW must display the Participant's privacy policy informing Registrants of all of the ways in which information that they provide may be used.
- 19.12 VOW Selective Listing Display.** A Participant's VOW may exclude listings from display based only on objective criteria, including, but not limited to, factors such as geography, list price, type of property, cooperative compensation offered by listing broker, and whether the listing broker is a REALTOR®.
- 19.13 Notification of MLS of Intent to Operate a VOW.** A Participant who intends to operate a VOW to display MLS Listing Information must notify the MLS of its intention to establish a VOW and must make the VOW readily accessible to the MLS and to all MLS Participants for purposes of verifying compliance with these Rules, the VOW Policy, and any other applicable MLS rules or policies.
- 19.14 Operation of Multiple VOWs.** A Participant may operate more than one VOW himself or herself or through an AVP. A Participant who operates his or her own VOW may contract with an AVP to have the AVP operate other VOWs on his or her behalf. However, any VOW operated on behalf of a Participant by an AVP is subject to the supervision and accountability of the Participant.
- 19.15 VOW Data Display Limitations. NOT ADOPTED.**
- 19.16 Changes to Listing Content.** A Participant shall not change the content of any MLS Listing Information that is displayed on a VOW from the content as it is provided in the MLS. The Participant may, however, augment MLS Listing Information with additional information not otherwise prohibited by these Rules or by other applicable MLS rules or policies so long as the source of such other information is clearly identified. This rule does not restrict the format of display of MLS Listing Information on VOWs or the display on VOWs of fewer than all of the listings or fewer than all of the authorized information fields
- 19.17 Listing Accuracy Disclaimer.** A Participant shall cause to be placed on his or her VOW in a manner readily visible to consumers but not less than 7pt type, the following, or substantially similar notice: "Based on information from California Regional Multiple Listing Service, Inc. as of [date the AOR/MLS data was obtained] and/or other sources. All data, including all measurements and calculations of area, is obtained from various sources and has not been, and will not be, verified by broker or MLS. All information should be independently reviewed and verified for accuracy. Properties may or may not be listed by the office/agent presenting the information."

19.18 Listing Broker or Agent Identification. NOT ADOPTED.

19.19 Listing Search Result Limitation. A Participant shall limit the number of listings that a Registrant may view, retrieve, or download to not more than 500 current listings and not more than 500 sold listings in response to any inquiry.

19.20 Mandatory Registrant Password Change. A Participant shall require that Registrants' passwords be reconfirmed or changed every 90 days.

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

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

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

19.24 MLS Licensing Agreement for VOW. Participants and the AVPs operating VOWs on their behalf must execute the license agreement required by the MLS.

19.25 Seller's Direction to Withhold from Internet. Where a seller affirmatively directs their listing broker to withhold either the seller's listing or the address of the seller's listing from display on the Internet, a copy of the seller's affirmative direction shall be provided to the MLS within 2 business days.

20. REJECTION OF APPLICATION.

In the event an application for participation in the MLS, whether as a licensee or as a clerical support, is rejected by the Association, the applicant, and his or her broker, if any, will be promptly notified in writing of the reason for the rejection. The broker shall have the right to respond in writing, and to request a hearing before a panel selected from the Board of Directors. The hearing will be held in accordance with rules adopted from time to time by the Board of Directors, which will make provision for adequate notice of the time and place of the hearing and shall provide that the parties involved shall have the right to appear and present evidence, both oral and written, and be represented by legal counsel.

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

Effective January 1, 2021



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

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

Preamble

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

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

In recognition and appreciation of their obligations to clients, customers, the public, and each other, REALTORS® continuously strive to become and remain informed on issues affecting real estate and, as knowledgeable professionals, they willingly share the fruit of their experience and study with others. They identify and take steps, through enforcement of this Code of Ethics and by assisting appropriate regulatory bodies, to eliminate practices which may damage the public or which might discredit or bring dishonor to the real estate profession. REALTORS® having direct personal knowledge of conduct that may violate the Code of Ethics involving misappropriation of client or customer funds or property, willful discrimination, or fraud resulting in substantial economic harm, bring such matters to the attention of the appropriate Board or Association of REALTORS®. (Amended 1/00)

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

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

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

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

Duties to Clients and Customers

Article 1

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

• Standard of Practice 1-1

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

• Standard of Practice 1-2

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

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

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

• Standard of Practice 1-3

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

• **Standard of Practice 1-4**

REALTORS®, when seeking to become a buyer/tenant representative, shall not mislead buyers or tenants as to savings or other benefits that might be realized through use of the REALTOR®'s services. (Adopted 1/93)

• **Standard of Practice 1-5**

REALTORS® may represent the seller/landlord and buyer/tenant in the same transaction only after full disclosure to and with informed consent of both parties. (Adopted 1/93)

• **Standard of Practice 1-6**

REALTORS® shall submit offers and counter-offers objectively and as quickly as possible. (Adopted 1/93, Amended 1/95)

• **Standard of Practice 1-7**

When acting as listing brokers, REALTORS® shall continue to submit to the seller/landlord all offers and counter-offers until closing or execution of a lease unless the seller/landlord has waived this obligation in writing. Upon the written request of a cooperating broker who submits an offer to the listing broker, the listing broker shall provide, as soon as practical, a written affirmation to the cooperating broker stating that the offer has been submitted to the seller/landlord, or a written notification that the seller/landlord has waived the obligation to have the offer presented. REALTORS® shall not be obligated to continue to market the property after an offer has been accepted by the seller/landlord. REALTORS® shall recommend that sellers/landlords obtain the advice of legal counsel prior to acceptance of a subsequent offer except where the acceptance is contingent on the termination of the pre-existing purchase contract or lease. (Amended 1/20)

• **Standard of Practice 1-8**

REALTORS®, acting as agents or brokers of buyers/tenants, shall submit to buyers/tenants all offers and counter-offers until acceptance but have no obligation to continue to show properties to their clients after an offer has been accepted unless otherwise agreed in writing. REALTORS®, acting as agents or brokers of buyers/tenants, shall recommend that buyers/tenants obtain the advice of legal counsel if there is a question as to whether a pre-existing contract has been terminated. (Adopted 1/93, Amended 1/99)

• **Standard of Practice 1-9**

The obligation of REALTORS® to preserve confidential information (as defined by state law) provided by their clients in the course of any agency relationship or non-agency relationship recognized by law continues after termination of agency relationships or any non-agency relationships recognized by law. REALTORS® shall not knowingly, during or following the termination of professional relationships with their clients:

- 1) reveal confidential information of clients; or
- 2) use confidential information of clients to the disadvantage of clients; or
- 3) use confidential information of clients for the REALTOR®'s advantage or the advantage of third parties unless:
 - a) clients consent after full disclosure; or
 - b) REALTORS® are required by court order; or
 - c) it is the intention of a client to commit a crime and the information is necessary to prevent the crime; or
 - d) it is necessary to defend a REALTOR® or the REALTOR®'s employees or associates against an accusation of wrongful conduct.

Information concerning latent material defects is not considered confidential information under this Code of Ethics. (Adopted 1/93, Amended 1/01)

• **Standard of Practice 1-10**

REALTORS® shall, consistent with the terms and conditions of their real estate licensure and their property management agreement, competently manage the property of clients with due regard for the rights, safety and health of tenants and others lawfully on the premises. (Adopted 1/95, Amended 1/00)

• **Standard of Practice 1-11**

REALTORS® who are employed to maintain or manage a client's property shall exercise due diligence and make reasonable efforts to protect it against reasonably foreseeable contingencies and losses. (Adopted 1/95)

• **Standard of Practice 1-12**

When entering into listing contracts, REALTORS® must advise sellers/landlords of:

- 1) the REALTOR®'s company policies regarding cooperation and the amount(s) of any compensation that will be offered to subagents, buyer/tenant agents, and/or brokers acting in legally recognized non-agency capacities;
- 2) the fact that buyer/tenant agents or brokers, even if compensated by listing brokers, or by sellers/landlords may represent the interests of buyers/tenants; and
- 3) any potential for listing brokers to act as disclosed dual agents, e.g., buyer/tenant agents. (Adopted 1/93, Renumbered 1/98, Amended 1/03)

• **Standard of Practice 1-13**

When entering into buyer/tenant agreements, REALTORS® must advise potential clients of:

- 1) the REALTOR®'s company policies regarding cooperation;
- 2) the amount of compensation to be paid by the client;
- 3) the potential for additional or offsetting compensation from other brokers, from the seller or landlord, or from other parties;
- 4) any potential for the buyer/tenant representative to act as a disclosed dual agent, e.g., listing broker, subagent, landlord's agent, etc.; and
- 5) the possibility that sellers or sellers' representatives may not treat the existence, terms, or conditions of offers as confidential unless confidentiality is required by law, regulation, or by any confidentiality agreement between the parties. (Adopted 1/93, Renumbered 1/98, Amended 1/06)

• **Standard of Practice 1-14**

Fees for preparing appraisals or other valuations shall not be contingent upon the amount of the appraisal or valuation. (Adopted 1/02)

• **Standard of Practice 1-15**

REALTORS®, in response to inquiries from buyers or cooperating brokers shall, with the sellers' approval, disclose the existence of offers on the property. Where disclosure is authorized, REALTORS® shall also disclose, if asked, whether offers were obtained by the listing licensee, another licensee in the listing firm, or by a cooperating broker. (Adopted 1/03, Amended 1/09)

• **Standard of Practice 1-16**

REALTORS® shall not access or use, or permit or enable others to access or use, listed or managed property on terms or conditions other than those authorized by the owner or seller. (Adopted 1/12)

Article 2

REALTORS® shall avoid exaggeration, misrepresentation, or concealment of pertinent facts relating to the property or the transaction. REALTORS® shall not, however, be obligated to discover latent defects in the property, to advise on matters outside the scope of their real estate license, or to disclose facts which are confidential under the scope of agency or non-agency relationships as defined by state law. (Amended 1/00)

• **Standard of Practice 2-1**

REALTORS® shall only be obligated to discover and disclose adverse factors reasonably apparent to someone with expertise in those areas required by their real estate licensing authority. Article 2 does not impose upon the REALTOR® the obligation of expertise in other professional or technical disciplines. (Amended 1/96)

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

Article 3

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

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

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

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

Article 4

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

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

Article 5

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

Article 6

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

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

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

Article 7

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

Article 8

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

Article 9

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

• Standard of Practice 9-1

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

• Standard of Practice 9-2

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

Duties to the Public

Article 10

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

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

• Standard of Practice 10-1

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

• Standard of Practice 10-2

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

• Standard of Practice 10-3

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

• Standard of Practice 10-4

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

• Standard of Practice 10-5

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

Article 11

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

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

• Standard of Practice 11-1

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

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

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

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

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

• Standard of Practice 11-2

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

• Standard of Practice 11-3

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

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

• **Standard of Practice 11-4**

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

Article 12

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

• **Standard of Practice 12-1**

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

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

• **Standard of Practice 12-2**

(Deleted 1/20)

• **Standard of Practice 12-3**

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

• **Standard of Practice 12-4**

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

• **Standard of Practice 12-5**

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

• **Standard of Practice 12-6**

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

• **Standard of Practice 12-7**

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

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

• **Standard of Practice 12-8**

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

• **Standard of Practice 12-9**

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

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

• **Standard of Practice 12-10**

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

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

• **Standard of Practice 12-11**

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

• **Standard of Practice 12-12**

REALTORS® shall not:

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

• **Standard of Practice 12-13**

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

Article 13

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

Article 14

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

• **Standard of Practice 14-1**

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

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

• **Standard of Practice 14-2**

REALTORS® shall not make any unauthorized disclosure or dissemination of the allegations, findings, or decision developed in connection with an ethics hearing or appeal or in connection with an arbitration hearing or procedural review. (Amended 1/92)

• **Standard of Practice 14-3**

REALTORS® shall not obstruct the Board's investigative or professional standards proceedings by instituting or threatening to institute actions for libel, slander, or defamation against any party to a professional standards proceeding or their witnesses based on the filing of an arbitration request, an ethics complaint, or testimony given before any tribunal. (Adopted 11/87, Amended 1/99)

• **Standard of Practice 14-4**

REALTORS® shall not intentionally impede the Board's investigative or disciplinary proceedings by filing multiple ethics complaints based on the same event or transaction. (Adopted 11/88)

Duties to REALTORS®

Article 15

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

• **Standard of Practice 15-1**

REALTORS® shall not knowingly or recklessly file false or unfounded ethics complaints. (Adopted 1/00)

• **Standard of Practice 15-2**

The obligation to refrain from making false or misleading statements about other real estate professionals, their businesses, and their business practices includes the duty to not knowingly or recklessly publish, repeat, retransmit, or republish false or misleading statements made by others. This duty applies whether false or misleading statements are repeated in person, in writing, by technological means (e.g., the Internet), or by any other means. (Adopted 1/07, Amended 1/12)

• **Standard of Practice 15-3**

The obligation to refrain from making false or misleading statements about other real estate professionals, their businesses, and their business practices includes the duty to publish a clarification about or to remove statements made by others on electronic media the REALTOR® controls once the REALTOR® knows the statement is false or misleading. (Adopted 1/10, Amended 1/12)

Article 16

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

• **Standard of Practice 16-1**

Article 16 is not intended to prohibit aggressive or innovative business practices which are otherwise ethical and does not prohibit disagreements with other REALTORS® involving commission, fees, compensation or other forms of payment or expenses. (Adopted 1/93, Amended 1/95)

• **Standard of Practice 16-2**

Article 16 does not preclude REALTORS® from making general announcements to prospects describing their services and the terms of their availability even though some recipients may have entered into agency agreements or other exclusive relationships with another REALTOR®. A general telephone canvass, general mailing or distribution addressed to all prospects in a given

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

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

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

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

• **Standard of Practice 16-3**

Article 16 does not preclude REALTORS® from contacting the client of another broker for the purpose of offering to provide, or entering into a contract to provide, a different type of real estate service unrelated to the type of service currently being provided (e.g., property management as opposed to brokerage) or from offering the same type of service for property not subject to other brokers' exclusive agreements. However, information received through a Multiple Listing Service or any other offer of cooperation may not be used to target clients of other REALTORS® to whom such offers to provide services may be made. (Amended 1/04)

• **Standard of Practice 16-4**

REALTORS® shall not solicit a listing which is currently listed exclusively with another broker. However, if the listing broker, when asked by the REALTOR®, refuses to disclose the expiration date and nature of such listing, i.e., an exclusive right to sell, an exclusive agency, open listing, or other form of contractual agreement between the listing broker and the client, the REALTOR® may contact the owner to secure such information and may discuss the terms upon which the REALTOR® might take a future listing or, alternatively, may take a listing to become effective upon expiration of any existing exclusive listing. (Amended 1/94)

• **Standard of Practice 16-5**

REALTORS® shall not solicit buyer/tenant agreements from buyers/tenants who are subject to exclusive buyer/tenant agreements. However, if asked by a REALTOR®, the broker refuses to disclose the expiration date of the exclusive buyer/tenant agreement, the REALTOR® may contact the buyer/tenant to secure such information and may discuss the terms upon which the REALTOR® might enter into a future buyer/tenant agreement or, alternatively, may enter into a buyer/tenant agreement to become effective upon the expiration of any existing exclusive buyer/tenant agreement. (Adopted 1/94, Amended 1/98)

• **Standard of Practice 16-6**

When REALTORS® are contacted by the client of another REALTOR® regarding the creation of an exclusive relationship to provide the same type of service, and REALTORS® have not directly or indirectly initiated such discussions, they may discuss the terms upon which they might enter into a future agreement or, alternatively, may enter into an agreement which becomes effective upon expiration of any existing exclusive agreement. (Amended 1/98)

• **Standard of Practice 16-7**

The fact that a prospect has retained a REALTOR® as an exclusive representative or exclusive broker in one or more past transactions does not preclude other REALTORS® from seeking such prospect's future business. (Amended 1/04)

• **Standard of Practice 16-8**

The fact that an exclusive agreement has been entered into with a REALTOR® shall not preclude or inhibit any other REALTOR® from

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

• **Standard of Practice 16-9**

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

• **Standard of Practice 16-10**

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

• **Standard of Practice 16-11**

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

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

• **Standard of Practice 16-12**

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

• **Standard of Practice 16-13**

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

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

• **Standard of Practice 16-14**

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

• **Standard of Practice 16-15**

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

• **Standard of Practice 16-16**

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

• **Standard of Practice 16-17**

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

• **Standard of Practice 16-18**

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

• **Standard of Practice 16-19**

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

• **Standard of Practice 16-20**

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

Article 17

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

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

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

• **Standard of Practice 17-1**

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

• **Standard of Practice 17-2**

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

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

• **Standard of Practice 17-3**

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

• **Standard of Practice 17-4**

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

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

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

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

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

• Standard of Practice 17-5

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

Explanatory Notes

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

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

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

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



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