

**CORPUS CHRISTI ASSOCIATION OF REALTORS®
SOUTH TEXAS MLS**

Policy Manual

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Vision Statement: *Empowering our members to succeed serve our communities.*

Mission Statement: *The Corpus Christi Association of REALTORS® mission is to enhance member professionalism, be a trusted resource to the communities we serve, and protect property rights.*

The term "committee" as used in these Policy Statements shall be deemed to include the terms "work group," "sub-committee," "advisory group," "President Advisory Group" and Task Force."

The term "Association" or "CCAR" shall be deemed to mean the Corpus Christi Association of REALTORS®. The term "MLS" shall be deemed to mean the South Texas Multiple Listing Service, LLC, dba South Texas MLS, which is a wholly-owned subsidiary of CCAR.

The term "Board" shall refer to either the CCAR Board of Directors or the MLS Board of Managers, and the term "Boards" shall mean both the CCAR Board of Directors and the MLS Board of Managers.

All policies are applicable to both the Association and MLS, unless a policy specifically states, "Association policy only" or "MLS policy only" and then the policy is only applicable to the stated entity.

Policy #1: Policy Purpose & Formulation & Changes

Policy statements are to be used for developing guidelines and standards for internal Association and MLS operations. Policy statements are on-going and are to be reaffirmed by the Boards each year at an annual Boards orientation/retreat program. Any new Association policies must be approved by the Board of Directors sitting at the time of the recommendation of the new policy. Any new MLS policies must be approved by the Board of Managers sitting at the time of the recommendation of the new policy. Policy recommendations may be made by staff, committee chairs, the CCAR Board of Directors, the Management Team, the MLS Board of Managers, or any member of the Association, or any participant of the MLS. Recommended policy changes must be presented, in writing, to the AE/CEO and President of the Board if an Association Policy, or to the AE/CEO and MLS Chair, if an MLS Policy, prior to presentation to the appropriate Board for approval, or both if applicable.

The Association Board of Directors may adopt new policy, or amend any policy in this manual, by majority vote at a Board of Directors meeting. The Association will provide notice to the MLS Board of Managers of any policy changes.

The MLS Board of Managers may adopt new policy, or amend any policy in this manual that is designated an "MLS policy only," by majority vote at a Board of Managers meeting, and will provide notice of any such change to the Association. For any other policy changes, the MLS Board of Managers may make a policy recommendation to the Association Board of Directors as described above. The MLS Board of Managers may not adopt or amend any policy in contradiction of any policy in this manual or the South Texas MLS LLC agreement.

The members of the Boards are to know, verify, and report violations of Policies to other members of the Board on which they serve. Members may also report violations to the appropriate Board.

Policy #2: Requests for Information

Requests for information from the general public, written or verbal, shall be referred to the AE/CEO, President of the Board, or a Communications Director or MLS Chair if an MLS matter. The President of the Board, or her/his designee pertinent to a specific occasion, and the AE/CEO, or her/his designee pertinent to a specific occasion, shall be the only authorized spokesperson(s) for the Association except as stated in Policy #3. No other individuals shall speak for the Association on matters affecting the Association or its membership without prior written approval of the President of the Board. The MLS Chair, or her/his designee pertinent to a specific occasion, and the AE/CEO, or her/his designee pertinent to a specific occasion, shall be the only authorized spokesperson(s) for the MLS.

Policy #3: Public Policy Statements Made by Association Committees

Only the Government Affairs Committee Chair (or their designee) and the Government Affairs Director shall be empowered to make public policy statements without prior approval of the President of the Board or AE/CEO. It shall be their responsibility and obligation to notify the President of the Board and the AE/CEO, as soon as practical, of any public policy statements to be made.

Policy #4: Anti-Trust Compliance

The Corpus Christi Association of REALTORS® and South Texas MLS has not and will not establish or maintain fixed or recommended compensation rates. Compensation is a matter of negotiation between the parties (the principal and the broker) and the Association and MLS will not interfere in those negotiations or inhibit in any way the freedom of the parties to negotiate by imposing bylaw provisions, recommended schedules or sanctions on members.

Policy #5: Confidentiality

Some matters discussed by the Management Team, Finance Committee, Board of Directors, MLS Board of Managers, and Committees are of a sensitive nature and shall be kept confidential. Such matters are to be worked out and resolved within the confines of the entity where the matter arose, subject to its governing documents. If the issues cannot be resolved within those confines, the matter should be taken through the following chain of command for resolution: first to the Committee Chair or MLS Chair, as appropriate, then to the AE/CEO and then to the President of the Board. If it cannot be resolved by working through this chain of command, then and only then should the matter be taken to the Board of Directors, Board of Managers, and/or membership, as appropriate.

Policy #6: Smoking Policy

Smoking is strictly prohibited at all Association and MLS events, in all Association and MLS facilities, and within 20 feet of entrances to said events or facilities. This policy also applies to electronic cigarettes and vaping.

Policy #7: Endorsements for Products and Services

As a general rule, the Association and MLS does not support endorsements on products, services or companies. The exception is when the endorsement benefits our membership and the Board of Directors or Board of Managers, as appropriate, approves of the endorsement. All requests to the Corpus Christi Association of REALTORS® or South Texas MLS from individuals or organizations for endorsements of products or services shall be referred to the appropriate committee(s) for input and recommendations to the appropriate Board. The Board ultimately approves or disapproves all recommendations for endorsements.

Policy #8: Facility Rental and Advertising

Affiliates, members and non-members may rent the Association or MLS conference facilities per the established rate schedule. All events being held in the Association or MLS facilities will be listed on www.ccaronline.com. Classes and events that are sponsored by a CCAR Member, MLS participant/subscriber, or Affiliate of the Corpus Christi Association of REALTORS® will be advertised in a special section of the weekly update, on a space-available basis. There is no guarantee that this advertising space will be available, and placement is at the sole discretion of the Corpus Christi Association of REALTORS® staff.

Policy #9: Donations & Fundraising

The Corpus Christi Association of REALTORS® and South Texas MLS support charitable efforts in the community and wish to contribute where appropriate. The Association and MLS will support charitable endeavors when they contribute to assisting the less fortunate or assist recipients with skills to create economic opportunity. Priority for charitable requests will be reviewed on the basis of whether or not the Association and/or MLS can make a significant impact on a project that is within the boundaries of the Association or MLS and where the Association or MLS is perceived as a leader in the effort. Requests for support will be directed to the AE/CEO who will evaluate each request for compliance with the policy. The AE/CEO will recommend appropriate candidates for contributions to the Public Relations Committee for a final decision. No committees are allowed to enter into fundraising activities for charitable purposes unless prior approval is received from the Board of Directors or Board of Managers, as appropriate. (The Walk with Pride Foundation shall be the primary non-profit recipient of donations from the Association and fundraising for the Walk for Pride Foundation will be accomplished through the Public Relations Committee.)

Policy #10: Committee Financial Operation

Association and MLS committees have budgeted Income and Expenses, which have been approved by the Boards in their respective Annual Budgets. It is the responsibility of the Committee Chair and the assigned staff liaison to operate within that approved budget. If additional funds are deemed necessary by the Committee Chair, that request shall be made in

writing to the AE/CEO for presentation to the respective Board for approval. The MLS Finance Committee is subject to the terms of the MLS LLC agreement.

Policy #11: Dues Payable (Association policy only)

Dues for all Members shall be payable annually in advance not later than November 30 of the previous year. Dues shall be computed from the day a new member is granted provisional membership and shall be prorated for the remainder of the year. Collection procedures are outlined in ARTICLE X, Section 4 (Nonpayment of Financial Obligations) of the Association Bylaws.

Dues not received within 10 calendar days of the due date will be subject to a \$25 late fee. Reinstating members will be assessed a \$50 reinstatement fee. Affiliate dues are not subject to late or reinstatement fees.

Policy #12: MLS Fees (MLS policy only)

MLS Participants (Designated REALTORS® (DR) will no longer be responsible for the financial obligations for MLS Subscribers (REALTOR® Agents) in their offices. MLS Subscribers (agents) will be billed directly and will be responsible for their own account. No longer will an entire office be suspended from MLS Provider because one Subscriber has not paid their quarterly MLS fees or a fine. The only way that an entire office can be suspended is if the MLS Participant (Designated REALTOR®) is suspended.

All MLS members will be notified when invoices for quarterly MLS Fees and quarterly MLS Office Fees are available to be paid via email.

Quarterly MLS Fees will be billed (invoices available for viewing) December 1, March 1, June 1, and September 1. MLS Fees are delinquent the first business day of January, April, July, and October. If not paid by these dates, MLS Subscribers (agents) will be suspended for non-payment on January 1, April 1, July 1, and October 1 or the first business day thereafter, if the 1st is a weekend or holiday.

1. Upon suspension, a late fee of \$25.00 will be assessed.
2. On the 15th day of suspension, all key services will be suspended, and subject to vendor key service reactivation fees.
3. Once an agent is delinquent for one month (as of February 1, May 1, August 1, November 1), they will be terminated from MLS.
4. Once an agent is terminated from MLS, the reinstatement policy for non-payment will apply.
 - a. Pay the Reinstatement Fee of \$50.
 - b. Pay the current non-prorated MLS fees.
 - c. If termination has been longer than one year, attend Orientation.
 - d. Pay all applicable Supra reconnection fees (if applies).

If an MLS Participant (Designated REALTOR®) fails to pay, their quarterly MLS participation fee, quarterly office assistant fee or other accrued invoices, the above policy will apply with the

following exception: the late fee will be \$50.00 and the MLS Participant will be sent a notification by E-mail. If an MLS Participant (Designated REALTOR®) is suspended for non-payment, the ENTIRE OFFICE is suspended.

An ENTIRE OFFICE will be suspended only when the MLS Participant (Designated REALTOR®) is suspended. PLEASE NOTE: When an entire office is suspended, access to MLS for all Subscribers will be deactivated.

1. Upon suspension of the office, a late fee of \$50.00 will be assessed.
2. On the 15th day of suspension, all Supra services for all agents and the Designated REALTOR® will be suspended and subject to vendor key service reactivation fees.
3. Once the Designated REALTOR® is delinquent for one month (as of February 1, May 1, August 1, and November 1) they will be terminated from MLS, the Association reinstatement policy will be in effect (reinstatement fee, new application, attend orientation if termination has been longer than one year).

Any Subscriber or Participant that has been inactive from MLS service for more than one (1) year must retake an MLS New Member Orientation class.

Policy #12.1: Supra Termination (Association policy only)

Once a REALTOR® Agent or Designated REALTOR® has been terminated, the associated Supra account will be terminated. If at a later date the Member reactivates Supra service, the individual is responsible for all applicable Supra Fees.

Policy #13: Operating and Reserve Account Funds (Association policy only)

Sums placed in checking, savings, money market or Reserve Accounts shall be deposited as per this policy as stated below. All sums placed in designated Reserve Accounts shall be a continuing item placed on the balance sheet, shall be so identified, and shall be utilized only in the event of an emergency as determined by the Board of Directors by majority vote. In the event the Board of Directors determines that Reserve Account Funds are necessary for Association operations, said funds shall be strictly utilized for and to the purpose so outlined under the auspices of the name of the account. In no event shall these funds be in any way encumbered or utilized in any other fashion.

Policy #14: Reserves (Association policy only)

Any income over expense at the end of any fiscal year, as determined by the Annual Audit, shall be placed in an operating reserve fund. This reserve fund shall contain a minimum of six-month's operating expense and a maximum of twelve-month's operating expense.

Policy #14.1: Operating and Reserve Account Funds (MLS policy only)

The MLS bank accounts, and financial reporting shall be in accordance with the terms of the MLS LLC agreement. MLS dividends and distributions shall be computed and issued in accordance with the terms of the MLS LLC agreement.

Policy #15: Credit Card Policy

Purpose

The Corpus Christi Association of REALTORS® (CCAR) and South Texas MLS credit card policies have been formulated to provide guidelines for responsible use and application of funds. These policies should be reviewed and revised, if necessary, on an annual basis to reflect the needs of CCAR or MLS.

Possession of Credit Cards

CCAR will not have more than four physical active credit cards at any given time. These credit cards will be held by the AE/CEO and designated staff members. These four cards will be procured from a single credit card provider and have a combined limit not to exceed \$30,000. MLS will have no more than two physical active credit cards. They will be held by the AE/CEO and a designated staff member. These two cards will be procured from a single credit card provider and have a combined limit not to exceed \$10,000.

Authorized Expenses

The CCAR credit cards shall only be used for Association-related expenses. The MLS credit cards shall only be used for MLS-related expenses. These may commonly include budgeted items and expenditures, some travel/hosting expenses, office and management expenses, and Association or MLS-event expenses, supplies, and deposits.

Unbudgeted items and expenditures may not be charged to any credit card without prior approval from the Board President/Chairman and the Secretary/Treasurer.

Payment of Credit Card Accounts

All credit card statements must be itemized and be accompanied by receipts (including any routine auto-billed expenses) for each expenditure. Prior to payment, this bill must be reviewed by the Board President/Chairman, Secretary/Treasurer, and AE/CEO per current bill-payment guidelines.

Cash Advances

Under no circumstance will any cash advance be permitted.

Credit Card Rewards Programs

Any awards or benefits earned using CCAR or MLS credit cards will be applied to CCAR or MLS affairs, as appropriate, or applied to the statement (if possible).

Verification of Accounts

CCAR and MLS will complete credit reporting procedures annually to ensure that no additional credit cards have been procured under the identity of the Association or MLS.

The respective Finance Committees will be responsible for conducting this report annually.

Policy #16: Access to Legal Counsel

The President of the Board, MLS Chair, and AE/CEO are the only individuals authorized to directly contact Association or MLS Legal Counsel, and they can only do so with the additional approval of the Board Secretary/Treasurer. Should there be a necessity for individuals or committees to meet with legal counsel, prior arrangements must be made through the AE/CEO or the President of the Board or MLS Chair. Should an individual contact legal counsel without prior approval, the individual will be billed in the amount incurred from that contact.

Policy #17: Contract/Encumbrances

The President of the Board, MLS Chair, and the AE/CEO, subject to the approval of the respective Board, shall be the only individuals authorized to enter into contracts or agreements which incur financial or other liabilities to the Association and/or MLS. Agreements entered into on behalf of South Texas MLS are subject to the governance and approval procedures described in the LLC agreement. When outside facilities are required for use by any committee, approval will be obtained from the AE/CEO and President of the Board or MLS Chair, who should consider the input of the Program Coordinator when appropriate.

Policy #18: Travel Policy

Purpose

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

General Expense Reimbursement Guidelines

Reimbursement Requests

All requests for travel reimbursement must be submitted to the AE/CEO for approval. A Reimbursement Request Form with accompanying receipts must be received within 30 days of travel to be considered for approval.

Transportation

Air: Commercial air travel is reimbursed at the coach-class rate. Advance purchase should be made whenever possible to take advantage of lowest fares. Business use of frequent flyer miles (or any other type of airline rewards program) or vouchers is not reimbursable.

Curbside baggage-handling fees are reimbursed at the actual cost, plus \$1 per bag/box for a tip. The cost for bags/boxes exceeding weight limit or number of bag limit will not be reimbursed.

- Ground Transport:** Actual cost is reimbursed, and receipts must be provided. Tipping shall not exceed 20% of the actual fare plus an additional \$1.00 per bag/box.
- Personal Auto:** The owner of the vehicle that is used will be reimbursed at the IRS allowable rate per mile. The number of miles driven must be stated. The allowable rate per mile changes periodically and is indicated on the expense-reimbursement form. Personal auto mileage is reimbursable only when other modes of transportation are unobtainable, or when personal auto use is less expensive than other modes.
- Parking/tolls:** Actual cost is reimbursed. Receipts should be provided when possible and are required for any amount over \$75. Reimbursement for parking is limited to self-parking options, unless no self-parking is available. If valet parking is utilized where self-parking is otherwise available, reimbursement will be based on the lowest available self-parking option.
- Rental car:** Rental cars are reimbursable only when other modes of transportation are unobtainable or more expensive. Any person obtaining a rental vehicle while serving the Association will be required to also obtain insurance coverage for the rental vehicle. Any cost of damages incurred due to Member or Staff negligence or fault will be the responsibility of the Member or Staff.

General Note

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

Member Travel

The Corpus Christi Association of REALTORS® (CCAR) or MLS reimburses members and/or participants/subscribers serving on committees, sub-committees, and task forces for expenses incurred only when attending meetings approved by the appropriate Board and/or AE/CEO. These “specially called” meetings will not include those conducted at Winter Meeting or Conference.

In other words, CCAR and MLS does not reimburse members for expenses associated with a committee, sub-committee, or task force meeting when the meeting is conducted during Winter Meeting or Conference.

- Transportation:** Transportation expenses will be the responsibility of the Member unless approved on a case-by-case basis by the CCAR Board of Directors or MLS Board of Managers.

- Lodging:** Lodging will be provided by CCAR or MLS for approved events. Lodging expenses provided by CCAR or MLS will only include the actual room rate plus taxes and any fees to self-park a vehicle during the Member's, participant's/subscriber's stay. If self-park is unavailable, valet expenses will be reimbursed.
- Meals:** A per diem rate of \$100 will be provided to each member for meals and additional expenses. Members or participants/subscribers will not be compensated until they have returned from travelling.
- Communication:** Communication expenses will be the responsibility of the Member or participant/subscriber.

Officer Travel

The Officers include:

1. CCAR President or MLS Chair for MLS
2. CCAR President-Elect or MLS Chair-Elect
3. CCAR and MLS Secretary/Treasurer

- Transportation:** General-expense reimbursement guidelines apply.
- Lodging:** Lodging will be provided by CCAR or MLS for approved events. Lodging expenses provided by CCAR or MLS will only include the actual room rate plus taxes and any fees to self-park a vehicle during the Member's or participant's/subscriber's stay.
- Meals:** A per diem rate of \$100 will be provided to each member for meals and additional expenses. Members, participants/subscribers will not be compensated until they have returned from travelling.
- Communication:** Telephone: All CCAR or MLS-related calls or fax transmissions are reimbursed based on actual charges.
- Internet: Internet-access charges are reimbursed based on actual cost.
- Cumulative communication expenses are not to exceed \$50 per day. Any overage to be paid by the Member, participant/subscriber.
- Hosting/entertaining:** CCAR or MLS will reimburse the actual costs incurred in situations where it is deemed appropriate for the officers to pay for several individuals at a meal, unless the meal is to be paid for by another association. Entertainment expenditures draw the greatest attention from the IRS, and thus require a higher degree of discretion. IRS regulations require the expenditure to be adequately explained with information concerning the

purpose of the gathering, a list of individuals attending, the name and location where the expense was incurred, and all costs included. Reimbursement will not be authorized without this information.

These expenses will be reviewed by the Finance Committee and the Board of Directors on a monthly basis or the MLS Finance Committee and Board of Managers.

Spouse/Significant Other Travel:

Spouses and significant others are permitted to travel with the association and its members/Boards, but only at their own expense. If any travel plans are arranged for spouses/significant others by the Association or MLS, any CCAR or MLS-incurred expenses will be reimbursed at the time of booking.

Board Travel

Transportation: Transportation expenses will be the responsibility of the Director/Manager unless approved on a case-by-case basis by the appropriate Board and AE/CEO.

Lodging: Lodging will be provided by CCAR or MLS for approved events. Lodging expenses provided by CCAR will only include the actual room rate plus taxes and any fees to self-park a vehicle during the Member's, participant's/subscriber's stay.

Meals: A per diem rate of \$100 will be provided to each member for meals and additional expenses. Members, participants/subscribers will not be compensated until they have returned from travelling.

Staff Travel

Transportation: General-expense reimbursement guidelines apply.

Lodging: Lodging will be provided by CCAR or MLS for approved events. Lodging expenses provided by CCAR or MLS will only include the actual room rate plus taxes and any fees to self-park a vehicle during the Member's stay.

Meals: A per diem rate of \$100 will be provided to each staff member for meals and additional expenses. Staff may request per diem in advance of travel pending AE/CEO approval or staff will be compensated after return from travel.

Hosting/entertaining: CCAR or MLS will reimburse the actual costs incurred in situations where it is deemed appropriate for the staff member to pay for several

individuals at a meal unless the meal is to be paid for by another association. Entertainment expenditures draw the greatest attention from the IRS, and thus require a higher degree of discretion. IRS regulations require the expenditure to be adequately explained with information concerning the purpose of the gathering, a list of individuals attending, the name and location where the expense was incurred, and all costs included. Reimbursement will not be authorized without this information.

The AE/CEO of CCAR and MLS is permitted to purchase one dinner for the Board of Directors or Board of Managers per event. The maximum allowance permitted for this meal is \$100 per person (including alcohol, if desired). Any overage shall be paid by the Board Member(s) prior to any use or application of CCAR or MLS credit cards or funds.

These expenses will be reviewed by the Finance Committee or the Board of Directors or Board of Managers on a monthly basis.

Communication: Telephone: All CCAR or MLS-related calls or fax transmissions are reimbursed based on actual charges.

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

Cumulative communication expenses are not to exceed \$50 per day. Any overage to be paid by the staff member.

Policy #19: Committee Communications

Except as provided under Policy #3, under no circumstances shall a Committee Chair send out any information which is not coordinated with the AE/CEO or President of the Board. Committee communications to promote a function through a news or press release shall require the prior approval of the AE/CEO or President of the Board or Chair of the Board of Managers, as appropriate, and said release shall be written and released by the AE/CEO or President of the Board or Chair of the Board of Managers, as appropriate. Under no circumstances are any committees allowed to disseminate any information to the public, i.e., print media, radio, TV, etc., in any other manner.

Policy #20: Open Meeting Policy

All committee meetings and Board meetings of the Corpus Christi Association of REALTORS® or South Texas MLS shall be open to the membership at-large for Association meetings, and all participants and subscribers for the MLS, except when an Executive Session is called.

Executive Session should and will be used to discuss matters that people consider personal and private. Situations that may necessitate Executive Session may include (but are not limited to): Staff or Member or discipline or contracts, Staff performance reviews or compensation,

Attorney consultations, key strategic moves like mergers or acquisitions, succession planning, personnel issues, or peer-to-peer Board discussions.

Planned topics to be discussed in Executive Session will be reported in the Agenda of committee meetings or Board meetings. A general list of topics discussed in Executive Session will be published in the Minutes of committee meetings or Board Meetings.

Policy #21: Staff Liaison/Meeting Schedule

The AE/CEO shall assign a staff liaison to all committees. All regularly scheduled committee meetings will be held at the Association office except when approved by the AE/CEO or the President of the Board or Chair of the MLS, as appropriate. Committee Chairs shall make arrangements for meetings through the assigned staff liaison.

Policy #22: Coordination of Association and MLS Activities

All functions of Association and MLS committees shall be coordinated through the Programs Coordinator to avoid conflicts. A master calendar for scheduling purposes will be maintained at the Association office by CCAR staff.

Policy #23: Committee Member Participation/Attendance

Only those Members, participants/subscribers who have been appointed and confirmed by the Board are authorized to vote on issues that come before a committee. Committee Members are expected to attend all committee meetings to which they are appointed. The failure of a Committee Member to attend a total of three scheduled committee meetings within a calendar year shall, except for illness, jury duty, family crisis or catastrophic event, be deemed to be an automatic resignation from the committee. Absences due to the Member's attendance of CCAR events, MLS events, or TR/NAR official events will also be excused.

Policy #24: Association and MLS Staff Support

All Association and MLS staff are directly responsible to and under the direction of the AE/CEO. Any requests for staff time shall be coordinated through the AE/CEO. The AE/CEO is responsible for the hiring and terminating of employment of all staff members.

The AE/CEO is responsible for knowing and understanding recommended procedures and practices of the Texas Workforce Commission in relation to documenting employee issues or violations. Any employee found to be in violation of CCAR or MLS rules, policies, or employee manuals will be provided a written document to explain their actions and provide the employee recommendations for improvement. The employee must sign an acknowledgement of this report and will be allowed an opportunity to provide a written rebuttal. If any employee refuses to acknowledge the report, a Member of the Management Team will witness and document the refusal. A copy of these reports will be provided to the Management Team as they are incurred by any employee. The AE/CEO will provide a written explanation of any employee's violations to the Management Team prior to termination.

Immediate termination is appropriate in some instances. The AE/CEO will discuss any need of immediate termination with the Management Team prior to terminating any employee.

Exit interviews (conducted by an independent third-party) will be offered to any terminated staff personnel. The AE/CEO is required to provide a written explanation of any staff termination to the Board of Directors and Board of Managers.

The AE/CEO must provide an introduction of any new staff member to the Board of Directors and Board of Managers.

Policy #25: Committee Meeting Report Procedure

A copy of the reports of all committee meetings will be distributed to the Committee prior to their next regularly scheduled meeting. A copy of the reports/minutes of all committee meetings and financials will be distributed to the Board prior to their next regularly scheduled meeting.

Policy #26: Board Agenda Items

Items to be placed on the Board Agenda shall be submitted to the AE/CEO at least 7 days prior to the meeting. Any item which is not on the Agenda will not be discussed unless it is determined by the President of the Board or AE/CEO to be of an emergency, or by the MLS Chair according to the MLS LLC agreement. If any person requesting the placement of an item on the Agenda disagrees with the decision of the President of the Board, MLS Chair, or the AE/CEO, the item will require a two-thirds vote of the Directors or Managers, as appropriate, present to be placed on the agenda.

Policy #27: Annual Recognitions and Awards Committee (Association policy only)

The Awards Committee shall be made up of the current REALTOR®-OF-THE-YEAR and AFFILIATE-OF-THE-YEAR, who shall act as Chairman and Vice-Chairman respectively, and not less than three nor more than four REALTORS® and Affiliates. At least 50% must be previous recipients of the REALTOR®-OF-THE-YEAR or AFFILIATE-OF-THE-YEAR award. In no case will any company have more than one member on the committee.

- A. The committees shall be appointed by the current REALTOR®-OF-THE-YEAR and AFFILIATE-OF-THE-YEAR with the consent of the President of the Board.
- B. The committee shall begin meeting in September and present the awards at the annual installation; and
- C. The identity of the committee Members shall be confidential until the winners are announced.

The REALTOR®-OF-THE-YEAR award recognizes an outstanding REALTOR® who is a well-rounded professional based on five different criteria. Those criteria are as follows: number of transactions, sales volume, REALTOR® education, community involvement, and CCAR involvement. Each of these criteria will individually be worth 20% of the overall scoring.

Policy #27.1: Spirit Award (Association Policy Only)

The CCAR Spirit Award honors an exceptional volunteer or committee member that stands out amongst others in their dedication and contributions to the real estate industry, or the community that exemplifies a heart of service. This award is also meant to recognize dedicated volunteers who performed a duty to their association, on in their community in an outstanding manner.

Each year, the Awards Committee shall determine if an individual will receive the Spirit Award based on the criteria below. Spirit Awards shall be presented at the annual installation.

Award Criteria

- a. Must be a current member of CCAR in good standing (REALTOR® or Affiliate)
- b. Proven and verifiable volunteer involvement with CCAR, TR, NAR, or within their local community.
- c. Awarded as seen appropriate, merited, and therefore not awarded annually.
- d. Selected by the Awards Committee.

Policy #28: Officer, Manager and Staff Endorsements

No Officer, Director, Manager, or staff person of the Association or MLS may knowingly allow his/her Association or MLS title to be used for promotion of a political candidate or ballot issue.

Policy #29: Director/Manager Election Procedures

The AE/CEO of the Corpus Christi Association of REALTORS®, Inc. shall be responsible for implementing voting procedures.

The election of Directors to serve on the Association's Board of Directors will be in accordance to the Association Bylaws. The election of Managers to serve on the MLS's Board of Managers will be in accordance with the South Texas MLS LLC agreement.

Policy #30: President Advisory Groups, Task Forces and Work Groups

The President of the Board or MLS Chair, as the case may be, may appoint an Advisory Group to consider specific topics and issue specific recommendations to the President or Chair of the Board. The Boards, respectively, may authorize a Task Force to consider specific topics and issue recommendations to the Board. The Board of Directors, Board of Managers, Management Team and/or Committee Chairs may create a work group to discuss general issues for the mutual education of all members.

Policy #31: Legal Policy

All Corpus Christi Association of REALTORS® and MLS documents and information contained in hard copy or in electronic storage are private property of the Association and/or MLS and shall be treated as confidential information. The staff of the Corpus Christi Association of REALTORS® and South Texas MLS are permitted, and instructed, to cooperate with any governmental law enforcement agencies and courts and provide such confidential information only under the following circumstances:

1. The law enforcement agency or court must present a valid subpoena detailing the documents or information requested to the AE/CEO.
2. Staff, acting under the direct supervision of the AE/CEO or his/her designee will cooperate with the law enforcement agency or court to expeditiously provide the requested documents or information within the parameters of the subpoena but will not voluntarily provide any documents or information beyond the terms of the subpoena.

Policy #32: Whistleblower Policy

Purpose. The purpose of this Whistleblower Policy is to: (1) encourage staff and volunteers to come forward with credible information on illegal practices or serious violations of adopted policies of the Corpus Christi Association of REALTORS® (CCAR) and MLS ; (2) specify that CCAR and MLS will protect the person from retaliation; and (3) identify where such information can be reported.

Encouragement of reporting. CCAR and MLS encourages complaints, reports or inquiries about illegal practices or serious violations of CCAR and MLS's policies, including illegal or improper conduct by CCAR or MLS itself, by its leadership, or by others on its behalf. Appropriate subjects to raise under this policy would include financial improprieties, accounting or audit matters, ethical violations, or other similar illegal or improper practices or policies. Other subjects on which CCAR or MLS has existing complaint mechanisms should be addressed through channels described in those mechanisms, such as raising matters of alleged discrimination or harassment, unless those channels are themselves implicated in the wrongdoing. This policy is not intended to provide a means of appeal from outcomes in those other mechanisms.

Protection from retaliation. CCAR and MLS prohibits retaliation by or on behalf of CCAR and MLS against staff or volunteers for making good faith complaints, reports or inquiries under this policy or for participating in a review or investigation under this policy. This protection extends to those whose allegations are made in good faith but prove to be mistaken. CCAR and MLS reserve the right to discipline persons who make bad faith, knowingly false, or vexatious complaints, reports or inquiries or who otherwise abuse this policy.

Where to report. Complaints, reports or inquiries may be made under this policy on a confidential or anonymous basis. They should describe in detail the specific facts demonstrating the basis for the complaints, reports or inquiries. They should be directed to the AE/CEO or the CCAR President or MLS Chair of the Board; if any of those persons are implicated in the complaint, report or inquiry, it should be directed to the CCAR President-Elect or MLS Chair-Elect, respectively. CCAR or MLS, as appropriate, will conduct a prompt, discreet, and objective review or investigation. Staff or volunteers must recognize that CCAR or MLS may be unable to fully evaluate a vague or general complaint, report or inquiry that is made anonymously.

Policy #33: Records Retention

It is the policy of the Association and MLS that the following records shall be maintained for at least the periods of time set forth below. No employee, officer or director of the Association or MLS shall destroy any of the below referenced records without following the procedures set

forth herein. The AE/CEO shall be responsible for periodically reviewing the records of the Association and MLS for compliance with this policy. No records of the Association or MLS shall be destroyed except under the supervision of the AE/CEO. Any officer of the Association or MLS, respectively, shall have the right to suspend the destruction of any records of the Association or MLS, respectively, for thirty (30) days upon written notice to the AE/CEO specifying the records not to be destroyed during this thirty (30) day time period.

Type of Document	Minimum Requirement
Accounts payable ledgers and schedules	7 years
Bank Reconciliations	7 years
Bank statements	7 years
Bills of Sale	7 years
Checks	10 years
Contracts (still in effect)	Length of contract plus 7 yrs
Correspondence (general)	2 years
Correspondence (with vendors)	7 years
Depreciation Schedules	Permanently
Duplicate deposit slips	2 years
Employment applications	3 years
Expense Analyses/expense distribution schedules	7 years
Insurance policies, etc.	Length of policy plus 10 yrs
Internal audit reports	3 years
Inventories of products, materials, and supplies	7 years
Invoices (to customers, from vendors)	7 years
Legal Opinions, lawsuits, and correspondence regarding legal matters	10 years
Membership applications and records	Permanently
Minute books, bylaws and articles of incorporation	Permanently
Notes and Deeds to Secure Debt	Length instrument plus 7 yrs
Outside audit reports	20 years
Payroll records and summaries	7 years
Personnel files (terminated employees)	7 years
Records of ethics hearings and commission arbitrations	10 years
Retirement records	10 years
Tax returns and worksheets	20 years
Trademark registrations and copyrights	Permanently
Withholding tax statements	7 years
Year End Financial Statements	20 years

Policy #34: Anti-Trust Compliance Policy Conduct for Meetings

The following is to be read at all Association Board, MLS Managers, and Committee meetings.

“The Corpus Christi Association of REALTORS® (CCAR), South Texas MLS and its Officers, Directors, Managers, employees, and committees fully support and intend to comply with all applicable federal and state anti-trust laws and shall not engage in any anti-competitive conduct or practice, nor allow CCAR or MLS to be used by any member, participant, subscriber, or committee for any anti-competitive effect, including but not limited to the following kinds of prohibited conduct:

1. Any discussion or effort to directly or indirectly fix, peg, raise, lower, control, recommend, suggest, or maintain brokers' commissions or commission splits on the sale of real estate.
2. Any contract, combination, conspiracy, discussion, or effort to divide or allocate real estate market customers.
3. Any discussion or effort to disparage or injure anyone's business or trade.

Minutes should be kept of all business of the Directors and/or Managers and standing Committees, which accurately summarize the action taken at the meeting. For maximum protection, the officer in charge and/or CCAR/MLS counsel should review the minutes to ensure the language used is not subject to misinterpretation."

Policy #35: Supra Access for Affiliate Members (Association policy only)

Active Local Affiliate members of CCAR are permitted to purchase Supra eKey service for use on lockboxes. Affiliates with an active TREC license may purchase a Standard Agent eKey. All other Affiliates may only purchase an Affiliate eKey with the following restrictions:

- a. Affiliate eKeys require a CBS (call before showing) code granted by the listing agent prior to accessing a lockbox.
- b. Affiliate eKeys are limited to one authorization code per week.

Policy #36: Conflicts of Interest Policy

Purpose. The purpose of a conflict-of-interest policy is to protect an organization's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest or result in a possible excess benefit for one of its officers, directors, or committee members. This policy is intended to supplement, but not replace, any applicable state and federal laws governing this topic.

Definitions:

Interested Person – any director, principal officer, or member of a committee with governing board-delegated powers who has a direct or indirect Financial Interest, as defined below.

Financial Interest – A person has a Financial Interest if the individual has, directly or indirectly, any actual or potential ownership, investment, or compensation arrangement with this organization or any entity that conducts transactions with this organization.

Duty to Disclose. Upon learning that CCAR or South Texas MLS is considering entering into an agreement, transaction, or relationship in which an Interested Person has a direct or indirect interest, whether individually or as a director, officer employee, agent, or equity owner in such organization, or if CCAR or South Texas MLS is considering undertaking a project or initiative that may result in an actual or potential conflict with the Interested Person's interests, the Interested Person shall immediately notify CCAR or South Texas MLS of any material facts related to interest in the organization. Such notice shall be submitted in writing or provided

verbally at the organization's board or committee meeting if the Interested Person first learns of the agreement or transaction at such meeting.

Determining whether a conflict of interest exists. The board or committee shall review each notice regarding the Financial Interests of its members. After disclosure of the Financial Interest, the Interested Person shall leave the meeting while the remaining disinterested individuals discuss and vote on whether a conflict of interest exists.

After exercising due diligence, the governing board or committee shall determine whether the organization can obtain with reasonable effort a more advantageous transaction or arrangement from a person or entity that would not produce a conflict of interest. The Interested Person shall not be present in the room during the determination.

If an alternative transaction or arrangement is not possible, the governing board or committee shall determine by a majority vote of the disinterested individuals whether the transaction or arrangement is in the best interests of the organization, for its own benefit, and fair and reasonable. Based on these determinations, the board or committee shall make its decision on whether to enter into the transaction or arrangement.

Policy #37: Payment Methods

The following are acceptable methods of payment: Credit cards, debit cards, and TeleCheck. Physical checks may be accepted for amounts over \$2,500.

The following are not accepted methods of payment: Cash, Money Order, Cashier's Check. Physical checks for \$2,500 or less will not be accepted.

Policy #38: Refunds

The Association and MLS are committed to delivering services in a timely fashion. All refund requests must be submitted in writing.

Membership dues are non-refundable after December 31st. MLS fees are non-refundable after the first day of the quarter (January 1, April 1, July 1, October 1).

Class registration may be refunded provided the attendee cancels at least 3 business days before the date of the class.

Registration for events may be refunded provided the attendee cancels at least 7 business days before the date of the event. Events include but are not limited to luncheons, functions, mixers, professional development, and fundraisers.

Sponsorships are procured to underwrite the cost of events and in most circumstances, are non-refundable. However, should an event be cancelled, any refunds will be at the discretion of the Association Executive.

Store merchandise is non-refundable, but exchanges may be considered.