



TUCSON ASSOCIATION OF
REALTORS®

POLICY STATEMENTS

Approved in Entirety: January 28, 2020
Most Recent Revision: December 15, 2020
Reaffirmed: January 28, 2020

Tucson Association of REALTORS® , Inc.

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Vision Statement

Your essential real estate resource *03/08/18*

Mission Statement

Collaborating with innovators, leaders, professionals and communities to strengthen the real estate industry through education, communication, advocacy and service *03/08/18*

Operational Philosophy

The Tucson Association of REALTORS® is a volunteer driven organization. As such, it relies on the volunteers to assist with the preparation of programs, functions and projects. Volunteer assistance with labor intensive projects enables the organization to keep overhead as low as possible and still provide quality service.

The Tucson Association of REALTORS® is based on a leadership model. The Board of Directors has empowered the Executive Committee, committees and staff by delegating to them specific roles that will enable the Board of Directors to achieve their visionary, strategic objectives as defined by the strategic plan. *Revised 01/11/18*

According to the NATIONAL ASSOCIATION OF REALTORS® “leadership association initiates policy formation and advocacy on all levels and seeks and implements innovative and creative programs, products and services that ultimately provide enhanced value for all REALTOR® association constituencies. Volunteer leaders determine future direction and set parameters within which staff is empowered to manage the organization; internal structure is created and managed by staff”.

The components of a leadership model are:

- A. Elected leadership that determines a long term (2–3 year) strategic vision and a short term (1 year) business plan to help achieve that vision *Revised 02/03/11*
- B. Committees that are fluid, determine policy within defined parameters and develop policy and action plans for achieving specific objectives
- C. Professional staff that possesses expertise and provides leadership in legal, regulatory and business issues impacting the association and transparently manages association business

The term "committee" as used in these Policy Statements shall be deemed to include the terms "work group," "sub-committee," "advisory group," "Presidential Advisory Group" and "Task Force." The term "Association" shall be deemed to mean the TUCSON ASSOCIATION of REALTORS®.

It's Our Organization!

Policy #1: Policy Purpose & Formulation

Policy statements are to be used for developing guidelines and standards for internal Association operations. Policy statements are on-going and are reaffirmed by the Board of Directors each year. Any new or changes to existing policies must be approved by the Board of Directors. Policy recommendations may be made by staff, committee chairs, the Board of Directors, the Executive Committee, or any member of the Association. Recommended policy changes must be presented, in writing, to the Chief Executive Officer for presentation to the Executive Committee prior to presentation to the Board of Directors for consideration.

Revised 07/21/16

Policy #2: Requests for Information

Requests for information from the general public, written or verbal, shall be referred to the President or Chief Executive Officer. The President, or President's designee, and the Chief Executive Officer, or the Chief Executive Officer's designee, 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. *Revised 07/21/16*

Policy #3: Public Policy Statements Made By Association Committees

Only the Home and Property Advocates Committee Chair (or their designee with the approval of the President) and the Government Affairs Director are empowered to make public policy statements which are consistent with the Legislative Policy Manual (LPM) without prior approval of the President or Chief Executive Officer. It shall be their responsibility and obligation to notify the President and the Chief Executive Officer, as soon as practical, of any public policy statements to be made. *Revised 07/21/16*

Policy #3(a): Internal or External Communication

No communication (to the public or to association members) shall be disseminated which advocates contrary to these policies, the adopted Legislative Policy Manual, or the endorsement / opposition to any candidate or ballot measure upon which the Association has taken a position. *Adopted 09/16/16*

Policy #4: Anti-Trust Compliance

The Tucson Association of REALTORS® 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 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.

Company Policies. Members shall not discuss with any competitor individual company policies relating to competitive policies, pricing or related types of sensitive information, including (a) commission levels, fees, business expenses or other business information or policies that would allow or encourage price fixing or maintenance; (b) bidding strategies either in general or for specific properties or any other information that would allow or encourage bid rigging; (c) a firm's competitive business decisions, including its policies regarding dealing with those firms offering different business models; (d) policies regarding the duration or types of listing agreements the firm will enter into or the form of compensation the firm will accept or negotiate; (e) the compensation offered or paid to a firm's agents or employees; (f) plans concerning any proposed or existing customers, clients or territories; (g) any other actions that might be construed as concerted attempts to restrain competition, including joint attempts to control or affect prices, market conditions, marketing practices, customer choice, or the like.

REALTOR® Association Membership. Membership in TAR is open to any individual or entity meeting the membership qualifications set forth in the bylaws of the association, without regard to the type of business models employed by its company. No member

shall influence the leadership of TAR that membership be limited to companies practicing particular business models, or that membership be denied to companies or members practicing business models with which the member is in competition or with which the member is unfamiliar or uncomfortable. Members shall take no action to influence the business conduct of customers or other members towards such competitors. *Revised 03/17/16*

Conduct of Meetings. All TAR meetings will be conducted in full compliance with antitrust laws. Discussion of any topic suggestive of an intent or agreement to restrict competition or fix prices shall be improper. Among such topics and discussions are:

- Discussions of individual company policies and practices;
- Criticism of another company's practices or of any particular business model; and
- Suggestions that TAR exclude from membership or participation those who practice any particular business model or engage in any unfamiliar or innovative activity or practice. Despite the fact that TAR counsel and staff are well versed in antitrust matters, the presences of counsel or staff at a meeting should not invite discussion of matters that violate the letter or spirit of this policy or the antitrust laws. It is the responsibility of each member in the first instance to avoid raising improper subjects for discussion. However, if discussion of any inappropriate topics occurs at any meeting, all members present should openly disassociate themselves from such discussions, and if the discussions do not end immediately, the meeting should be brought to a prompt adjournment by the person in charge of the conduct of the meeting. Committee chairs and others conducting meetings will find that adherence to prepared agendas for all TAR meetings will reduce the likelihood of inappropriate discussions.

Informal Settings. Members should also be aware that informal or social settings are inappropriate for discussion of the topics described in this policy, and that casual comments – even those made in jest – might have serious antitrust implications.

Enforcement Policy. This policy statement has been prepared to assure that TAR members, and especially TAR volunteers in TAR and other REALTOR® association meetings, are aware of their obligations under antitrust law. Consequently, members conducting or participating in meetings of any REALTOR® association shall see to the strict enforcement of this policy. Volunteers and participants may be required, as a condition of participation on TAR committees, work groups, task forces, leadership groups, governing bodies or other groups affiliated with TAR, to execute a copy of this policy to affirm their acceptance of its principles and agreement to comply with its terms. Members with questions about antitrust issues should contact competent advice in all cases involving specific situations as they arise, or when in need of guidance.

Policy #5: Confidentiality

Some matters discussed by the Executive Committee, Budget & Finance Committee, Board of Directors and Committees are problematic and 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. 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 then to the Chief Executive Officer and then to the Association President. 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 and/or membership.

Policy #6: Smoking

In accordance with Arizona law, smoking is strictly prohibited at all Association events and in all Association facilities and within 20 feet of entrances to said events or facilities.

Policy #7: Group Discounts

All requests to the Tucson Association of REALTORS® from individuals or organizations to provide group discounts to Association membership shall be referred to the appropriate committee(s) for approval subject to input and approval by the Chief Executive Officer.

- A. Requests/offers shall be made in writing.
- B. Proposed product or service shall fit within the Association's current Vision and Mission Statements.
- C. Membership must receive a pricing structure that is a group discount due to their Association membership. If the pricing structure offered is readily available to the general public through other outlets, the Association shall decline the offer.
- D. Proposed products shall not be in competition with items sold through the Association store.
- E. Consideration should include any potential legal or ethical responsibilities and risks for the Association, its employees and members that may be incurred for promoting the product or service to membership.
- F. There shall not be a monetary commitment needed from the Association to promote product/service/group discount.
- G. The product/service shall be competitive in quality and cost with similar products/service in the industry.
- H. The product/service must meet the needs of the membership.
- I. Length of term for the offer must be stated in writing. Provisions for renegotiating the offer at the end of each term should be provided.
- J. The provider must state in writing their procedure for handling customer complaints.

Revised 07/21/16

Policy #8: TAR Publications: Advertising

Affiliates and members may advertise in TAR Publications. Affiliates and members receive a benefit through their membership that entitles them a discount for contracting for multiple insertions. All non-members who wish to advertise will also be given an affiliate membership packet for their review.

Real estate firms and/or REALTORS® may not advertise for recruiting purposes. However, they may advertise for other purposes as long as the ad does not have a recruiting nature.

The Tucson Association of REALTORS® reserves the right to refuse advertisements for any reason. All advertisers shall indemnify the entire membership of the Tucson Association of REALTORS®, as well as the Association itself, from advertisements based on any claims

including, but not be limited to advertising that is: defamatory, libelous, obscene, an invasion of privacy or which has been obtained in violation of the proprietary right of any person or entity.

The Association will not discriminate with respect to race, creed, color, national origin, age, handicap or sexual orientation in accepting advertising, and will not accept advertising of services or products, which in any way indicates such discrimination by advertisers.

Revised 07/21/16

Policy #9: Facility Rental, Use and Event Advertising

- A. Affiliates, members and non-members may rent the Association conference facilities. All events being held in the Association facilities will be listed on www.tucsonrealtors.org.
- B. Classes and events that are sponsored by a Member or Affiliate of the Tucson Association of REALTORS® will be advertised in a special section of the weekly e-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 Tucson Association of REALTORS® staff.
- C. When non-Affiliate companies/organizations rent space from TAR to present a program or event, the subject matter may be of interest to REALTORS®. Note however, that TAR is simply making the meeting space available as a room rental; the program/event is not affiliated with TAR. Under those terms, TAR does not promote a rental group's program/event in any way.
- D. Individuals and groups that rent TAR facilities agree that they will not:
 - Bring in any audio/visual equipment other than a laptop
 - Disconnect or disable any TAR audio/visual equipment
 - Disconnect or disable any lighting fixtures
- E. Public officials, governmental entities and non-profit organizations are eligible to use, without charge, Association facilities for nonpartisan, educational / informational events, press conferences and similar functions subject to the approval of the CEO and the President.

Revised 07/21/16

Policy #10: Sponsorship / Partnership / Membership

The Tucson Association of REALTORS® through its committees or the Board of Directors, support community-related sponsorship endeavors, subject to the approval of the Board of Directors. *Revised 09/15/16*

Policy #10(a): Sponsorship / Partnership / Membership Guidelines

Funds in excess of \$5000 approved by the Board of Directors shall:

- be made only when there is a clear, demonstrable and quantifiable benefit to the membership of TAR.
- No funds shall commit TAR for an ongoing period of more than 3 budget cycles.
- Recipients of funds shall (annually) provide a written report with data demonstrating return on investment to the membership of TAR.

Adopted 09/15/16

Policy #11: Committee Financial Operation

Association committees have budgeted Income and Expenses, which have been approved by the Board of Directors in the Annual Budget. 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 Chief Executive Officer for presentation to the Board of Directors for approval.

Policy #12: Dues Payable

Dues for all Members shall be payable annually in advance not later than December 31 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. Dues shall be payable within thirty (30) days of activating the real estate license with a Designated REALTOR®.

Revised 11/17/16

Collection procedures are outline in ARTICLE X, Section 4 (Nonpayment of Financial Obligations) of the Association Bylaws.

- A. Dues not received within 10 calendar days of the due date will be subject to a \$100 late fee. *Revised 1/1/2020*
- B. Applicants reapplying for Membership within 90 days of Membership termination shall pay a \$75 application fee in addition to any outstanding monies owed by the Applicant. *Adopted 07/14/2011*

Publication of fees, dues and assessments shall be located on the TAR, TAR/MLS Price List. *Revised 09/15/16*

Policy #13: Collection Policy

The Tucson Association of REALTORS® is a membership organization which provides services to its members. Because the organization has made commitments to outside vendors to provide those services to its members, the fees charged to the members must be collected in a fair, consistent and timely fashion to ensure the ability of the organization to meet its' respective obligations. Dues shall be payable within thirty (30) days of activating the real estate license with a Designated REALTOR®. *Revised 11/17/16*

Collection procedures are outlined in ARTICLE X, Section 4 (Nonpayment of Financial Obligations) of the Association Bylaws.

- A. Any returned checks are subject to a \$25 service charge. One attempt will be made to collect on a Non-Sufficient Fund "NSF" check. Payments not received within 15 calendar days of notice to the member, will be turned over to the Pima County Attorney's program for bad check collection.
- B. Payments not received within 10 calendar days of the due date will be subject to a \$100 late fee. *Revised 1/1/2020*

Policy #14: Operating and Reserve Account Funds

All monies received by TAR shall be placed in the primary TAR checking account; subsequently, monies will be transferred to the appropriate reserve accounts as identified in the annual budget or as may be directed by the Board of Directors. All sums placed in named, 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. Designated Reserve Accounts will not be invested with an outside investment management firm. All non-designated Reserve Account Funds may be invested and managed according to the TAR Investment Policy and the TAR Bylaws.

Revised 07/21/16

Policy #15: Reserves

There shall be a goal of a total of one million dollars (\$1,000,000) to be placed in operating reserve accounts. *Revised 12/13/18*

Policy #15(a): Excess Reserves and Principal Reduction Payments

In the event that the operating reserve accounts reach a total of one million dollars, the Board of Directors shall begin to utilize any amount in excess of this one million dollars toward the annual operating budget and, if in excess of budgetary needs, may be used, by the direction of the Board of Directors, to make principal reduction payments toward payoff of the existing building mortgage. *Revised 12/13/18*

Policy #15(b): Contingency Funds (TAR budget line item)

The Contingency Fund is a separate line item of the TAR annual budget. It allocates a specified amount of money to be available in case of significant increases in expenses or significant decreases in revenues. At the end of the fiscal year, the first \$50,000 of any funds not utilized in that year's budgeted Contingency Fund line item shall be added to the reserve accounts. Any remaining Contingency Fund dollars above \$50,000 shall be allocated at the discretion of the Board of Directors. *Revised 12/13/18*

Policy #16: Access to Legal Counsel

The President and Chief Executive Officer are the only individuals authorized to directly contact Association Legal Counsel. Should there be a necessity for individuals or committees to meet with legal counsel, prior arrangements must be made through the Chief Executive Officer or the President. Should an individual contact legal counsel without prior approval, the individual may be billed in the amount incurred from that contact.

Policy #17: Contract/Encumbrances

The President or the Chief Executive Officer are authorized to enter into contracts or agreements in conforming to the annual operating budget as previously approved by the Board of Directors which incur financial or other liabilities to the Association. In specific situations senior staff members may be given the authority to sign checks and/or contracts in the absence of the Chief Executive Officer. In no instance may the individual entering into contracts or agreements be the same individual signing checks. *Revised 07/21/16*

Policy #18: Bid Policy

The process of seeking and retaining providers of products/services will be as follows:

- A. The Chief Executive Officer and Staff will research providers based on their professional knowledge of necessary requirements.
- B. If product or service is over \$5,000, at least three written bids will be presented to the Board of Directors as part of the recommendation providing there are three providers of satisfactory quality available for the required product/service.
- C. Criteria for recommendation of provider will take the following items into consideration: quality of service and cost.
- D. The Chief Executive Officer will present recommendations through the following process:
 - 1. Committee responsible, if applicable
 - 2. Executive Committee
 - 3. If the amount of the recommended bid is more than \$15,000, the Executive Committee recommendation will then go to the Board of Directors for consideration as an agenda item. If it is less than \$15,000 it shall be placed on the Consent Agenda.
- E. Periodically the Chief Executive Officer, will determine the need/benefit of rebidding any existing product or service. In no way (except in the case of a monopolized utility) shall a product or service enjoy an ongoing relationship with TAR or any subsidiary for more than three (3) years from date of latest contract without such a review.

These bidding requirements do not apply to contracts for venues for Association events, vendors providing services to the event or temporary staffing agencies. The Chief Executive Officer will use reasonable discretion when entering into these agreements. *Revised 07/21/16*

Policy #19: Reimbursement of Travel Expenses

The following policy provides general guidelines for members traveling on behalf of the Association including deadlines, dollar limits, expense reports and receipts. *Revised 04/23/15*

Policy #19(a): Expense Reports

Expenses for reimbursement must be recorded on TAR's approved Member Expense Report form (available on TucsonRealtors.org - <https://www.tucsonrealtors.org/member-tools/forms-documents>). The form must include the member's name, email and mailing addresses, date(s) of travel, business purpose, committee/task force and member signature. The completed form and all applicable receipts must be submitted electronically to TAR for approval via e-mail to finance@tucsonrealtors.org or fax at (520) 322-6613. Please note that the expense report form should be completed by typing in all information (instead of handwriting) for automatic calculation of expense totals and for faster processing of reimbursements.

The Association will not reimburse expenses which are not in compliance with this policy or IRS requirements. Exceptions are approved at the CEO's discretion. If discrepancies are noted on the expense report, the Chief Financial Officer will contact the member to resolve the issue. If there are special circumstances, instructions on how to resubmit expense items to TAR's will be provided by the CEO upon request. *Adopted 07/21/16*

Policy #19(b): Deadlines

All expenses must be submitted on the approved expense report (along with required receipts) within 30 days of the completed trip. Once an expense report is submitted via e-mail or fax, it must be approved by the CEO and the Chief Financial Officer. After approval, the Chief Financial Officer shall process any reimbursement for payment within five (5) business days. *Revised 07/21/16*

Policy #19(c): Receipts

In accordance with TAR policy and IRS requirements, receipts are required for all expenditures equal to or greater than \$25. All receipts are required for air travel, lodging costs and car rentals regardless of amount. Members are strongly encouraged to submit receipts for all expenditures with their expense report, where possible. *Adopted 04/23/15*

Policy #19(d): Reimbursable Expenses

TAR qualifies the following expenses as reimbursable for members traveling on behalf of the Association:

- Airline/Rail Transportation
- Car Rental
- Use of Personal Cars-Mileage and Parking
- Taxis/Public Transportation
- Lodging
- Meals & Incidentals
- Guest Entertainment
- Tips
- Telephone/Fax

Adopted 04/23/15

Policy #19(e): Airline/Rail Transportation

Members must purchase seating in the Economy or Coach class of fares. Additional costs for premium class seating (i.e., – first class, business class, economy plus, etc.) are not reimbursable. Tickets should be purchased as early as possible to take advantage of the lowest costs.

- A. Checked and carry-on baggage fees (up to a total of 2 checked bags per trip) are reimbursable. However, overweight baggage fees are not reimbursable.
- B. A member can include personal travel in conjunction with a TAR business trip; however, the member is responsible for payment of the personal portion of the trip.
- C. Members will not be reimbursed for business use of frequent flyer miles or vouchers, vouchers for bumping, discount coupons or other instruments of value. Such discount instruments, if earned as a result of personally paid travel, should be used for subsequent personal travel.

Airline/Rail travel receipts must be submitted regardless of the expense amount. Refer to Policy Statement # 19(c)-Receipts. *Revised 07/21/16*

Policy #19(f): Car Rental

Rental cars are reimbursable only when other methods of transportation are not obtainable. The CEO must be consulted if a member needs to rent a car. If it is necessary to rent a car, the collision damage waiver must be purchased. This is to ensure that the member will not

be liable for out-of-pocket expenses should an accident occur.

Car rental receipts must be submitted regardless of expense amount. Refer to Policy Statement 19(c)-Receipts. *Adopted 04/23/15*

Policy #19(g): Use of Personal Vehicle-Mileage/Parking

If a member chooses to drive to a meeting in lieu of flying, he/she should consult with the CEO. Reimbursement will be based on reasonable costs, and the reimbursed amount will not be higher than applicable air travel costs. Mileage reimbursement is equal to the number of business miles driven multiplied by the IRS approved mileage rate. Gas used in a personal car is not reimbursed because the IRS includes this expense in the mileage reimbursement calculation. Actual costs of parking and tolls for approved business trips are reimbursable. Traffic fines and parking violations are not reimbursable.

When choosing transportation to and from the airport, the cost of airport parking should be considered. When traveling for an extended period, driving to and parking at the airport may be more expensive than taking a taxi, bus or airport limousine. *Adopted 04/23/15*

Policy #19(h): Taxis/Public Transportation

Business related local transportation costs are reimbursable (i.e., taxi, bus or local rail service) including limo/taxi costs to and from the airport.

Receipts are required for all expenditures equal to or greater than \$25. *Adopted 04/23/15*

Policy #19(i): Lodging

Incidental expenses (i.e., personal phone calls, mini bar charges and in-room entertainment) are not reimbursable expenses and should be deducted from the amount billed to TAR.

Hotel receipts which include line item expenditures and proof of payment must be submitted with expense reports. *Adopted 04/23/15*

Policy #19(j): Meals and Incidentals

The Association reimburses traveling members a \$75.00 per diem rate for meals and incidental expenses (M&IE). (\$15 Breakfast, \$20 Lunch, \$40 Dinner)

The M&IE per diem on the first and last day of travel will be based on the start and return time of travel.

Start Time – First Day	Eligible Per Diem Meals	Return Time – Last Day	Eligible Per Diem Meals
12:00 am – 9:00 am	Breakfast, Lunch and Dinner	12:01 am – 9:59 am	Breakfast
10:00 am – 3:59 pm	Lunch and Dinner	10:00 am – 3:59 pm	Breakfast and Lunch
4:00 pm – 7:59 pm	Dinner	4:00 pm – 12:00 am	Breakfast, Lunch and Dinner
8:00 pm – 11:59 pm	N/A		

When the host, conference or other source provides a meal(s), per diem will be reduced accordingly. *Revised 01/28/20*

Policy #19(k): Guest Entertainment

The Association reimburses for guest entertainment expenses defined as those activities paid by TAR members, on the behalf of others, in the advancement of TAR's business goals and concerns. In accordance with IRS requirements, the expense report MUST include the names of the guests and the business purpose. *Adopted 04/23/15*

Policy #19(l): Tips

Reasonable tips for regular business meetings and annual meetings are reimbursable. Note that tips are reported as part of the taxi or airport limousine fare and as part of meals on expense reports. *Adopted 04/23/15*

Policy #19(m): Telephone/Fax

All TAR business calls are reimbursable except air-to-ground (air phone) calls. Where possible, members should use his/her cellular phone to make personal phones calls while traveling on NAR business so as to not incur additional surcharges (i.e., hotel). *Adopted 04/23/15*

Policy #19(n): Non-Reimbursable Expenses

The following expenses are considered non-reimbursable for members traveling on behalf of the Association:

- A. Cost of premium airline/rail seating (i.e., -first class, business class, economy plus, etc.)
- however, note that fees for seat assignments within coach or economy classes are reimbursable
- B. Business use of frequent flyer miles and other discount instruments
- C. Fees for additional earning of miles
- D. Gas for personal vehicles (already covered by IRS mileage reimbursement rate)
- E. Traffic fines or parking violation
- F. Personal entertainment (i.e., - in-room movies, airline headphones, books, magazines, etc.)
- G. Barber or beautician services
- H. Clothing items

Revised 07/21/16

Policy #19(o): Volunteer payment of non-reimbursable expenses

Any volunteer using a TAR credit card, or other TAR payment system, who uses same to pay for any non-reimbursable expense(s) agrees to pay any such expense(s) within 30 days of filing their expense report. *Adopted 04/23/15*

Policy #20: President/President-Elect Travel

Reasonable budgeted travel expenses and registration fees for the President and President-Elect shall be established in the annual budget for attendance at the following meetings less any funding which is received from another funding source:

- NAR Annual Convention (up to \$2,500)
- NAR Mid-Year Meeting & Legislative Conference (up to \$2,500)
- AAR Board of Directors Meetings
- Arizona REALTOR® Convention
- AAR Leadership Conference

Region 11 Meeting
NAR Leadership Summit (President-Elect only)
AAR Leadership Training Academy (President-Elect only)

Reasonable budgeted travel expenses and registration fees for the incoming President-Elect shall be established in the annual budget for attendance at the following meetings less any funding which is received from another funding source:

NAR Annual Convention (up to \$2,500)

Reimbursed items will include reasonable expenses for meeting registration, lodging, coach airfare, ground transportation (personal vehicle, portal to portal, if over 50 miles roundtrip), food and other actual reasonable expenses. To be reimbursed the President/President-Elect must attend a minimum of the NAR 360, appropriate Board Sub-Forum, State & Board President Roundtables, AAR Caucus, and the Regional Caucus, when applicable. If the President or President-Elect serves as a member of a NAR Committee, attendance at said committee meetings shall supersede the requirement to attend the required meetings if a conflict in scheduling occurs, provided an alternate agrees to attend in the place of the President or President-elect.

All other travel and/or per diem expense requests for the President, President-Elect or delegate of the Tucson Association of REALTORS® may be approved by the Chief Executive Officer or at the Chief Executive Officer's recommendation of approval by the Board of Directors. Anyone accepting such funding shall be obligated to attend and represent the Association at those meetings and/or programs that are the subject of the request.

Revised 01/11/18

Policy #21: NAR Director Travel

Any Tucson Association of REALTORS® member serving on the National Association of REALTORS® as a National Director shall receive reimbursement for attendance at the following meetings, any funding which is received from another funding source:

NAR Annual Convention (up to \$2,500)
NAR Midyear Legislative Meeting (up to \$2,500)
NAR Region 11 Meeting

To receive reimbursement the participant must provide a written report of the Directors Meeting within 30 days of the NAR Meeting. Reimbursed items will include meeting registration, lodging, coach-airfare, ground transportation (personal vehicle, portal to portal, if over 50 miles one-way), and food. *Revised 07/21/16*

Policy #22: NAR Committee Member Reimbursement

Tucson Association of REALTORS® members serving on National Association of REALTOR® committees or the National Association of REALTOR® Board of Directors shall be eligible for expense reimbursement for expenses associated with attendance at the NAR Legislative

meetings and the NAR Convention and Trade Show according to the following unless funding is provided from another source:

NAR Director (up to \$2,500)

NAR Committee Chair/Vice Chair (up to \$2,500)

NAR Committee Member (up to \$2,500)

Federal Political Coordinators (FPCs) (up to \$2,500)

Reimbursed items include reasonable expenses for meeting registration, lodging, coach airfare, ground transportation (personal vehicle, portal to portal, if over 50 miles round trip) and food. To receive reimbursement the participant must provide a written report of the committee meeting within 30 days of the NAR Meeting attended. *Revised 07/21/16*

Policy #23: AAR Director Reimbursement

Members serving as a member on the AAR Board of Directors on behalf of the Tucson Association of REALTORS® shall be reimbursed up to \$500 for each AAR Directors meeting attended outside of the Tucson metropolitan area. AAR Directors who receive funding from another source for the meeting shall not be entitled to the \$500. Tucson Association of REALTORS® NAR Directors serving as a member on the AAR Board of Directors shall also be reimbursed up to \$500 for each AAR Directors meeting attended outside the Tucson metropolitan area. *Revised 08/24/17*

Policy #24: Committee Communications

Except as provided under Policy #3, under no circumstances shall a Committee Chair send any information to the public related to the committee which is not coordinated with Chief Executive Officer or President. *Revised 02/03/11*

Committee communications which promote to the public a function through a press release or any electronic means shall require the prior approval of the Chief Executive Officer, Designated Staff or President. Said communications release shall be written and released by the Chief Executive Officer, Designated Staff or President. *Revised 07/21/16*

Policy #25: Association Open Meeting Policy

All committees, the Executive committee, sub committees, task forces and Board of Directors meetings of the Tucson Association of REALTORS® shall be open to the membership at-large except when an executive session is called. *Revised 01/21/16*

Policy #26: Staff Liaison/Meeting Schedule

The Chief Executive Officer 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 Chief Executive Officer or the President. Committee Chairs shall make arrangements for meetings through the assigned staff liaison. *Revised 01/11/18*

Policy #27: Coordination of Association Activities

All functions of Association committees shall be coordinated through the Chief Executive

Officer in an effort to avoid conflicts. A master calendar for scheduling purposes will be maintained at the Association office.

When outside facilities are required for use by any committee, approval must first be obtained from the President or the Chief Executive Officer. *Revised 07/21/16*

Policy #27(a): Community Events

The CEO shall coordinate attendance at community events with the Executive Committee to determine which events will be attended and who will represent TAR. The events include the state of county / state of city luncheon; the state of the state luncheon; the state of the district luncheons (CD 1, 2 and 3), the Sun Corridor annual luncheon, SAHBA installation and any other similar events approved by the Executive Committee. *Adopted 09/15/16*

Policy #28: Committee Member Participation and Attendance at Committee Meetings

Only those members who have been appointed and confirmed by the Board of Directors 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. *Revised 08/21/14*

Policy #29: Tucson Association of REALTORS® Staff Support

All Association staff are directly responsible to, and under the direction of, the Chief Executive Officer. Any requests for staff time shall be coordinated through the Chief Executive Officer. The Chief Executive Officer is responsible for the hiring and terminating of employment of all staff members.

Policy #30: Committee Meeting Minutes Procedure

A copy of the minutes of all committee meetings shall be available to the Committee members prior to their next regularly scheduled meeting. *Revised 07/21/16*

A copy of the reports and minutes of all committee meetings will be distributed to the Board of Directors prior to their next regularly scheduled meeting. *Revised 02/26/09*

Policy #31: Board of Directors Agenda Items

Items to be placed on the Board of Directors Agenda shall be submitted to the Chief Executive Officer and President 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 or Chief Executive Officer to be an emergency. Any person requesting the placement of an item on the Agenda which is deemed not to be an emergency by the President or the Chief Executive Officer, may appeal that decision directly to the Board of Directors, and in such case the item will require a two-thirds affirmative vote to be placed on the agenda. *Revised 07/21/16*

Policy #32: Support Services for Institutes, Societies and Councils

The Association may provide reasonable administrative support services, as determined by the Chief Executive Officer, to affiliated Institutes, Societies and Councils. The Association may provide school administration services and/or funding to affiliated Institutes, Societies and Councils or, for a program that is deemed to be of significant importance to the industry. The Association will not obtain course or instructor approval for any other courses that are out of the direct control of the Association. *Revised 02/03/11*

Policy #33: Noise Emitting Devices

All noise emitting devices must be in the silent or off mode in all Association meetings or programs unless being used for meeting purposes. *Revised 07/21/16*

Policy #34: Home and Property Advocates Committee

The Home and Property Advocates Committee is charged with representing the Association's official position(s) on issues contained in the Legislative Policy Manual (the "LPM") as reviewed and annually approved by the Board of Directors of the Tucson Association of REALTORS®. The LPM establishes Association positions on various city and county related public policy issues. In the event an issue is not addressed in LPM, the consent of the Board of Directors shall be required prior to any action being taken.

The President-Elect shall appoint the incoming Home and Property Advocates Chairman, pending Board approval, not later than November 1st. The Home and Property Advocates Committee shall be composed of 10 or more members, at least one of whom shall be a member of the Board of Directors. The Committee is charged with monitoring and acting upon local government actions as they may relate to private property rights, real property, the real estate industry and REALTOR® interests. *Revised 07/21/16*

The Home and Property Advocates Chairman, in conjunction with the Government Affairs Director, shall be charged with making recommendations to the President regarding the filling of vacancies on local boards, commissions, agencies, committees and task forces.

The Home and Property Advocates Committee shall, no later than September of each year, be charged with reviewing and recommending any prospective changes of the LPM to the Tucson Association of REALTORS® Board of Directors. Any recommendations for changes to the Home and Property Advocates Legislative Policy Manual shall require a 2/3 vote or more of those in attendance at the Home and Property Advocates Committee meeting.

Additionally, the Home and Property Advocates Committee shall be charged with reviewing, updating and making recommended changes to this policy, or any related, policy(ies) no later than September of each year and immediately reporting its findings to the Tucson Association of REALTORS® Board of Directors.

The Home and Property Advocates Committee and the Candidate and Ballot Measures Task Force are charged with utilizing the resources available through the Arizona Association of REALTORS® Issues Mobilization Committee (RIMC), the National Association of REALTORS® Issues Mobilization Committee and the local Legislative Issues Reserve (LIR) in implementing Association positions as delineated in the LPM. Allocations from the LIR are authorized pursuant to the following guidelines:

- A. Amounts less than \$5,000 (\$10,000 aggregate per issue) may be expended from the LIR. Approval must be granted by a majority of the Home and Property Advocates Committee or Candidate and Ballot Measures Task Force at a regular meeting, special meeting, or by electronic vote. *

- B. Amounts of more than \$5000 but less than \$10,000 per issue may be expended from the LIR by a 2/3rds majority vote of the Home and Property Advocates Committee or Candidate and Ballot Measures Task Force at any regular or special meeting.
- C. Any amount over \$10,000 expended from the LIR must have the majority approval of the Home and Property Advocates Committee or Candidate and Ballot Measures Task Force at any regular or special meeting and is subject to the subsequent approval of the Board of Directors either at a regular meeting or special meeting.
- D. All funding request(s) made of the LIR shall be consistent with the LPM and these policies as may be in effect at the time of the request.
- E. All funding request(s) made to the AAR RIMC and or the NAR Issues Mobilization Committee shall comply with the policies and requirements of that committee in effect at the time of the request.
- F. ALL allocations of funds shall be in compliance with any applicable federal, state, or local laws.

*Electronic votes may be permitted at the direction of the Chair of the Home and Property Advocates Committee or the Candidate and Ballot Measures Task Force if the issue is time sensitive and the subject to which the expenditure request applies was discussed at a previous meeting of the Committee.

To ensure that the Legislative Issues Reserve (LIR) is funded to a minimum level of \$150,000 at the beginning of each fiscal year, the following budget related policy shall apply:

- A. In the event that the LIR falls short of the \$150,000 at the end of the fiscal year, the Board of Directors may initiate any of the following to bring the LIR to the desired fund level of \$150,000;
 - 1. an allocation of any excess funds from the general fund to the LIR;
 - 2. a special assessment of membership to the LIR;
 - 3. a portion of dues to be designated to the LIR;
 - 4. any other funding mechanism approved by the Board of Directors.
- B. In the event that the LIR exceeds \$150,000 at the end of the fiscal year, the Board of Directors may elect to reallocate the excess to the general fund.

Revised 08/15/19

Policy #35(a): Candidate and Ballot Measure Task Force

The Task Force shall be composed of at least 7, and not more than 13, Association members and consist of a balanced mix of registered voters from the two major political parties and registered independent voters. The members should be experienced in local politics and preferably have served on the Home and Property Advocates Committee. At least one TAR Board Member shall also serve on the Task Force.

The incoming RAPAC Task Force Chair, Tucson Association of REALTORS® President-Elect and the incoming Chair of the Home and Property Advocates Committee shall be ex-officio members. Additionally, three of the Task Force members shall be “at large members” appointed to the Task Force by the President-Elect of the Tucson Association of REALTORS®. By February 1st of each year, the President-Elect shall solicit the membership for volunteers to serve on the Task Force. Volunteers must submit a resume and biographical information

and shall qualify for potential selection based solely on their demonstrable support of the REALTOR® Party and the LPM.

The Home and Property Advocates Chair shall, no later than December 15th of each year, appoint the incoming Task Force Chair, subject to Board of Directors Approval. The Task Force Chair, no later than February 15 of each year, shall appoint the otherwise undesignated members, as well as at least one 'alternate' from each of the three main parties, to the Task Force and shall identify the various elections, and election cycles (e.g., primary and/or general and/or special) which the Task Force shall be charged with (e.g., City of Tucson, Town of Oro Valley, Town of Marana, Town of Sahuarita, County of Pima, School District races, County Line Officer races, or any other elective office(s) or ballot issues at the local level which are deemed to have an impact on our profession). Interview portions of the meetings of the Task Force shall be open to members of the Tucson Association of REALTORS® as non-participant observers. The Chair of the Task Force shall call an executive session for the purposes of discussing and casting votes to endorse not endorse or oppose any candidate or ballot measure.

Provided that there are no overriding circumstances or general election opposition, any candidate who is endorsed by the Task Force in a primary election shall be presumed to be endorsed in the general election. "Overriding circumstances", for purposes of this provision, shall be determined by a vote of not less than a 70% affirmative vote of the Task Force.

The Task Force shall also be charged with reviewing, updating and making recommended changes to Policy Statement #35(a), (b) and (c) no later than July of each year and immediately reporting findings to the Home and Property Advocates Committee.

Revised 07/21/16

Policy #35(b): Candidate Endorsements

The Task Force shall be charged with interviewing, endorsing, not endorsing or opposing candidates for public office, regardless of political party. Endorsements are strictly limited to those candidates who are demonstrably supportive of "the REALTOR® Party" (e.g., are supportive of private property rights, real property, the real estate industry and the real estate related positions and policies as outlined in the LPM).

The Task Force shall, no later than June 30th of each year, be charged with creating, the related REALTOR® party questions to be used during the candidate interview process. The questions shall be framed directly from the LPM and shall be identical for each interview. Relevant, timely issues/questions may be added to the questionnaire by the Task Force. Rules, guidelines and procedures will be established by the Task Force Chairman and strictly adhered to by the Task Force members.

The Task Force is authorized to endorse, not endorse or oppose any candidate. The endorsement, non-endorsement or opposition of any candidate shall be communicated to the Chair of the Home and Property Advocates Committee, the Chief Executive Officer and the

Tucson Association of REALTORS® Board of Directors prior to any public statement being made and shall conform to the requirements of Policy Statement #3. The Task Force is authorized to expend RAPAC monies in support of any endorsed candidate as well as directing all authorized internal and external mechanisms available to further the endorsement or opposition of any candidate. *Revised 07/21/16*

Policy #35(c): Ballot Measure Endorsements

The Task Force is charged with reviewing all local ballot initiatives and referenda related to private property rights, real property, the real estate industry and the LPM. Any ballot initiatives or referenda which, in the reasonable consideration of the Home and Property Advocates Committee or the Task Force, meaningfully affect private property rights, real property or the real estate industry and are demonstrably identified in the LPM may be endorsed, not endorsed or opposed. The endorsement, non-endorsement or opposition of any such local ballot initiatives and referenda shall be transmitted to the Chair of the Home and Property Advocates Committee, the Chief Executive Officer and the Tucson Association of REALTORS® Board of Directors prior to any public statement being made and shall conform to the requirements of Policy Statement #3.

Any ballot initiatives or referenda which, in the reasonable consideration of the Home and Property Advocates Committee, meaningfully affect private property rights, real property or the real estate industry and are not identified in the LPM shall be reviewed by the Task Force, and then referred, with a recommendation made, to the Tucson Association of REALTORS® Board of Directors for their consideration and action. Any such recommendation shall be to endorse, not endorse or oppose and shall include a related recommendation for the amendment of the LPM which is consistent with the recommendation on the initiative or referendum in question.

The Task Force is authorized, subject to the limitations prescribed under Policy Statement #34, to expend monies in support of the passage or defeat of any endorsed, or opposed, ballot initiatives and/or referenda as well as directing all authorized internal and external mechanisms available to further the endorsement or opposition of same.

Revised 07/21/16

Policy #36: Officer and Staff Political Endorsements

No Officer and Director or staff person of the Association may knowingly allow his/her Association title to be used for promotion of a political candidate or ballot issue. The Chief Executive Officer, the President or Government Affairs Director may not knowingly allow his/her name to be used for promotion of a public candidate or ballot issue.

Revised 07/21/16

Policy #37: Candidates for Association Elected Office

Each candidate may receive one Association email blast for campaign purposes. *Revised 02/03/11*

Policy #38: Voting Procedures

- A. The Chief Executive Officer of the Tucson Association of REALTORS[®], Inc. shall be responsible for implementing the voting procedures.
- B. Elections shall be conducted electronically.
- C. Members eligible to vote will be provided detailed voting instructions with the Candidate Information provided in advance of the election period. Members eligible to vote shall be those members in good standing with the Association (all dues and fees paid), have completed any course of instruction required for membership, and are classified as “voting members” by the Association’s bylaws. The election period shall be determined by the Chief Executive Officer in compliance with Policies and/or Bylaws.
- D. The election site will clearly state “Vote for not more than #.” # indicates the number of positions available.
- E. The election site will be a secure site, allowing eligible members to vote only during the election period.
- F. Members without internet access may cast their electronic vote at the Association office during the election period.
- G. In the event of a tie between two or more REALTOR[®] candidates for a particular vacancy, a secret ballot shall be taken at the first Board of Directors meeting, the candidate receiving the highest number of votes shall be declared elected.
- H. Voting by eligible Affiliate members for the Affiliate position on the Board of Directors shall follow the same procedures as for REALTORS[®], including the written ballot by the Board of Directors in the case of a tie.
- I. At the completion of the election period, the results will be available to the Chief Executive Officer or his/her designee via a password protected website from the electronic voting provider. The President, or, if the President declines, the President-Elect shall have the right to view the results from the electronic voting provider to verify the results of the election. No information will be maintained that would indicate who voted for whom. *Revised 07/21/16*
- J. Results of elections shall become part of the permanent records of the Association. Results of the elections shall be announced to the membership within 7 business days of the end of the election period. Vote results shall be published on the Association website for 30 days. Vote result numbers shall not be published but will be available to members upon request.

Policy #39: Limitation of Representatives from Firms

The Nominating, Credentials and Recognition Task Force shall be responsible to advise all candidates running for a position of Officer or Director of the Association that pursuant to the Bylaws Article XI Section 1 the maximum number of Directors associated with any one firm who may simultaneously serve in such positions shall be limited to three (3) persons; of the three (3) Directors, a maximum number of two (2) Directors can be Officers. The Committee shall prepare a written statement to be signed by each candidate running for a position as an Officer or Director acknowledging that the candidate has reviewed and is familiar with this Policy #39. Concerning the three Director limitation from any one firm the following rules shall govern the elections:

- A. If there are currently three (3) Directors serving (who will continue to serve following the

election) from any one firm, then any candidate associated with that same firm wishing to run for the position of Director is advised (s)he is ineligible to run. If there is no other candidate who ran for that same position or who ran but, for any reason, is not willing to assume that position, then the position shall be declared vacant. The vacant position shall be filled expeditiously by the President making a recommendation of an eligible person to fill the position subject to confirmation by the Board of Directors.

- B. If less than three (3) persons associated with the same firm currently serving (and will continue to serve in such positions during the ensuing year) either as Officer(s) and/or Director(s) then there are only one or two potential position(s) available to that firm to fill. If more persons from the same firm run for positions either as Officer(s) or Director(s) than there are positions available to that firm and they are successful in obtaining the highest number of votes for the respective positions they ran for then the person(s) from that firm running for the position(s) of Officer receiving the highest number of votes will be eligible to fill the second and/or third position prior to the Director positions being considered. Thus, first preference shall be provided to the person(s), if any, from that firm who was (were) running for the position(s) of an Officer of the corporation. If there is still a position(s) available to the firm then the person(s) running for a position as Director with the highest number of votes as between or among those running from the same firm for position(s) as Director will be given preference and will be seated as a director. Any other candidates associated with that same firm who may have prevailed with the highest number of votes for the position they ran for, but with less votes than the other candidate(s) from the same firm running for a position as a Director will be ineligible to be seated for the position they ran for. In such a situation the candidate from another eligible firm running for that same position with the next highest number of votes will be declared to be the winning party. If there is no other candidate who ran for that same position or who ran but, for any reason, is not willing to assume that position, then the position shall be declared vacant. The vacant position shall be filled expeditiously by the President making a recommendation of an eligible person to fill the position subject to confirmation by the Board of Directors.

If there is any dispute, of any nature, arising out of the election, it shall be presented to the Board of Directors at its next regular meeting or at a special meeting to resolve the dispute. The decision of the Board of Directors shall be final and binding. *Revised 08/27/2020*

Policy #40: TAR Support of Candidates to AAR, Regional, ISC and NAR Elective Positions

Any member who intends to run for an elective or appointed position at AAR (including Region 5), NAR (including Region 11) or national level Institutes, Societies and Councils (ISC) affiliated with NAR, and who desires the endorsement or financial support of TAR shall provide a resume, a campaign plan, a budget if funds are being requested and a description of the position being sought to the CEO and President not less than 30 days prior to the election or appointment deadline. Said budget request shall not exceed \$2500. The request will be considered by the Executive Committee and forwarded to the Board of Directors for approval when the required submittals are deemed complete. *Revised 02/25/2020*

Policy #41: Staff Relatives in Leadership Positions

Family members of staff shall not be eligible to serve as an Association Officer or on the Board of Directors. If such a relationship develops at the time a member is serving in any of said leadership positions, the elected leader or staff member must resign.

Family Member as used in this policy includes the following persons: -

- A. A spouse or significant other of the staff member. Significant Other as used in this policy is one who stands in place of a spouse and who resides with the employee.
- B. A natural or adopted son or daughter of the staff member or a descendant of either.
- C. A stepson or stepdaughter of the staff member.
- D. The father or mother of the staff member or an ancestor of either.
- E. A stepfather or stepmother of staff member.
- F. A son-in-law, daughter-in-law, father-in-law or mother-in-law of the staff member.
- G. A brother or sister of the staff member.

Revised 07/21/16

Policy #42: Policy Prohibiting Harassment (including sexual harassment)

The Tucson Association of REALTORS® is committed to providing a work environment which is free of discrimination and/or harassment. In keeping with this commitment, the Association will not tolerate verbal or physical conduct by any employee or Member that harasses, disrupts, or interferes with another's work performance or that creates an intimidating, offensive, or hostile environment.

- A. Employees and Members are expected to maintain a productive work environment which is free from harassing or disruptive activity. No form of harassment will be tolerated, including harassment based on but not limited to: gender, race, national origin, religion, disability, pregnancy, age, military status, sexual orientation or gender identity. Special attention should be paid to the prohibition of sexual harassment, which includes harassment by members of the same or of the opposite sex. *Revised 07/21/16*
- B. Each staff supervisor has a responsibility to keep the workplace free of any form of harassment, and in particular, sexual harassment. No employee or Member is to threaten or insinuate, either explicitly or implicitly, that an employee's refusal or willingness to submit to sexual advances will affect the employee's terms or conditions of employment.
- C. Other sexually harassing or offensive conduct in the workplace, whether committed by supervisors, managers, non-supervisory employees, or non-employees, is also prohibited. Such conduct includes:
 - 1. Unwanted or unwelcome physical contact or conduct of any kind, including sexual flirtations, touching, advances, or propositions;
 - 2. Verbal abuse;
 - 3. Jokes of a demeaning or sexual nature;
 - 4. Demeaning, insulting, intimidating, or sexually suggestive comments about an individual's dress or body;
 - 5. The display in the workplace of demeaning, insulting, intimidating, or sexually suggestive objects or pictures, including nude photographs; and

6. Demeaning, insulting, intimidating, or sexually suggestive written, recorded, or electronically transmitted messages.
- D. Any of the above conduct, or other offensive conduct, directed at individuals because of their race, national origin, religion, disability, pregnancy, age, or marital status is also prohibited.
- E. Any employee who believes that a supervisor's, manager's, employee's, or non-employee's or member's actions or words constitute unwelcome harassment has a responsibility to report or complain about the situation as soon as possible. The report or complaint should be made to the employee's supervisor, to the Chief Executive Officer or to a member of the Executive Committee of the Board of Directors. *Revised 07/21/16*
- F. All complaints of harassment are to be referred to the Chief Executive Officer for prompt investigation in as impartial and confidential a manner as possible. Employees and Members are required to cooperate in any investigation. A timely resolution of each complaint is to be reached and communicated to the parties involved.
- G. Retaliation against any employee for filing a complaint or participating in an investigation is strictly prohibited.
- H. Any employee or Member who is found to have violated the harassment policy will be subject to immediate and appropriate corrective action, depending on the circumstances, up to and including termination of employment or membership.

Policy #43: Alcoholic Beverages

Alcoholic beverages may only be made available or consumed at the Association facility for special functions which are either Association sponsored events or in conjunction with a facility rental agreement with a third party for a special event. Any Lessee desiring to make available or serve alcohol at the Association facility must provide the Association, in advance of the event, a certificate of both general commercial liability insurance and liquor legal liability insurance each in the amount of not less than one million dollars (\$1,000,000.00) naming the Association as an additional named insured on each policy. The Chief Executive Officer shall have the right to impose additional requirements he/she deems reasonably necessary to protect the interest of the Association and its facilities when alcohol will be made available or consumed at the facility. *Revised 08/21/14*

Policy #44: Association Training Rooms

The Chief Executive Officer or designee is authorized to refuse access to any non-member individual groups or entities. *Revised 07/21/16*

Policy #45: Role of the Board of Directors

The Board of Directors is the governing body of the Association and is empowered by the Bylaws to lead, and ultimately be responsible for, the corporation called the Tucson Association of REALTORS[®], Inc.

The Board of Directors:

- Approves the strategic and business plans

- Approves the annual budget and exceptions to the budget
- Accepts financial statements
- Approves minutes of previous meetings
- Approves committee members nominated by the President
- Ratifies Executive Committee recommendations presented as a consent agenda (a board member may request special consideration of any item on the consent agenda as long as the issue is placed on the board agenda 48 hours prior to a meeting)
- Employs a Chief Executive Officer to manage the day to day affairs of the Association and who is responsible for staff
- Oversees the strategic direction of the organization
- Ensures compliance with legal norms and good business practices

The Board may, in compliance with the Bylaws and Policy Statements, have access to any corporate documents, review any process or service of the Association and pass binding resolutions to achieve the goals of the organization.

The Board of Directors is a strategic body that oversees the strategic plan and delegates to committees and staff the roles of policy development and administration.

The role of a Director is to:

- Regularly and punctually attend meetings and stay for the entire meeting except when prior approval to leave early has been granted by the President.
- Serve on a committee
- Offer opinions and exercise reasonable judgment on issues before the Board
- Understand the fiduciary responsibility to the corporation and exercise reasonable prudence in fulfilling that responsibility without regard for personal business interests
- Know the financial condition of the Association and be acquainted with the budget process
- Be primarily concerned with the strategic direction of the organization delegating operations and consideration of action items to committees or staff

Policy #46: Role of the Executive Committee

The Executive Committee consists of:

President

Immediate Past President

President-Elect

Vice President

Treasurer

Chief Executive Officer (secretary and non-voting member)

The Executive Committee provides oversight of committee and staff actions and provide appropriate recommendations to the Board of Directors. The Executive Committee is also empowered, within parameters established by the Bylaws and Policy Statements of the Board of Directors, to transact emergency business.

The Executive Committee

- Approves minutes of the previous meeting

- Reviews and recommends financial statements to the Board of Directors
- Prepares the annual Association budget for submission to the Board of Directors
- Reviews and approves committee decisions
- Approves appropriate staff requests
- Oversees operations of the Association
- Ensures compliance with legal norms and good business practices
- Take appropriate action on an emergency basis between Board of Director meetings
- Meet as an oversight committee, with the Association attorney, to consider issues listed in the authority matrix

Revised 07/21/16

The Executive Committee Member

The Role of the Executive Committee Member is to:

- Regularly and punctually attend meetings and stay for the entire meeting except when prior approval to leave early has been granted by the President.
- Offer opinions and exercise reasonable judgment on issues before the committee
- Know the financial condition of the Association and be acquainted with the budget process
- Be primarily concerned with achieving the strategic and business plan and providing the appropriate amount of oversight for operations
- Understand the fiduciary responsibility to the corporation and exercise reasonable prudence in fulfilling that responsibility without regard for personal business interests
- Understand the decision-making processes of the Association and respect the roles delegated to committees and staff with reasonable deference to their due diligence in recommending appropriate action to the Executive Committee

Policy #47: Appointment of Chairmen / Vice Chairman

The President (prior to taking office) shall appoint the Chairs of each TAR Committee, Forum and Task Force subject to the approval of the Board of Directors at their first meeting of the year.

The President-Elect (prior to taking office and in consultation with the President) shall appoint the Vice-Chairs of each TAR Committee, Forum and Task Force subject to the approval of the Board of Directors at their first meeting of the year. Vice Chair's may or may not be appointed to the Chair position in the following year. *Adopted 09/15/16*

Policy #48: Role of Committees

Committees consist of volunteer members approved by the Board of Directors and a non-voting staff liaison member (key staff) assigned by the Chief Executive Officer. Committees carefully consider issues within their scope of responsibility and work to achieve the goals of the Strategic and Business Plans. Committees recommend policies and action plans to the Board of Directors for approval. A committee member, including the chair, may be removed by the President if the member is not fulfilling the obligation of the committee to achieve the Strategic and Business Plans, or does not comply with responsibilities listed below.

Role of the Chair

- Schedule and effectively preside over meetings
- Prepare the agenda in conjunction with the Staff Liaison
- Know the scope and purpose of the committee
- Know the financial and budgetary parameters of the committee
- Develop a strategy for achieving the goals of the business plan
- Manage the workload of the committee with due consideration for members' time
- Appoint sub-committees and work groups when appropriate
- Ensure that committee members have meaningful input and are consulted on all matters facing the committee
- Genuinely reflect the will of the committee
- Develop future leaders
- Attend Executive Committee or Board of Directors meetings when a topic is controversial or requires special expertise that cannot be provided by staff or at the request of the President or Chief Executive Officer
- Provide general guidance and serve as a resource to the key staff member for questions or clarification
- Understand the decision-making processes of the Association and respect the rights and privileges delegated to staff with reasonable deference to their due diligence in recommending appropriate action to the committee

Revised 07/21/16

Role of the Committee Member

- Regularly and punctually attend meetings
- Develop expertise in the committee's area of responsibility
- Serve on subcommittees or workgroups as time permits
- Offer opinions and exercise reasonable judgment on issues before the committee without regard for personal business interests
- Serve as a resource to the Chair and key staff person for advice and guidance
- Positively represent committee decisions to Association members and the public
- Respect the management role delegated to staff with reasonable deference to their due diligence in carrying out their duties

Policy #49: Role of Staff Liaisons

The Chief Executive Officer assigns staff liaisons to committees to support the work of the committee, memorialize meetings, notify members of the meeting, prepare the agenda with the Chair, administer committee work between meetings, coordinate with other key staff and communicate with the Executive Committee and the Board of Directors. The key staff member is a non-voting member of the committee with the responsibilities of a committee member.

Additional key staff person responsibilities

- Know the committee's purpose and scope and enable communication between the Board of Directors, Executive Committee, committee leadership and senior management

- Serve as a resource to chairs on processes for effectively managing meetings and the purpose of the committee
- Prepare the meeting site, notify members of meetings, prepare the agenda with the chair and memorialize the meeting
- Work with senior management to avoid duplication and create synergy between committees
- Know the financial aspects of the committee and be familiar with the budget process
- Ensure the committee has clear outcomes and evaluate progress against goals throughout the year with regular reports to the Executive Committee
- Work with senior management to avoid conflicts between committees
- Provide administrative support for committees and perform administrative duties between meetings
- Respect the rights and privileges of the Board of Directors, Executive Committee and committees, their authority to set policy and guidelines with reasonable deference to their expertise and recognition the Association exists for their benefit

Policy #50: President Advisory Groups, Task Forces and Work Groups

The President may appoint a Presidential Advisory Group (PAG) to consider specific topics and issue specific recommendations to the President. The Board of Directors may authorize a Task Force to consider specific topics and issue recommendations to the Board. The Board of Directors, Executive Committee and/or committee chairs may create a work group to discuss general issues for the mutual education of all members.

Policy #51: Legal

All Tucson Association of REALTORS® documents and information contained in hard copy or in electronic storage are the private property of the Association and shall be treated as confidential information. The staff of the Tucson Association of REALTORS® and Multiple Listing Service 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 Chief Executive Officer (“CEO”).
2. Staff, acting under the direct supervision of the 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 #52: Conflict of Interest

The purpose of the conflict of interest policy is to protect the interests of the Tucson Association of REALTORS® when it is contemplating entering into a transaction or arrangement that might benefit the private interest of the CEO, staff, an officer or director of the Tucson Association of REALTORS® or might result in a possible excess benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations. *Revised 07/21/16*

Definitions:

A. Interested Person

Any director, principal officer, or member of a committee with Board of Directors delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

B. Financial Interest

A person has a financial interest if the person has, directly or indirectly, through business, investment, or family member as defined in Policy #40 and as it relates to an officer and director:

1. An ownership or investment interest in any entity with which the Tucson Association of REALTORS® has a transaction or arrangement,
2. A compensation arrangement with the Tucson Association of REALTORS® or with any entity or individual with which the Tucson Association of REALTORS® has a transaction or arrangement, or
3. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Tucson Association of REALTORS® is negotiating a transaction or arrangement.

Revised 07/21/16

Compensation includes direct and indirect remuneration as well as gifts or favors which exceed twenty dollars (\$20.00) in value. *Revised 07/21/16*

A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the appropriate governing board or committee decides that a conflict of interest exists.

Procedures:

A. Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the directors considering the proposed transaction or arrangement.

B. Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, he/she shall leave the Board of Directors meeting while the determination of a conflict of interest is discussed and voted upon. The remaining Board members shall decide if a conflict of interest exists.

C. Procedures for Addressing the Conflict of Interest

1. An interested person may make a presentation at the Board of Directors meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
2. The Board President shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.

3. After exercising due diligence, the Board of Directors shall determine whether the Association can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
 4. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the Board of Directors shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Association's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.
- D. Violations of the Conflicts of Interest Policy
1. If the Board of Directors has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
 2. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the Board of Directors determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Records of Proceedings:

The minutes of the Board of Directors and all committees with board delegated powers shall contain:

- A. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board's or committee's decision as to whether a conflict of interest in fact existed.
- B. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

Compensation:

- A. A voting member of the Board of Directors who receives compensation, directly or indirectly, from the Association for services is precluded from voting on matters pertaining to that member's compensation.
- B. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Association for services is precluded from voting on matters pertaining to that member's compensation.
- C. No voting member of the Board of Directors or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the Association, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

Annual Statements:

Each director, principal officer and member of a committee with Board of Directors delegated powers shall annually sign a statement which affirms such person:

- A. Has received a copy of the conflicts of interest policy,
- B. Has read and understands the policy,
- C. Has agreed to comply with the policy, and
- D. Understands the Association is a non-profit corporation and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Revised 07/21/16

Periodic Review:

To ensure the Association operates in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

- A. Whether compensation arrangements and benefits are reasonable, based on competent survey information and the result of arm's length bargaining.
- B. Whether partnerships, joint ventures, and arrangements with management organizations conform to the Association's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

Use of Outside Experts:

When conducting the periodic reviews as described above, the Association may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the Board of Directors of its responsibility for ensuring periodic reviews are conducted.

Policy #53: Joint Venture Policy

The Tucson Association of REALTORS® must evaluate its participation in joint venture arrangements under federal tax law and take steps to safeguard the Association's exempt status with respect to such arrangements. It applies to any joint ownership or contractual arrangement through which there is an agreement to jointly undertake a specific business enterprise, investment, or exempt-purpose activity as further defined in this policy.

- A. Joint ventures or similar arrangements with taxable entities. For purposes of this policy, a joint venture or similar arrangement (or a "venture or arrangement") means any joint ownership or contractual arrangement through which there is an agreement to jointly undertake a specific business enterprise, investment, or exempt-purpose activity without regard to: (1) whether the Tucson Association of REALTORS® controls the venture or arrangement; (2) the legal structure of the venture or arrangement; or (3) whether the venture or arrangement is taxed as a partnership or as an association or corporation for federal income tax purposes. A venture or arrangement is disregarded if it meets both of the following conditions:
 - 1. 95% or more of the venture's or arrangement's income for its tax year ending

within the Tucson Association of REALTORS®'s tax year is excluded from unrelated business income taxation [including but not limited to: (i) dividends, interest, and annuities; (ii) royalties; (iii) rent from real property and incidental related personal property except to the extent of debt-financing; and (iv) gains or losses from the sale of property]; and

2. The primary purpose of the Tucson Association of REALTORS®'s contribution to, or investment or participation in, the venture or arrangement is the production of income or appreciation of property.
- B. Safeguards to ensure exempt status protection. The Tucson Association of REALTORS® will: (a) negotiate in its transactions and arrangements with other members of the venture or arrangement such terms and safeguards adequate to ensure that the Tucson Association of REALTORS®'s exempt status is protected; and (b) take steps to safeguard the Tucson Association of REALTORS®'s exempt status with respect to the venture or arrangement. Some examples of safeguards include:
1. Control over the venture or arrangement sufficient to ensure that it furthers the exempt purpose of the Tucson Association of REALTORS®;
 2. Requirements that the venture or arrangement gives priority to exempt purposes over maximizing profits for the other participants;
 3. That the venture or arrangement not engage in activities that would jeopardize the Tucson Association of REALTORS®'s exemption; and
 4. That all contracts entered into with the Tucson Association of REALTORS® be on terms that are arm's length or more favorable to the Tucson Association of REALTORS®.

Policy #54: Whistleblower Policy:

The Tucson Association of REALTORS®: (1) encourages staff and volunteers to come forward with credible information on illegal practices or serious violations of adopted Bylaws and/or policies of the Association; (2) specifies that the Association will protect the person from retaliation; and (3) identifies where such information can be reported. *Revised 07/21/16*

- A. Encouragement of reporting. The Association encourages complaints, reports or inquiries about illegal practices or serious violations of the Association's policies, including illegal or improper conduct by the Association 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 the Association has existing complaint mechanisms should be addressed under those mechanisms, such as raising matters of alleged discrimination or harassment via the Association's human resources channels, 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.
- B. Protection from Retaliation. The Association prohibits retaliation by or on behalf of the Association 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. The Association reserves the right to discipline persons who make bad faith, knowingly false, or vexatious complaints, reports or inquiries or who otherwise abuse this policy.

- C. 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 of the complaints, reports or inquiries. They should be directed to the Association’s Chief Executive Officer or President of the Board of Directors; if both of those persons are implicated in the complaint, report or inquiry, it should be directed to the President-elect of the Board of Directors. The Association will conduct a prompt, discreet, and objective review or investigation. Staff or volunteers must recognize that the Association may be unable to fully evaluate a vague or general complaint, report, or inquiry that is made anonymously.

Policy #55: Records Retention Schedule

General and Financial

Corporate records, minutes, etc.	Permanently
Titles, mortgages, etc.	Permanently
Contracts & agreements, expired	7 years
General ledger & trial balance, year-end	Permanently
Records of securities owned, canceled	7 years
Journals	Permanently
Insurance records:	
Fidelity bonds	3 years
Inspectors reports	Permanently
Schedules, claims, permanent records	7 years
Fire, liability, auto, etc. policies expired	Optional
Record of policies in force	3 years
Tax records of fixed assets, appraisals, additions, retirement	Permanently
Accountants' audit reports	Permanently

Sales and Accounts Receivable

Accounts receivable ledgers and subsidiaries	7 years
Accounts receivable trial balances	3 years
Sales journal	7 years
Copies of invoices and supporting data	3 years
Uncollectible account files, including authorization for write-offs	7 years
Records relating to sales to affiliated or associated companies	7 years
Notes receivable and trial balances, canceled	7 years

Payrolls

Payroll journals-and summaries	7 years
Receipted pay checks, time tickets, etc.	7 years
Records pertaining to payroll deductions	7 years
Files, assignments, attachments, garnish	3 years

Individual earnings records	Permanently
Form W-2	3 years
Form W-4	Permanently

Cash and Collections

Cash books - receipts and disbursements	Permanently
Bank deposit slips	1 year
Deposit books and stubs	7 years
Bank reconciliation papers	1 year
Records of outstanding checks, drafts, etc.	7 years
Daily or periodic cash reports	3 years
Canceled checks, paid drafts	7 years
Canceled payroll checks	7 years
Bank statements (after audit)	7 years
Petty cash vouchers	3 years

Inventories

General inventory with adjustment records	Permanently
Store requisitions	3 years
Physical inventory tags and records	3 years

Purchases and Accounts Payable

Accounts payable ledgers	7 years
Accounts payable trial balances	3 years
Voucher register or purchase journals	Permanently
Paid bills and vouchers	7 years
Copies of purchase orders:	
Purchasing department copy	3 years
Others	1 year
Bids and offers	7 years
Price records of purchases	Permanently
Purchase contracts	7 years
Bills of lading	3 years

Miscellaneous Correspondence:

Legal and important matters only	Permanently
General	1-5 years
Unimportant nature with customers or vendors	1 year
Financial statements (interim)	Permanently
Social security return:	
State	Permanently
Federal	Permanently
Sales tax - State	Permanently
Excise tax - Federal	Permanently

Trial balances – monthly	5 years
Equipment records	Permanently
Leases - expired	7 years

Policy #56: Employee and Member/Volunteer Relations:

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

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

Policies, Programs and Services

- A. The Board of Directors shall establish the scope of the Association policies, programs and services. The Chief Executive Officer is responsible to carry out the policies, programs and services established by the Board of Directors.
- B. No member shall be provided with services beyond the scope of services provided to all members. Any request by a member for services outside the scope of an employee’s authorization must be forwarded to the Chief Executive Officer. This request must contain information on the unique circumstances of the situation which prompted the member to request the extraordinary measures be considered for their benefit. The Chief Executive Officer may then determine if an exception should be made, with input from the appropriate Association officer, or if the request should be brought to the attention of the Board of Directors for resolution. In the event the Chief Executive Officer grants any such request, it shall be reported to the Board of Directors at their next meeting. *Revised 07/21/16*

Committee Support

- A. An Association employee should render all possible technical and administrative assistance to the committees and work groups to which he/she is assigned. The Association employee is involved so as to answer questions, offer suggestions or raise questions, when appropriate, and to conduct research or carry out tasks as assigned by the committee chair and/or Chief Executive Officer.
- B. An Association employee is expected to be knowledgeable on TAR policy, committee scope and the subject under discussion.

Staff and Member/Volunteer Relations

- A. The Chief Executive Officer is responsible to and takes his/her instructions from the board of Directors (as a collective body). All other Association employees are responsible to and take instruction from the Chief Executive Officer.
- B. Interaction between Association employees and members/volunteers shall be maintained at a professional level characterized by mutual respect, courtesy, effort and cooperation to resolve issues. Under no circumstances should Association employees or members/volunteers engage in discourteous or unprofessional behavior (i.e., use of profanity, disparagement of another employee or member, use of

physical force, etc.)

- C. Any behavior by a member/volunteer, which interferes with or compromises an Association employee's job performance or satisfaction, is not acceptable. An Association employee may, at their sole discretion, terminate any conversation with a member/volunteer that may be considered to be offensive. All such incidents should be reported to the Chief Executive Officer or President for appropriate action.
- D. Members/volunteers are not responsible for and may not discipline an Association employee. Any unprofessional behavior or unacceptable performance by an Association employee, which is observed by a member/volunteer, should be reported to the Chief Executive Officer or President for appropriate action. *Adopted 05/27/10*

Policy #57: Use of Tucson Association of REALTORS® Forms by Members/Licensees –

The Association forms are copyrighted and belong to the Association. It is the policy of the Association to permit Members/Licensees to use the forms without modifying the form template other than to add the Licensee's name and logo. The Association prohibits modification of the forms in any way without prior written permission by the Association.

Adopted 04/26/12

Policy #58: Chief Executive Officer Succession Policy

Procedures for Succession:

In the event the Chief Executive Officer (CEO) of TAR is no longer able to serve in this position; i.e., leaves the position permanently, the Executive Committee of the Board of Directors shall do the following:

- A. Within five (5) business days of the vacancy appoint an interim CEO from one of the following:
 - director, education and housing opportunities, or
 - government affairs director, or
 - executive vice president, multiple listing service, or
 - a person (with REALTOR® association management experience)

It shall be the responsibility of the executive committee to communicate both to the Board of Directors and the Association staff what has occurred, and how it is being handled.

- B. Within fifteen (15) business days appoint a CEO search task force. This task force shall be composed of no less than five (5) members (the Immediate Past President of the Association, the current President of both the Association and the Multiple Listing Service, and the President-Elect of both the Association and the Multiple Listing Service. Should any of those positions be unable, or unwilling, to serve in this capacity, the task force will be appointed first from those seated on the TAR or MLS Executive Committee, and secondarily from those seated on either the TAR or MLS Board of Directors.) These five (5) members may appoint up to six (6) additional Members to serve (assuring that the total number appointed is an odd number), the appointment of whom shall be subject to the approval of the Board of Directors.

It shall be the responsibility of this task force to implement the following preliminary transition plan:

- Communicate with key stakeholders regarding actions taken by the board in naming an interim successor, appointing the CEO search task force, and

implementing this policy. The organization shall maintain a current list of key stakeholders who must be contacted, such as vendors and key business partners of TAR, foundations, government agencies, and others.

- Consider the need for consulting assistance; i.e., transition management, or executive search consultant based on the circumstances of the transition.
- Review the organization's, MLS's and foundation's business plans and conduct a brief assessment of organizational strengths, weaknesses, opportunities and threats to identify priority issues that may need to be addressed during the transition process.
- Identify attributes and characteristics that are important to consider in the selection of the next permanent leader.
- Establish a time frame and plan for the recruitment and selection process.

Revised 01/11/18

Policy #59: Role of Non-Voting Liaisons to the Board of Directors

Non-voting liaisons from the following will be appointed by their respective group and approved by the board to a one-year term on the Board of Directors:

1. CCIM Chapter – One representative
2. TAR Young Professionals Advisory Board – One representative
3. Affiliate Member – One representative (in addition to the elected Affiliate Member Director)

Non-Voting Liaisons are able to participate in Board discussions and speak to motions and other business that comes before the Board. They will be seated with Board members (as space allows).

Their attendance will be recorded.

Published rosters of the Board of Directors will include Non-Voting Liaisons.

Recognition of the Board of Directors at Association events will include the Non-Voting Liaisons.

These positions shall be excluded from Executive Session. *(Adopted 09/15/16)*

Policy #60: Supporting Tucson Association's REALTORS® (S.T.A.R.) Fund

The purpose of the S.T.A.R. fund is to assist TAR members experiencing financial crises due to unexpected catastrophes that detrimentally affect their ability to conduct real estate business. The S.T.A.R. Fund will be funded annually with $\frac{1}{4}$ of 1% of the total income line in the approved TAR Annual Budget.

The Board of Directors authorizes the Executive Committee and Chief Executive Officer to act within the following parameters set forth for potential recipients and guidelines for the S.T.A.R. Fund;

- A. Active Association members (REALTORS® and Affiliates) who have held membership for no less than the preceding twelve (12) months and their immediate families are eligible for funds. An immediate family member qualifies to receive funding only if the REALTOR® or Affiliate member qualifies. Immediate family is defined as one direction (in all directions) from the member;

- B. Secondary members are not eligible to receive support through the S.T.A.R. Fund program;
- C. Funds will be disbursed to vendors only;
- D. Disbursements will not exceed \$2,500 per member within any 24-month period;
- E. In an effort to maintain confidentiality, requests for assistance will be directed to the Chief Executive Officer then shared with the Executive Committee;
- F. The name, firm affiliation and any other information that would identify the member making the request will be redacted before the S.T.A.R. application is reviewed by the Executive Committee;
- G. The Chief Executive Officer and the Executive Committee would review and approve any disbursements, then report to the Board of Directors the amount of monies disbursed.
(Adopted 12/15/2020)

Policy #61: Statement of Investment Policy, Objectives, and Guidelines
GENERAL INFORMATION

The Tucson Association of REALTORS® (TAR) mission is collaborating with innovators, leaders, professionals and communities to strengthen the real estate industry through education, communication, advocacy and service. The purpose this investment policy is to provide guidance as to the investment of the long-term reserves in pursuit of the Tucson Association of REALTORS® mission.

SCOPE OF THIS INVESTMENT POLICY

This Statement of Investment Policy reflects the investment policy, objectives, and constraints of the Tucson Association of REALTORS® long term reserves.

DEFINITIONS

1. "Reserve" shall mean the cash or investments held aside by the Tucson Association of REALTORS® to meet future expected or unexpected demands.
2. "Board of Directors" shall refer to the governing board established to administer the Reserve.
3. "Finance Committee" shall refer to the governing body appointed by the Board of Directors to make investment management recommendations and monitor those recommendations.
4. "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.
5. "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.

6. "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.
7. "Securities" shall refer to the marketable investment securities, which are defined as acceptable in this statement.
8. "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 Tucson Association of 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 Tucson Association of 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 (Objectives dependent on organization)

In order to meet its needs, the investment strategy of TAR 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 Tucson Association of 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 Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) 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.

Finance Committee

The 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 Finance Committee will not reserve any control over investment decisions, with the exception of specific limitations described in these statements. The Finance Committee is responsible for the oversight of the investment policy and has delegated the execution of this policy to TAR management consisting of the CEO and CFO of the TAR. Investment Managers will be held responsible and accountable to achieve the objectives herein stated. While it is not believed that the limitations will hamper Investment Managers, each Investment Manager should request modifications, which they deem appropriate.

All expenses for such experts must be customary and reasonable, and will be born 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 non-discretionary advisor to the Board of Directors and Finance Committee of the Tucson Association of 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 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 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 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.
3. Communicating 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 Board of Directors regarding any qualitative change to investment management organization: Examples include changes in portfolio management personnel, ownership structure, investment philosophy, etc.
5. Voting proxies, if requested by the Board of Directors, on behalf of the Reserve.

Selection of Investment Managers

Morgan Stanley management 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 the Tucson Association of 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

Morgan Stanley 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 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 Finance Committee. Professional fees will be paid from the assets of the Tucson Association of 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 man 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 Finance Committee recognizes that by authorizing spending, the Tucson Association of 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 10 years, the objective of the aggregate Reserve is to exceed an average target rate of return of 4.9% 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 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.

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.

Volatility of Returns

The Long-term Target Mix has an expected return in one year of 5.3 %. The expected risk is the standard deviation from this mean return. The larger the deviation percentage the greater the deviation of volatility.

The worst case scenario over one year of -13.7 % represents two standard deviations from the mean performance (5.3%). Therefore there is a 2.5% chance in any one year that returns can be worse than -13.1 %. Over the ten year time horizon, there is a 2.5% chance that returns can be worse than -1.5 %.

The long-term target mix will be obtained over a period of time based on cash demands on the portfolio and can be changed periodically by the Investment Committee, within the approved guidelines, and periodically reported to the Board of Trustees.

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)

<u>Asset Class</u>	<u>Minimum</u>	<u>Maximum</u>	<u>Preferred</u>
<u>Equities</u>	<u>0</u>	<u>70 %</u>	<u>57 %</u>
<u>Fixed Income</u>	<u>13 %</u>	<u>100 %</u>	<u>35 %</u>
<u>Market Neutral</u>	<u>0</u>	<u>0 %</u>	<u>0</u>
<u>Hedge Equity</u>	<u>0</u>	<u>0 %</u>	<u>0</u>
<u>Cash and Equivalents</u>	<u>0</u>	<u>13 %</u>	<u>8%</u>

- 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.

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 Depository 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.
3. 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 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, Tucson Association of REALTORS® 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 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 Finance Committee plans to review Investment Policy at least annually.

This statement of Investment Policy is adopted on January 21, 2016 by the Board of Directors of the Tucson Association of REALTORS®.

Asset Allocation Analysis

Target Portfolio Statistics

Target Return: 4.4% - 10 Year Time Horizon - 95% of Projected Return Distribution

Asset Allocations	Model 4
Cash	8.0%
Short Duration Bonds	14.0%
US Core Bonds	14.0%
International Bonds	4.0%
US Inflation Linked Securites	1.0%
High Yield Bonds	1.0%
Emerging Market Bonds	1.0%
Large-Cap	29.0%
Small Cap	9.0%
International Stocks	13.0%
Emerging Markets	6.0%

Expected Return (Annualized)	
One Year	5.3%
Time Horizon	4.9%

Expected Risk	
One Year	10.5%
Time Horizon	3.3%

Best Case Return (Annualized)	
One Year	27.4%
Time Horizon	11.5%

Worst Case Return (Annualized)	
One Year	-13.7%
Time Horizon	-1.5%

Probability of Target Return	
One Year	49.3%
Time Horizon	47.8%

Probability of Negative Return	
One Year	31.8%
Time Horizon	6.7%