
Policy Manual

Approved: February 26, 2026

TABLE OF CONTENTS

INTRODUCTION

Mission Statements	4
Diversity Pledge	4
Definitions	4
Policy Purpose, Formulation, & Changes.....	4

SECTION 1 – COMMUNICATIONS POLICIES

1.1: Requests for Information.....	5
1.2: Public Policy Statements Made by Association Committees	5
1.3: Committee Communication.....	5
1.4: Endorsements for Products and Service.....	6
1.5: Officer, Governor, and Staff Political Endorsements.....	6
1.6: Transparency.....	6
1.7: Electronic Communications	6

SECTION 2 – MEETING POLICIES

2.1: Open Meetings.....	8
2.2: Staff Liaison/Meeting Schedule	8
2.3: Coordination of Association and MLS Activities	9
2.4: Committee Member Participation/Attendance	9
2.5: Committee Meeting Report Procedure	9
2.6: Board Agenda Items	9
2.7: Board and Committee Meeting Conduct and Etiquette.....	9
2.8: Board of Directors Attendance Policy (Association policy only)	10
2.9: Board Meeting Structure	11

SECTION 3 – FINANCIAL POLICIES

3.1: Donations and Fund Raising	12
3.2: Committee Financial Operation.....	12
3.3: Operating and Reserve Account Funds (Association policy only)	12
3.4: Reserves (Association policy only)	12
3.5: MLS Finances (MLS policy only)	12
3.6: Investments (Association policy only – See Appendix B)	13
3.7: Credit Card Policy.....	13
3.8: Credit Reporting.....	14
3.9: Bank Signature Cards	14
3.10: Advertising & Sponsorship Payments.....	14

SECTION 4 – LEGAL POLICIES

4.1: Anti-Trust Compliance	14
4.2: Confidentiality	15
4.3: Access to Legal Council	17
4.4: Contracts/Encumbrances.....	18

4.5: Subpoenas.....	18
4.6: Whistleblower Policy	18
4.7: Records Retention	19
4.8: Conflicts of Interest Policy	20
4.9: Non-Discrimination & Anti-Harassment	21

SECTION 5 – TRAVEL POLICIES

5.1: Travel Policy	23
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SECTION 6 – GENERAL OPERATIONS POLICIES

6.1: Director/Governor Election Procedures	26
6.2: Taskforces	26
6.3: Association and MLS Staff Support.....	26
6.4: Dues Payable (Association policy only).....	26
6.5: MLS Fees (MLS policy only).....	27
6.6: Supra Termination (Association policy only)	28
6.7: Supra Access for Affiliate Members (Association policy only)	28
6.8: Payment Methods.....	28
6.9: Refunds	28
6.10: Facility Rental and Event Advertising	28
6.11: Building Upkeep, Maintenance, & Repairs (Association policy only).....	29
6.12: Smoking Policy	29
6.13: Logo and Use of Company Branding.....	29
6.14: Membership Rosters and Contact Information.....	29
6.15: Annual Recognitions and Awards Taskforce (Association policy only)	30
6.16: Annual Awards (Association policy only).....	30
6.17: Professional Development.....	31
6.18: Annual Survey	31
6.19: AE Recruitment	31

APPENDICES

APPENDIX A – Travel Reimbursement Chart	33
APPENDIX B – Investments	34
APPENDIX C – Acknowledgement of Receipt of Confidentiality Policy	42
APPENDIX D – Acknowledgement of Receipt of Conflicts of Interest Policy.....	43
APPENDIX E – Acknowledgement of Receipt of Policy Manual.....	44
APPENDIX F – Internet Crusade Service Rules.....	45
APPENDIX G – Cyber Security Policy	46
APPENDIX H – Participant AI Use Policy (MLS policy only).....	47

Coastal Bend Association of REALTORS® Mission Statement

The Coastal Bend Association of REALTORS® mission is to enhance member professionalism, be a trusted resource to the diverse communities we serve, and protect real property rights.

South Texas MLS Mission Statement

The mission of the South Texas MLS is to provide reliable, cost-effective multiple listing services that promote accurate data and quality education to advance the productivity and success of our real estate professionals.

Diversity Pledge

At the Coastal Bend Association of REALTORS®, we commit to Diversity, Equity, and Inclusion principles. We embrace diversity, promote equity, foster inclusion, educate and train, support fair housing, advocate for change, engage with the community, and lead by example. Together, we'll create a more inclusive, equitable, and diverse real estate community.

Definitions

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

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

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

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

Policy Purpose & Formulation & Changes

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

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

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

Members may also report any policy violations to the appropriate Board. To the extent that any CBAR or MLS Board member is made aware of any policy violation, the member shall verify, and report violations of Policies to other members of the Board on which they serve. The appropriate Board will promptly and appropriately evaluate the reported policy violation and conduct and investigation, when necessary. Corrective action will be taken against any employee or member who violates these policies.

SECTION 1 – COMMUNICATIONS POLICIES

1.1: Requests for Information

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

1.2: Public Policy Statements Made by Association Committees

Only the President of the Board, the AE/CEO, the Government Affairs Committee Chair (or their designee) and the Government Affairs Director shall be empowered to make public policy statements without prior approval of the President of the Board or AE/CEO. It shall be their responsibility and obligation to notify the President of the Board and the AE/CEO, as soon as practical, of any public policy statements to be made. Current and past volunteer leaders may not use their current or past affiliation with CBAR while making public policy statements contrary to CBAR’s adopted positions.

1.3: Committee Communications

Except as provided under Policy #3, under no circumstances shall a Committee Chair send out any information which is not coordinated with the AE/CEO or President of the Board. Committee communications to promote a function through a news or press release shall

require the prior approval of the AE/CEO or President of the Board or Chair of the Board of Governors, as appropriate, and said release shall be written and released by the AE/CEO or President of the Board or Chair of the Board of Governors, as appropriate. Under no circumstances are any committees allowed to disseminate any information to the public, i.e., print media, radio, TV, etc., in any other manner.

1.4: Endorsements for Products and Services

As a general rule, the Association and MLS does not support endorsements on products, services or companies. The exception is when the endorsement benefits our membership and the Board of Directors or Board of Governors, as appropriate, approves of the endorsement. All requests to the Coastal Bend Association of REALTORS® or South Texas MLS from individuals or organizations for endorsements of products or services shall be referred to the appropriate committee(s) for input and recommendations to the appropriate Board. The appropriate Board has the authority to approve or disapprove any endorsement.

1.5: Officer, Governor and Staff Political Endorsements

No Officer, Director, Governor, or staff person of the Association or MLS may knowingly allow his/her Association or MLS title or position to be used for promotion of a political candidate or ballot issue. All endorsements must be made on behalf of the organization as a whole and may only be made by those individuals authorized to do so.

1.6: Transparency

Certain information, such as quarterly financial reports, including a categorized budget vs actual amount spent, and the agenda for open CBAR board meetings, will be made available to Members online via Tangilla or other internet-based delivery system. A Member may also make a written request for information to the CBAR Board of Directors or the CEO. Any request for information must be made in writing and state a purpose for making the request. Requests for information will be evaluated in accordance with the Texas Business Organizations Code section 22.351. If the request is approved, the requesting Member or the Member's agent may examine and copy the information at the Member's expense at the CBAR office.

Any information that is disclosed to a Member that has not been made generally available to the public is subject to the Confidentiality Policy.

1.7: Electronic Communications

CBAR's Commitment

Electronic communication is essential for sharing Association news and information with our members and the public. Our communication will be timely, appropriate and related to Association business and related issues.

What we will do

We use a range of electronic tools to communicate with our members: email, website, social media and texting. Our communication will protect members' privacy, maintain clear boundaries and ensure that bullying and harassment does not occur. CBAR staff and approved

consultants will provide accountability and control over material published on our Association's website, emails, texts and any related groups/pages on social media.

Website

- Our website will include current information on membership (REALTORS® and Affiliates), classes, events, consumer resources, as well as links to our members-only site, property listing search and member search/directory.
- No offensive content or photos will be published.
- We will seek feedback from members to improve the information available on the site.

Email

- CBAR Staff and approved consultants will manage the content and dissemination of all emails, which include our weekly Monday Memo and additional announcements pertinent to members.
- If you have content that might be relevant to members, please forward it to the appropriate CBAR staff member who will review/approve for inclusion in CBAR communications.

Texting

- In order for Members to sign up to receive texts from the Association, they must actively opt-in.
- We will limit texts to 4 times per month in most circumstances.

Social media sites

- We treat all social media postings as public 'comment'.
- Postings (written, photos or videos) will be consumer-friendly and feature positive Association news and events, as well as consumer awareness news.
- Any personal information about our members will be provided/approved by said members for public consumption (i.e. Meet the Board profiles).
- No statements will be made that are misleading, false or likely to injure a person's reputation.
- No statements will be made that might bring our Association into disrepute.
- Abusive, discriminatory, intimidating or offensive statements will not be tolerated. Offending posts will be removed and those responsible will be blocked from the site.

What we ask you to do

We expect our members to conduct themselves appropriately when using electronic communication to share information with other members or the public, including videos or posting material on group social media pages. If you would like to share content on your personal page, we ask you do so without altering CBAR's branding and messaging. Members may not create any new communications channels on behalf of CBAR.

If CBAR leaders need to create original content for purposes related to their CBAR membership, please share any projects, requirements, deadlines, etc. with CBAR staff and approved consultants in a timely manner. Members must submit any written or video communication

pieces to CBAR staff and/or approved consultants for review and approval 3 business days prior to any deadlines.

All forms of Electronic Communication:

- must adhere to all REALTOR® Code of Ethics standards
- should be restricted to Association matters
- must not express political support or opposition for a state or federal candidate or issue that contradicts a position of support or opposition taken by the Association regarding the candidate or issue
- must not include your MLS listings
- must not bring the Association into disrepute
- must not offend, intimidate, humiliate or bully another person
- must not be misleading, false or injure the reputation of another person
- should respect and maintain the privacy of members

Non-compliance

Members may face disciplinary action, as determined by the CBAR Board and staff, if they do not adhere to the policies set forth above. Please note: under certain circumstances, cyber bullying (e.g. bullying that is carried out through an internet service such as email, a chat room, discussion group, instant messaging or website) is a criminal offence that can be reported to the police. In addition, members who publish false or misleading comments about another person in the public domain (e.g., Facebook, YouTube or Twitter) may be liable for defamation.

SECTION 2 – MEETING POLICIES

2.1: Open Meetings

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

Members attending South Texas MLS Board meetings shall have the opportunity to address the Chair of the Board for up to three (3) minutes during the “Member Comments” agenda item. Speaking time may not be yielded to another.

Executive Session should and will be used to discuss matters that people consider personal and private.

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

2.2: Staff Liaison/Meeting Schedule

The AE/CEO shall assign a staff liaison to all committees. All regularly scheduled committee meetings will be held at the Association office except when approved by the AE/CEO or the

President of the Board or Chair of the MLS, as appropriate. Committee Chairs shall make arrangements for meetings through the assigned staff liaison.

2.3: Coordination of Association and MLS Activities

All functions of Association and MLS committees shall be coordinated through CBAR Staff to avoid conflicts. The official meeting and event calendar will be maintained on the association website and/or member portal, with changes and updates made within 2 business days of being scheduled or modified.

2.4: Committee Member Participation/Attendance

Only those Members, participants/subscribers who have been appointed in accordance with the Bylaws/MLS Company Agreement 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. Unexcused absences from three (3) regular or called meetings in a calendar year shall constitute resignation. Excused absences will be granted for illness, jury duty, family crisis, catastrophic event, or the Member's attendance of CBAR, MLS, or TR/NAR official events.

The attendance policy for scheduled meetings stipulates that participants must be present for the entire duration but are allowed to arrive up to 15 minutes late and depart 15 minutes before the scheduled end time to be counted present. However, active engagement is mandatory for attendance to be acknowledged. The chair holds the authority to mark individuals as absent if they fail to participate or respond when addressed during the meeting. This policy aims to ensure productive and respectful participation while accommodating potential time constraints.

2.5: Committee Meeting Report Procedure

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

2.6: Board Agenda Items

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

2.7: Board and Committee Meeting Conduct & Etiquette

Board and Committee meetings shall follow Robert's Rules of Order, in accordance with the Bylaws and Company Agreement. Efforts should be made to follow the established agenda to

ensure an effective and efficient meeting. To support this, discussion should be germane to the item being discussed on the agenda.

In-Person and virtual meeting attendees are encouraged to maintain professional meeting etiquette as follows:

- Arrive on time for meetings meeting and plan for meetings to start at the proposed time to be respectful and considerate of everyone's time and effort to attend. Meeting leaders should also make every effort to end meetings on time.
- No food during meetings unless arrangements are made for all attendees. Beverages are allowed. Maintain a respectful appearance.
- No multi-tasking. Meeting attendees should not be working on a computer or phone, including texting, during any meeting.
- Do not disrupt others when they are speaking.

In addition to those above, virtual attendees should also:

- Test equipment for proper use and functionality prior to the start of the meeting.
- Be mindful of your "mute" status prior to speaking, and please unmute prior to speaking.
- Please begin any meeting with cameras on, if possible (not required for duration of meeting).
- Please maintain a quiet atmosphere with a steady background (or virtual background) if you elect to use a camera.
- Keep yourself muted unless you are speaking to prevent background noise and audio feedback.
- If available, display your screen name on Zoom, etc. for attendance.

Board Members, MLS Governors, and Committee Members should prepare for meetings by reviewing the agenda, minutes, and other meeting materials in advance.

Virtual participation for meetings is permitted unless otherwise stated and Members shall not be considered absent if they attend and participate in any meeting virtually if a virtual option is provided. Virtual meeting options are not required. If a Board Member, MLS Governor, or Committee Member attends a meeting virtually, the Member must participate by responding to discussion and voting procedures throughout the entire meeting. If a Member is unable to participate, they will be asked to leave the meeting and will be considered absent from the meeting. Virtual attendees shall be mindful of others that may be in the nearby vicinity during any Executive Session. Lack of control of the potential audience during any closed session or Executive Session will be considered a breach of confidentiality.

2.8 Board of Directors Attendance Policy (Association policy only)

Unexcused absences from three (3) regular or called meetings in a calendar year shall constitute resignation. Excused absences will only be granted to those who are attending TR or NAR approved functions.

2.9 Board Meeting Structure (Association policy only)

Board Meetings of the Coastal Bend Association of REALTORS® shall be conducted in three distinct segments:

1. Open Reports Session
2. Closed Business Session
3. Executive Session (as needed)

Open Reports Session

The initial portion of each Board meeting shall be open to the membership at-large for Association meetings.

This open session shall be limited to informational reports, updates, and presentations. No motions, deliberations involving decision-making, or votes shall occur during this portion of the meeting. This includes items from the consent agenda that are pulled for further discussion.

Members attending during the Open Reports Session shall have the opportunity to address the President of the Board for up to three (3) minutes during the designated “Member Comments” agenda item. Speaking time may not be yielded to another individual.

Closed Business Session

Following the Open Reports Session, the meeting shall transition into a Closed Business Session.

This portion of the meeting shall be limited to Directors and individuals whose presence is requested by the Board. All Board deliberations involving decision-making, motions, and voting shall occur during this Closed Business Session and shall not be open to the general membership.

Executive Session

The Board may enter Executive Session as needed. Executive Session shall be used to discuss matters considered personal, confidential, strategic, or legally sensitive.

Situations that may necessitate Executive Session may include, but are not limited to: AE/CEO matters, member discipline, contract negotiations, staff performance reviews or compensation, attorney consultations, key strategic initiatives such as mergers or acquisitions, succession planning, personal matters, peer-to-peer Board discussions.

Planned topics to be discussed in Executive Session will be reported in the published agenda of committee or Board meetings. A general description of topics discussed in Executive Session will be reflected in the Minutes of committee or Board meetings, consistent with maintaining confidentiality where required.

SECTION 3 – FINANCIAL POLICIES

3.1: Donations & Fundraising

The Coastal Bend Association of REALTORS® and South Texas MLS support charitable efforts in the community and may contribute where appropriate. The Coastal Bend Association of REALTORS® Foundation shall be the primary non-profit recipient of donations from the Association and MLS. Additional requests for charitable contributions shall be directed to the President and AE/CEO or Foundation and Outreach Committee who will evaluate each request and may recommend support to the Board of Directors for final approval.

No committees are allowed to enter into fundraising activities for charitable purposes unless prior approval is received from the Board of Directors or Board of Governors, as appropriate. Fundraising for the Coastal Bend Association of REALTORS® Foundation will be accomplished through the Foundation and Community Outreach Committee.

3.2: Committee Financial Operation

Each Association and MLS committee has budgeted Income and Expenses, which have been approved by the respective Boards in their Annual Budgets. Each Committee and the assigned staff liaison is responsible for operating within that approved budget. If a Committee believes that additional funds are deemed necessary, a written request shall be presented to the respective Board for approval. The MLS Finance Committee is subject to the terms of the MLS LLC agreement.

3.3: Operating and Reserve Account Funds (Association policy only)

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

3.4: Reserves (Association policy only)

Any income over expense at the end of any fiscal year, as determined by the Annual Audit, shall be placed in an operating reserve fund. This reserve fund shall contain a minimum of six-month's operating expense. Any amount in excess of these minimum reserves shall be handled in the Investment Policy in Exhibit A.

3.5: MLS Finances (MLS policy only)

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

3.6: Investments (Association policy only – See Appendix B)

For the purposes of managing investment risk and to optimize investment returns within acceptable risk parameters, the funds held will be divided into four separate investment pools. The process for determining the dollar amount in each pool is set forth in the “Procedures” section of this document. The four investment pools shall be called the “Operating Fund”, the “Operating Reserves”, the “Short-Term Fund” and the “Long-Term Fund”. For the full Investment Policy, see Appendix B.

3.7: Credit Card Policy

Purpose

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

Possession of Credit Cards

CBAR will not have more than four physical active credit cards at any given time. These credit cards will be held by the AE/CEO and designated staff members. These four cards will be procured from a single credit card provider. MLS will have no more than three physical active credit cards. They will be held by the AE/CEO and a designated staff member. These three cards will be procured from no more than two credit card providers.

Authorized Expenses

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

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

Payment of Credit Card Accounts

Credit card statements will be paid in-full on a monthly basis.

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

Cash Advances

Under no circumstance will any cash advance be permitted.

Credit Card Rewards Programs

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

3.8: Credit Reporting

The respective Finance Committees for CBAR And South Texas MLS will be responsible for conducting a complete credit report in the first quarter on an annual basis to ensure that no unauthorized credit accounts have been procured under the identity of the Association or MLS.

3.9: Bank Signature Cards

Signature cards for all accounts shall be updated at the beginning of each year or as necessary. Signers for CBAR accounts shall be the AE/CEO, President, President-Elect, and Secretary/Treasurer. Signers for South Texas MLS bank accounts shall be the MLS Chair, MLS Vice-Chair, MLS Secretary/Treasurer, and AE/CEO in accordance with the Company Agreement.

3.10: Advertising and Sponsorship Payments

Sponsorship benefits such as logos on flyers and communications, social tags, and event tickets will not begin until payment for the sponsorship is received.

SECTION 4 – LEGAL POLICIES

4.1: Anti-Trust Compliance

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

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

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

The CBAR Board, MLS Board, and each standing Committee shall keep minutes of all business that is conducted. The minutes should accurately summarize the action taken at the meeting. For maximum protection, the officer in charge and/or CBAR/MLS counsel should review the minutes to ensure the language used is not subject to misinterpretation.

The following is to be read at all Association Board, MLS Governors, and Committee meetings:

“The Coastal Bend Association of REALTORS® and South Texas MLS are devoted to enhancing the real estate industry in Texas. Meetings focus on promoting the interests of real estate professionals and consumers, fostering competition, and sharing best practices. Discussions that violate antitrust laws, such as price-fixing or limiting service offerings, are strictly prohibited.”

4.2: Confidentiality

Directors, officers, staff, committee members, task force members, other volunteers, and the general membership at-large may have access to materials and discussions during their course of work or involvement in Association activities that are of a confidential nature, and at varying levels of accessibility and confidentiality. Any member who has access to C1 and/or C2 Confidential Information described below shall execute an appropriate acknowledgment and agreement that the member has read this policy and agrees to protect this information from discussion and review outside of the Association. Any member who has concerns regarding compliance with these guidelines should report those concerns in writing to the Management Team. Violation of this confidentiality policy is subject to consideration by the Board of Directors or Governors, as appropriate, and may be cause for immediate removal in accordance with the Bylaws or Company Agreement.

C1 Confidential Information

“C1 Confidential Information” is information presented or discussed in closed meetings or executive sessions and shall remain confidential. C1 Confidential Information includes varying levels of proprietary information that disclosure or unauthorized use of may cause irreparable harm to a member or the Association. This information is only discussed and reviewed in all closed meetings or executive sessions of the respective boards, committees, task forces, and other meetings where a closed meeting or executive session is called.

C1 Confidential Information should be discussed and reviewed only with (a) co-members of the respective closed or executive session meeting, or (b) with the those limited Association volunteers and staff directly assisting with the closed meeting or executive session, or those responsible for maintaining the records of the applicable closed meeting or executive session, or (c) accountants and attorneys for the Association, as needed. Any such review and/or discussion shall be on a need-to-know basis to prepare for and conduct the closed meeting or executive session, to carry out the decisions made during the applicable closed meeting or executive session, and to preserve the record of the applicable closed meeting or executive session. No one is permitted to remove or make copies of C1 Confidential Information without prior written approval from the AE/CEO.

It is the responsibility of the committee, task force, or board conducting the closed meeting or executive session to designate applicable material as C1 Confidential Information. Any such designation shall be subject to review by the Board of Directors or Board of Governors, as appropriate, who may remove the C1 classification. The C1 classification status will be reviewed annually by the Board of Directors or Board of Governors and the classification level will be lowered to C2 or declassified as appropriate. Using C2 Confidential Information in a closed meeting or executive session shall not transform individual C2 Confidential Information into C1 Information. Thus, any individual C2 Information shall remain available to the general membership despite it being used in a closed meeting or executive session. However, C2 Information that is part of the C1 information used in a closed meeting or executive session will be considered C1 information in its combined state, e.g., such as when included in a binder for the members in a closed meeting or executive session.

C1 information includes the following, bearing in mind this is not an exhaustive list. Questions of confidentiality not specifically addressed in this list will be evaluated by the Board of Directors or Board of Governors as appropriate.

1. All matters the Association is required to keep confidential by the terms of confidentiality provisions with third parties including contracts with a vendor performing requests for services.
2. Matters when most of the respective board, committee or task force determines that discussion of the matter in an open meeting would not be in the best interests of the Association and the members.
3. Legal matters, including, but not limited to, threatened, and pending litigation, arbitration, mediation proceedings and legal strategies.
4. Personnel matters, including, but not limited to, individual salaries, employment agreements, and performance reviews.
5. The existence of discussions concerning the possibility of mergers, consolidation, and the sale of any assets.
6. Bank statements, credit card statements, credit reporting documents, PIN numbers and other matters or documents relating specifically to the credit reporting of the association.
7. Matters relating to private member data and member lists, including professional standards and code of ethics hearings.
8. Complaints involving the Association's anti-harassment policies, findings from member grievances, discussion regarding conduct or removal of a board member or other volunteer member.
9. Bids and negotiations related to contracts with a vendor performing requests for services.

At the first meeting of each year, each member of the Board of Directors and the Board of Governors will sign an acknowledgement and agreement to comply with this confidentiality policy. Some committees and task forces may require their members to sign the Confidentiality Agreement at the beginning of the year due to the high number of closed meetings traditionally called by the committee or task force.

Any member attending any meeting or executive session wishing to raise concerns regarding compliance with this policy should raise those concerns with the chair conducting the meeting and request that the discussion be stopped while the possible violation is evaluated. The possible violation should also then be brought to the attention of the Management Team. The Management Team, without persuasion or coercion, must present the concern to the respective board, committee, or task force for a majority vote to resolve the concern, or recommend sending for attorney review.

C2 Confidential Information

“C2 Confidential Information” is information that designated as confidential and which is available to the membership without any violation of this Policy under C1 or of other confidentiality provisions. This information is discussed and reviewed in open meetings of the respective boards, committees, task forces, and other meetings where a closed meeting or executive session is not called. C2 Confidential Information may be discussed and reviewed freely among co-members of the general membership, but shall not be disclosed to any person outside of the general membership.

It is the responsibility of the board, committee, task force or office creating the document or record to designate it as C2 Confidential Information. Any such designation shall be subject to review by the Board of Directors or Board of Governors as appropriate who may remove the C2 classification.

C2 information includes the following, bearing in mind this is not an exhaustive list. Questions of confidentiality not specifically addressed in this list will be evaluated by the Board of Directors or Board of Governors as appropriate.

1. All board, committee, and task force meeting agendas, approved minutes, documents, and discussions reviewed in open meetings of the Association.
2. Contracts with a vendor performing requests for services that are not bound to a confidentiality agreement with the vendor.
3. Budget vs. actual financial reports, balance sheets, all financials reviewed in open meetings of the Association.
4. The “MLS Company Agreement” as referenced in this document.

Any member at-large in good standing may have office access to C2 information by written request to any member of the Management Team. The AE/CEO is responsible for issuing and/or maintaining the C2 Confidential Information. Any member at-large seeking to review C2 information shall execute an appropriate acknowledgment and agreement that the member has read this policy and agrees to protect this information from discussion and review outside of the Association.

4.3: Access to Legal Counsel

The President of the Board, MLS Chair, AE/CEO, and staff members designated in writing by the AE/CEO are the only individuals authorized to directly contact Association or MLS Legal Counsel. Should there be a necessity for individuals or committees to meet with legal counsel, prior arrangements must be made through the AE/CEO or the President of the Board or MLS Chair. Should a Member contact legal counsel for the Association or MLS without prior written approval, the individual will be billed and agrees to pay the amount incurred from that contact.

4.4: Contracts/Encumbrances

The President of the Board, MLS Chair, and the AE/CEO shall be the only individuals authorized to enter into contracts or agreements on behalf of the Association and/or MLS, subject to the approval of the respective Board, which incur financial or other liabilities to the Association and/or MLS.

Contracts regarding budgeted event venues and related rentals will not require board approval if they fall within the allocated budget and adhere to established guidelines. Any contracts exceeding the predetermined budget will require board approval.

Agreements entered into on behalf of South Texas MLS are subject to the governance and approval procedures described in the LLC agreement.

4.5: Subpoenas

The staff of the Coastal Bend Association of REALTORS® and South Texas MLS are permitted, and instructed, to cooperate with any governmental law enforcement agencies and courts. Information will be provided to law enforcement agencies and/or court upon the presentation of a valid subpoena detailing the documents or information requested to the AE/CEO.

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

4.6: Whistleblower Policy

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

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

Protection from retaliation. CBAR and MLS prohibits retaliation by or on behalf of CBAR and MLS against staff or volunteers for making good faith complaints, reports or inquiries under this policy or for participating in a review or investigation under this policy. This protection extends

to those whose allegations are made in good faith but prove to be mistaken. CBAR and MLS reserve the right to discipline persons who make bad faith, knowingly false, or vexatious complaints, reports or inquiries or who otherwise abuse this policy.

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

4.7: Records Retention

The purpose of this policy is to ensure that necessary records and documents of the Association and MLS are adequately protected and maintained, and that records that are not necessary or useful for current operations are deleted. It is the policy of the Association and MLS that the following records shall be maintained for at least the periods of time set forth below. No employee, officer or director of the Association or MLS shall destroy any of the below referenced records without following the procedures set forth herein.

The AE/CEO shall be responsible for periodically reviewing the records of the Association and MLS for compliance with this policy. No records of the Association or MLS shall be destroyed except under the supervision of the AE/CEO. All disposed of materials must be securely destroyed, e.g., shredded, reformatted, etc. All backup and archived copies of a record must be destroyed when the original is destroyed.

Type of Document	Minimum Requirement
Accounts payable ledgers and schedules	7 years
Bank Reconciliations	7 years
Bank statements	7 years
Bills of Sale	7 years
Checks	10 years
Contracts (still in effect)	Length of contract plus 7 yrs
Correspondence (general)	2 years
Correspondence (with vendors)	7 years
Depreciation Schedules	Permanently
Duplicate deposit slips	2 years
Employment applications	3 years
Expense Analyses/expense distribution schedules	7 years
Insurance policies, etc.	Length of policy plus 10 yrs
Internal audit reports	3 years
Inventories of products, materials, and supplies	7 years
Invoices (to customers, from vendors)	7 years
Legal Opinions, lawsuits, and correspondence regarding legal matters	10 years
Membership applications and records	Permanently
Minute books, bylaws and articles of incorporation	Permanently

Notes and Deeds to Secure Debt	Length instrument plus 7 yrs
Outside audit reports	20 years
Payroll records and summaries	7 years
Personnel files (terminated employees)	7 years
Records of ethics hearings and commission arbitrations	10 years
Retirement records	10 years
Tax returns and worksheets	20 years
Trademark registrations and copyrights	Permanently
Withholding tax statements	7 years
Year End Financial Statements	20 years

Any officer of the Association or MLS, respectively, shall have the right to suspend the destruction of any records of the Association or MLS, respectively, for thirty (30) days upon written notice to the AE/CEO specifying the records not to be destroyed during this thirty (30) day time period.

4.8: Conflicts of Interest Policy

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

Definitions:

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

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

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

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

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

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

4.9: Non-Discrimination & Anti-Harassment

This Non-Discrimination, and Anti-Harassment Policy (the “Policy”) applies to all Association related meetings or events, whether held in public or private facilities, including meetings or events sponsored by organizations other than the Association and held in conjunction with Association meetings, events, or Association communications.

General

The Association recognizes the right of its members, employees, volunteers, and guests, to work and be in an environment free of harassment and discrimination based on race, color, religion, sex, national origin, age, disability, sexual orientation, gender identity, pregnancy, or status in any group protected by federal or state or local law (“Protected Categories”). The Association is committed to creating a respectful, courteous work environment free of unlawful discrimination and harassment of any kind. If you believe you are a victim of harassment or discrimination by a member, employee of the Association, or other person, follow the complaint procedure below. The Association will promptly and appropriately investigate complaints of discrimination, harassment and/or retaliation and corrective action will be taken against any employee or member engaging in any form of illegal harassment or discrimination.

Prohibited Harassment

The Association expressly prohibits any form of unlawful discrimination or harassment based on race, color, religion, sex, national origin, age, disability, sexual orientation, gender identity, pregnancy, or status in any group protected by federal or state or local law (“Protected Categories”). The Association also prohibits retaliation against a person who files a harassment or discrimination complaint, or who assists or participates in the investigation of a report.

Under this policy, this prohibited conduct includes, but is not limited to: unwelcome verbal, physical or visual conduct that is based upon a person's race, color, religion, sex, national origin, age, disability, sexual orientation, gender identity, or other characteristic protected by federal, state, or local law. Harassment also includes derogatory epithets, slurs or negative stereotyping; threatening, bullying, intimidating or hostile acts; denigrating jokes; and the display or circulation of written or graphic material that denigrates or shows hostility toward an individual or group based on a protected characteristic. Sexual harassment also includes unwelcome sexual advances, requests for sexual favors, and all other verbal, visual or physical conduct of a sexual or otherwise offensive nature that has the purpose or effect of creating an

intimidating, hostile, or offensive working or service environment. Sexual harassment may involve individuals of the same or different gender, and may take the form of physical, verbal, or non-verbal conduct. By way of example, such conduct includes, but is not limited to:

- Verbal: Sexual innuendoes, suggestive comments, jokes of a sexual nature, sexual propositions, and threats.
- Non-Verbal: Sexually suggestive objects or pictures, graphic commentaries, suggestive or insulting sounds, leering, whistling, obscene gestures.
- Physical: Unwanted physical contact, including touching, pinching, brushing the body, coerced sexual intercourse, assault.

Without limiting the foregoing, the Association will not tolerate harassing conduct that affects tangible job benefits, interferes with an individual's work performance, service or creates an intimidating, hostile, or offensive working or service environment. Violation of this policy will result in corrective action, which may include, but is not limited to, any one or more of the following:

- Prohibition from attendance at future Association meetings or events.
- Removal from a Committee or Board appointment.
- Expulsion from membership.
- Attendance of specific educational classes.
- Assessment of a fine.
- Termination of contract.
- Termination of employment.
- Referral to a law enforcement agency
- Any other disciplinary action that the Association deems appropriate

Complaint Procedure

If a volunteer, member, employee or guest, including, but not limited to, vendor, contractor, visitor believes that he or she has been the subject of discrimination, harassment or retaliation, or a witness to harassment or other inappropriate behavior in violation of this policy, the person is encouraged, but not required, to tell the offender that the behaviors and actions are unwelcome. Then, as soon as possible after the incident of discrimination, harassment or retaliation, the person should report the incident to one of the following individuals:

- AE/CEO;
- Any presiding Officer of the Board of Directors or Governors, as appropriate, if the incident involves the AE/CEO;
- The President-elect, if the incident involves the President.

If the alleged harassment occurs at a time other than during normal business hours, the person should make the complaint as early as practical. The person should report all material facts of the incident, including what happened, how often, and where the incident(s) took place, as well as the names of the individuals and witnesses involved. Upon receipt of a report under this policy, the AE/CEO, Association President, Association President-Elect or Officer shall notify the Board of Directors or Governors, as appropriate, of the existence of the complaint at least by the next regularly scheduled Board meeting, or by a special called board meeting if earlier

action is necessary. Insurance carriers shall also be notified in accordance with any existing insurance policy.

SECTION 5 – TRAVEL POLICIES

5.1: Travel Policy

Purpose

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

General Expense Reimbursement Guidelines

Reimbursement Requests

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

Some volunteer positions are eligible for reimbursement by Texas REALTORS® (“TR”) or the National Association of REALTORS® (“NAR”). CBAR or South Texas MLS will reimburse eligible outstanding expenses after submission of an appropriate expense report indicating the reimbursement already collected from TR or NAR.

Transportation

Air: Commercial air travel is reimbursed at the coach-class rate. Advance purchase should be made whenever possible to take advantage of lowest fares. Business use of frequent flyer miles (or any other type of airline rewards program) or vouchers is not reimbursable. Air travel is reimbursable only when (a) other modes of transportation are unobtainable, (b) when air travel is less expensive than other modes, or (c) if travel exceeds 300 miles.

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

Ground Transport: Actual cost is reimbursed, and receipts must be provided. Tipping shall not exceed 20% of the actual fare plus an additional \$1.00 per bag/box.

Personal Auto:	The owner of the vehicle that is used will be reimbursed at the IRS allowable rate per mile. The number of miles driven must be stated. The allowable rate per mile changes periodically and is indicated on the expense-reimbursement form. Personal auto mileage is reimbursable only when other modes of transportation are unobtainable, or when personal auto use is less expensive than other modes.
Parking/tolls:	Actual cost is reimbursed. Receipts should be provided when possible and are required for any amount over \$75. Reimbursement for parking is limited to self-parking options, unless no self-parking is available. If valet parking is utilized where self-parking is otherwise available, reimbursement will be based on the lowest available self-parking option.
Rental car:	Rental cars are reimbursable only when other modes of transportation are unobtainable or more expensive. Any person obtaining a rental vehicle while serving the Association will be required to also obtain insurance coverage for the rental vehicle. Any cost of damages incurred due to Member or Staff negligence or fault will be the responsibility of the Member or Staff.

General Expense Reimbursement Guidelines

All per diem expenditures on behalf of CBAR or MLS are strictly based on the number of days the individual must be in attendance. If a person chooses to arrive early or remain after the conclusion of a meeting, all additional expenses (lodging, meals, etc.) will be paid by the individual. The Coastal Bend Association of REALTORS® (CBAR) or MLS reimburses members and/or participants/subscribers serving on committees, sub-committees, and task forces for expenses incurred only when attending meetings approved by the appropriate Board. CBAR and MLS do not reimburse members for expenses associated with a committee, sub-committee, or task force meeting when the meeting is conducted during Winter Meeting or Conference in which the member is in attendance and obtaining reimbursement for travel by CBAR or MLS.

Business expenses including overnight lodging and meals will be reimbursed, per the Travel policy, for travel to meeting/conference starting the night prior to meeting/conference if it starts prior to noon the following day or for overnight lodging and meals for meeting/conference that ends past 3:00 PM local time with consideration for traveler's safety as top priority. All requests for approved travel reimbursement must be submitted to the AE/CEO or their designated staff representative. A Reimbursement Request Form with accompanying receipts must be received within 30 days of travel to be considered for approval.

Transportation will be provided by CBAR or MLS for Officers, Directors, and staff members for approved events only. For all other members, transportation expenses will be the responsibility of the Member unless approved on a case-by-case basis by the CBAR Board of Directors or MLS Board of Governors.

- Lodging:** Lodging will be provided by CBAR or MLS for Officers, Directors, and staff members for approved events only. Lodging expenses provided by CBAR or MLS will only include the actual room rate plus taxes and any fees to self-park a vehicle during the Member's, participant's/subscriber's, or staff member's stay.
- Meals:** A per diem rate of \$100 will be provided for Officers, Directors, and staff members for meals and additional expenses. Members, participants/subscribers, or staff members will not be compensated until they have returned from travelling.
- Communication:** It is presumed that traveling Officers, Directors, and staff members have access to their own cellular telephones for telephone communication. Fax transmissions are reimbursed on actual charges. Hotel internet access is reimbursable at a reasonable cost. Cumulative communication expenses are not to exceed \$50 per day. Overages are to be paid by the member, participant/subscriber, or staff member.

Hosting and Entertaining Expense Reimbursement Guidelines:

CBAR or MLS will reimburse the actual costs incurred in situations where it is deemed appropriate for the officers to host and pay for several individuals at a meal, unless the meal is to be paid for by another association. The maximum allowance permitted for this meal is \$150 per person (including alcohol, if desired). Entertainment expenditures draw the greatest attention from the IRS, and thus require a higher degree of discretion. IRS regulations require the expenditure to be adequately explained with information concerning the purpose of the gathering, a list of individuals attending, the name and location where the expense was incurred, and all costs included. Reimbursement will not be authorized without this information.

Spouse/Significant Other Travel:

Spouses and significant others are permitted to travel with the association and its members/Boards, but only at their own expense.

TR Director Travel

- Reimbursement:** CBAR's representative Texas REALTORS® Directors are eligible for reimbursement of up to \$1,000 per event in transportation, lodging, and meal expenses to attend Board meetings at Texas REALTORS® Winter Meeting and Annual Conference. Directors must submit a reimbursement request with receipts for incurred expenses.

The AE/CEO of CBAR and MLS is permitted to purchase one dinner for the Board of Directors or Board of Governors per event. The maximum allowance permitted for this meal is \$150 per person (including alcohol, if desired). Any overage shall be paid by the Board Member(s) prior to any use or application of CBAR or MLS credit cards or funds.

SECTION 6 – GENERAL OPERATIONS POLICIES

6.1: Director/Governor Election Procedures

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

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

6.2: Taskforces

The Management Team or MLS Chair, as the case may be, may appoint a Taskforce and a Chairperson. The Taskforce will consider specific topics determined by the Management Team or MLS Chair and issue specific recommendations to the respective Board. A Taskforce may be made up of Directors, Officers, Governors, and/or general membership.

6.3: Association and MLS Staff Support

All Association and MLS staff are directly responsible to and under the direction of the AE/CEO. The AE/CEO is responsible for the hiring and terminating of employment of all staff members. The AE/CEO will introduce any new staff member to the Board of Directors and Board of Governors. Members who need Association and/or MLS Staff support may coordinate this through the AE/CEO.

The AE/CEO is responsible for knowing and understanding recommended procedures and practices of the Texas Workforce Commission in relation to documenting employee issues or violations. The AE/CEO will provide a written explanation of any employee's violations, as well as any written rebuttal by the employee, to the Management Team prior to termination.

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

6.4: Dues Payable (Association policy only)

CBAR Member dues shall be paid annually in advance on the first day of December for the following year's annual dues. Dues are considered one (1) month delinquent if not paid by December 31st. Dues shall be computed from the day a new member is granted provisional membership and shall be prorated for the remainder of the year. Collection procedures are

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

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

6.5: MLS Fees (MLS policy only)

MLS Participants will no longer be responsible for the financial obligations for MLS Subscribers in their offices. Each MLS Subscriber will be billed directly and is responsible for their own account.

All MLS users will be notified via email when invoices for quarterly MLS Fees are available.

Quarterly MLS Fees will be billed (invoices available for viewing) December 1, March 1, June 1, and September 1. MLS Fees are due before the first business day of January, April, July, and October. If MLS fees are not paid by these dates, MLS Subscribers will be suspended for non-payment.

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

If an MLS Participant fails to timely pay, their quarterly MLS participation fee, or other accrued invoices, the MLS Participant will be sent a notification by email and the above policy will apply with the following exception: the late fee will be \$50.00. If an MLS Participant is suspended for non-payment, the ENTIRE OFFICE is suspended.

PLEASE NOTE: When an entire office is suspended, access to MLS for all Subscribers will be deactivated.

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

6.6: Supra Termination (Association policy only)

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

6.7: Supra Access for Affiliate Members (Association policy only)

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

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

6.8: Payment Methods

The following are acceptable methods of payment: Credit cards, debit cards, and TeleCheck. Physical checks may be accepted for amounts over \$2,500 or on a case-by-case basis as determined by the AE/CEO.

The following are not accepted methods of payment: Cash, Money Order, Cashier's Check.

6.9: Refunds

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

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

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

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

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

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

6.10: Facility Rental and Event Advertising

Affiliates, members and non-members may rent the Association or MLS conference facilities per the established rate schedule. All events being held in the Association or MLS facilities will

be listed on www.ccaronline.com. Classes and events that are sponsored by a CBAR Member, MLS participant/subscriber, or Affiliate of the Coastal Bend Association of REALTORS® will be advertised in a special section of the weekly update, on a space-available basis. There is no guarantee that this advertising space will be available, and placement is at the sole discretion of the Coastal Bend Association of REALTORS® staff.

6.11: Building Upkeep, Maintenance, and Repairs (Association Only Policy)

Real property and buildings owned by CBAR and South Texas MLS will be managed by staff or a professional property management company. General repairs over \$5,000 will require a minimum of 3 bids. Repairs under \$5,000 may be approved by the AE/CEO.

Emergency repairs to property, facilities, and machinery must be approved by the AE/CEO or the Management Team. Emergencies include items that pose a risk to health and safety or major property damage. The CBAR Finance Committee Chair will be informed of the emergency repairs.

Maintenance and service contracts must be approved by the Board of Directors.

6.12: Smoking Policy

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

6.13: Logo and Use of Company Branding

CBAR and South Texas MLS may form relationships with third parties in the form of endorsements, partnerships, sponsorships, advertising, and coalitions. Official relationships with third parties require Board approval.

All other requests for use of CBAR, MLS, and Foundation logos and company branding must be submitted to staff in writing for review and approval. Requests may be subject to approval by the Board. Collateral including company logo or branding must be reviewed by staff before publication/distribution.

CBAR and MLS logos used in professional marketing materials must be presented in their original colors and aspect ratios.

6.14: Membership Rosters and Contact Information

Annual membership rosters and quarterly new-member rosters are available to Affiliate members as a member benefit. Information included will be agent name, office, phone, and email address. Marketing emails must be in accordance with the CAN-SPAM act. Rosters may not be disseminated to non-members.

Contact information for CBAR REALTOR® and Affiliate members may be accessed through the CBAR website.

6.15: Annual Recognitions and Awards Taskforce (Association policy only)

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

- A. The Taskforce shall be appointed by the current REALTOR® of the Year and AFFILIATE of the Year with the consent of the President of the Board.
- B. The Taskforce shall begin meeting in September and present the awards at the annual installation; and
- C. The identity of the Taskforce Members shall be confidential until the winners are announced.
- D. Award winners are to remain confidential and will be announced at the Installation Banquet.
 - a. Note: To help ensure that award recipients and their family members/colleagues are in attendance for the presentation of the award, the Taskforce will designate one key contact per award recipient to receive notice in advance of the Installation Banquet. This key contact should be an individual with a close business or personal relationship with the winner.

6.16: Annual Awards (Association policy only)

The recipients for the following awards are selected by the CBAR Awards Task Force.

REALTOR® of the Year – Recognizes an outstanding REALTOR® who is a well-rounded professional based on the following criteria:

- Active involvement in the real estate industry
- CBAR involvement
- CBAR must be primary board
- REALTOR® education (CE, designations, certifications, professional development)
- Community involvement

Affiliate of the Year - Recognizes an outstanding Affiliate who is a well-rounded professional based on the following criteria:

- Active involvement in the real estate industry
- CBAR must be primary -or- secondary board
- CBAR involvement
- Community involvement
- Sponsorship involvement (not total dollars spent)

Rookie of the Year – Recognizes an outstanding newer REALTOR® who is a well-rounded professional based on the following criteria:

- Active involvement in the real estate industry
- CBAR involvement
- CBAR must be their primary board

- Must be licensed for 2 years or less at time of nomination
- Active status the entire time they are licensed
- Awarded as deemed appropriate and merited, therefore not necessarily awarded annually

Lifetime Achievement Award – Recognizes an outstanding REALTOR® or Affiliate who has built a career as a dedicated professional based on the following criteria:

- CBAR involvement
- CBAR must be their primary board
- Community involvement
- Minimum of 20 years with CBAR or a board that merged with CBAR
- Awarded as deemed appropriate and merited, therefore not necessarily awarded annually

Spirit Award – Recognizes an exceptional REALTOR® or Affiliate who stands out amongst others in their dedication and contributions. This award is based on the following criteria:

- CBAR involvement or within their local community
- CBAR must be their primary board
- Community involvement
- Exemplifies an overall heart of service
- Awarded as deemed appropriate, merited and therefore not necessarily awarded annually

6.17: Professional Development

It is expected that members attend continuing education and professional development classes in accordance with the Association's mission.

The Association may commit to contracting a speaker to provide professional development to the membership at a cost per registered member.

6.18: Annual Survey

In the first quarter of each year, the Board shall create and conduct an annual survey of membership. Summary results of this survey will be released to the membership within 90 days of conclusion of the survey.

6.19: AE Recruitment

CBAR's Recruitment Policy is designed to identify and prepare candidate for high-level management positions that become vacant due to retirement, resignation, termination, death, or new business opportunities.

In the event of recruiting and hiring a new AE while honoring any existing AE Employment Contract, the following plan will be implemented:

The current AE, if available, will also work on a detailed transition plan to ensure a seamless handover to the new AE. If the AE is no longer with the Association, an "Interim AE" will be

appointed to oversee operations until a new AE is recruited and hired. Temporary salary adjustments may be considered for the Interim AE position as well as any staff assuming key responsibilities.

A Search Task Force shall be formed, consisting of no less than five and no more than nine association members including the chairperson. Members must include a minimum of two from the general membership and two from the Board of Directors. The composition of the Search Task Force shall be recommended by the Chair and Management Team.

One or more of the following will be engaged to assist the Task Force: (1) Texas REALTORS®, (2) a recruiting consultant specializing in Association Management Executive recruitment, or (3) a recruiting consultant specializing in REALTOR® Association Management recruitment. The Task Force will receive direction from the Board of Directors regarding the Association's future direction, desired AE qualifications, and compensation. The Task Force along with the recruiting consultant, if hired, will review the position description, define position competencies, and agree where the job posting will be posted. The Task Force will develop interview questions and agree on interview format. The Task Force will interview top candidates and recommend the preferred qualified candidate to the Board of Directors.

In the event of internal candidates emerging, neutrality is crucial for the Board of Directors, Search Task Force, and all involved in the recruitment process. Internal candidates will be assessed based on the same criteria and expectations as external candidates and cannot be part of the search process.

APPENDIX A – TRAVEL REIMBURSEMENT CHART

	TR Winter Meetings & Annual Conferences	TR 360 Conference	NAR Legislative Meetings & Annual Conferences	NAR AE Institute	TR AE Seminar	NAR Leadership Summit	BEATS Education Conf.	TR Advocacy Training	TR Leadership Training	CoreLogic Clarity & Client Summits	CMLS	RESO	REALTOR® Day at the Capitol
President	Full Reimbursement	Registration & Lodging	Full Reimbursement	-	-	(Incoming) Full Reimbursement	-	(Incoming) Full Reimbursement	(Incoming) Full Reimbursement	-	-	-	-
President-Elect	Full Reimbursement	Registration & Lodging	Full Reimbursement	-	-	-	-	(Incoming) Full Reimbursement	(Incoming) Full Reimbursement	-	-	-	-
Secretary/Treasurer	Full Reimbursement	Registration & Lodging	-	-	-	-	-	(Incoming) Full Reimbursement	(Incoming) Full Reimbursement	-	-	-	-
Imm. Past President	Full Reimbursement	Registration & Lodging	-	-	-	-	-	-	-	-	-	-	-
CBAR Directors	-	Registration & Lodging	-	-	-	-	-	-	-	-	-	-	-
GA Chair	-	-	-	-	-	-	-	(Incoming) Full Reimbursement	-	-	-	-	-
TREPAC Chair	-	-	-	-	-	-	-	(Incoming) Full Reimbursement	-	-	-	-	-
MLS Chair	Full Reimbursement	-	Full Reimbursement (Annual Conf.)	-	-	-	-	-	-	-	-	Full Reimbursement	-
MLS Vice-Chair	-	-	Full Reimbursement (Annual Conf.)	-	-	-	-	-	-	-	Full Reimbursement	-	-
MLS Governors	-	-	-	-	-	-	-	-	-	-	-	-	-
TR Directors	Up to \$1,000*	Registration & Lodging*	-	-	-	-	-	-	-	-	-	-	-
TR RVP's	Up to \$500*	Registration & Lodging*	-	-	-	-	-	-	-	-	-	-	-
TR PIC	Up to \$500*	Registration & Lodging*	-	-	-	-	-	-	-	-	-	-	-
TREPAC Trustee	Up to \$500*	Registration & Lodging*	-	-	-	-	-	-	-	-	-	-	-
AE	Full Reimbursement	Full Reimbursement	Full Reimbursement	Full Reimbursement	Full Reimbursement	Full Reimbursement	-	Full Reimbursement	Full Reimbursement	-	-	-	-
Assoc. Staff	Full Reimbursement x1	Full Reimbursement x1	-	-	-	-	Full Reimbursement x1	Full Reimbursement x1	-	-	-	-	-
MLS Staff	-	-	-	-	-	-	-	-	-	Full Reimbursement x1	Full Reimbursement x1	Full Reimbursement x1	-

All reimbursements must be submitted in accordance with the travel policy. This chart provides the amounts reimbursed for the specific events noted at the top should the member's travel be approved by the respective board.

If an approved individual is unable to attend budgeted travel, the Management Team can authorize another volunteer leader to go in their place, with priority given to comparable or incoming positions.

** Volunteer position eligible for reimbursement by TR or NAR. CBAR will reimburse outstanding eligible expenses after submission of appropriate expense report indicating reimbursement already collected from TR or NAR up to the listed maximum reimbursement.*

APPENDIX B - INVESTMENTS

Adopted March 31, 2022

Introduction

This statement of investment policy has been adopted by the Board of Directors of the Coastal Bend Association of REALTORS ("CBAR") to provide guidelines for the investment of funds held by the association.

For the purposes of managing investment risk and to optimize investment returns within acceptable risk parameters, the funds held will be divided into four separate investment pools. The process for determining the dollar amount in each pool is set forth in the "Procedures" section of this document. The four investment pools shall be called the "**Operating Fund**", the "**Operating Reserves**", the "**Short-Term Fund**" and the "**Long-Term Fund**".

Procedures

1. The following procedures will be followed to ensure the investment policy statement is consistent with the current mission of CBAR and accurately reflects the current financial condition:

- A.) This investment policy shall be reviewed at least every year by the Finance Committee for any necessary revisions.
- B.) Recommendations for any revisions or modifications will be made by the Finance Committee to the Board of Directors for approval.

2. The following procedures will be used to determine the dollar amounts to be placed in the Operating Reserves, the Short-Term Fund and the Long-Term Fund. Dollars not specifically designated for the Operating Reserves, the Short-Term or Long-Term Funds will be restricted to investments designated in the "Investment Guidelines" for the Operating Fund.

- A.) The Operating Reserves shall be maintained at 50% of the annual operating budget. Any funds in excess of that amount may be moved to another reserve fund as designated by the Board of Directors.
- B.) The Finance Committee will recommend to the Board of Directors via the annual budget process the dollar amounts to be placed in the Short-Term and Long-Term Funds.
- C.) The Board of Directors will have final approval of the dollar amounts placed in specific funds.

3. The services of one or more investment consultants will be sought to manage portions of CBAR funds. The following procedure shall be followed to engage a new or replace a current investment consultant.

- A.) The Finance Committee will recommend the hiring or replacing of an investment consultant to the Board of Directors, who shall have final approval.

4. The procedures for changing an investment manager and / or mutual fund will be as follows:

- A.) The investment consultant will recommend the changing of an investment manager and / or mutual fund to the Finance Committee.
- B.) The Finance Committee will review the candidate(s) and make a recommendation to the Board of Directors, who shall have final approval.

OPERATING FUND

Purpose

The purpose of the Operating Fund is to provide sufficient cash to meet the financial obligations of the CBAR in a timely manner.

Investment Objectives

The investment objectives of the Operating Fund are:

- 1.) Preservation of capital;
- 2.) Liquidity; and
- 3.) To optimize the investment return within the constraints of the policy.

Investment Guidelines

ALLOWABLE INVESTMENTS

The CEO with Board approval shall be authorized to invest the CBAR Operating Fund as follows:

- 1.) Checking accounts in U.S. federally insured banks and financial institutions not to exceed federally insured amounts;
- 2.) Money market funds that invest in U.S. Government backed securities;
- 3.) Federally-insured certificates of deposit not to exceed FDIC limits;
- 4.) Direct obligations of the U.S. Government, its agencies and instrumentalities; and
- 5.) Repurchase agreements in conjunction with bank sweep accounts collateralized by U.S. Government obligations.

MATURITY

The maturities on investments for the Operating Fund shall be limited to one year or less.

REPORTING

The Treasurer shall prepare the following reports for presentation on a quarterly basis to the Finance Committee:

- 1.) Schedule of investments,
- 2.) Interest income year to date,
- 3.) Current yield.

OPERATING RESERVES

Purpose

The purpose of the Operating Reserves is to provide approximately six months of operating reserves to meet expenses of the CBAR in the event of a significant budget shortfall.

Investment Objectives

The investment objectives of the Operating Reserves are:

- 1.) Preservation of capital;
- 2.) Liquidity; and
- 3.) To optimize the investment return within the constraints of the policy.

Investment Guidelines**ALLOWABLE INVESTMENTS**

The CEO with Board approval shall be authorized to invest the CBAR Operating Reserves as follows:

- 1.) Checking accounts in U.S. federally insured banks and financial institutions not to exceed federally insured amounts;
- 2.) Money market funds that invest in U.S. Government backed securities;
- 3.) Federally-insured certificates of deposit not to exceed FDIC limits;
- 4.) Direct obligations of the U.S. Government, its agencies and instrumentalities; and
- 5.) Repurchase agreements in conjunction with bank sweep accounts collateralized by U.S. Government obligations.

MATURITY

The maturity for the Operating Reserves shall be limited to 24 months or less.

REPORTING

The Treasurer shall prepare the following reports for presentation on a quarterly basis to the Finance Committee:

- 1.) Schedule of investments,
- 2.) Interest income year to date,
- 3.) Current yield.

SHORT-TERM FUND**Purpose**

The purpose of the Short-Term Fund is as follows:

- To set aside funds for capital improvements and legal expenses,
- To meet the expenses occurring as the result of unanticipated activities,

- To improve the return on funds held for expenditure over the next one to five years, and
- To manage investment risk.

Investment Objectives

The investment objectives of the Short-Term Fund are:

- 1.) Preservation of capital;
- 2.) To optimize the investment return within the constraints of the policy; and
- 3.) Liquidity.

Investment Guidelines

ALLOWABLE INVESTMENTS

The CEO with Board approval shall be authorized to invest the CBAR Short-Term Fund as follows:

- 1.) Money market funds that invest in government-backed securities;
- 2.) U.S. Federally-insured certificates of deposit not to exceed FDIC limits;
- 3.) Direct obligations of the U.S. Government, its agencies and instrumentalities;
- 4.) Commercial paper rated A-1/P-1 by Standard & Poor's and Moody's; and corporate notes with a minimum rating of Single A or better by one rating service; or equivalent as recommended by the Financial Advisor.

MATURITY

The Short-Term Fund shall have a maturity of five years or less.

DIVERSIFICATION

No more than 10% at cost of the Short-Term Fund may be in the securities of any one issuer with the exception of obligations of the U.S. Government, its agencies and instrumentalities; repurchase agreements collateralized by obligations of the U.S. Government, its agencies and instrumentalities; mutual funds and federally insured certificates of deposit.

REPORTING

The Treasurer shall prepare the following reports for presentation on a monthly basis to the Finance Committee:

- 1.) Schedule of investments,
- 2.) Interest income year to date, and
- 3.) Current yield.

LONG-TERM FUND

Purpose

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

Investment Objectives

The objectives of the portfolio represent a long-term goal of maximizing returns without exposure to undue risk, as defined herein. It is understood that fluctuating rates of return are characteristic of the securities markets. The primary concern should be long-term appreciation of the assets and consistency of total return on the portfolio. Recognizing that short-term market fluctuations may cause variations in the account performance, the portfolio is expected to achieve the following objectives over a three-year moving time period:

1. The account's total expected return will exceed the increase in the Consumer Price Index annually. On a quarter-to-quarter basis, the actual returns will fluctuate and can be expected to exceed the target about half the time.
2. The account's total expected return will exceed the increase in the Treasury Bill Index annually. On a quarter-to-quarter basis, the actual returns will fluctuate and can be expected to exceed the target about half the time.

Understanding that a long-term positive correlation exists between performance volatility (risk) and statistical returns in the securities markets, we have established the following long-term objective: The portfolio should be invested to minimize the probability of low negative total returns, defined as a one-year return worse than negative **10%**.

INVESTMENT GUIDELINES

The investment policies and restrictions presented in this statement serve as a framework to achieve the investment objectives at the level of risk deemed acceptable. These policies and restrictions are designed to minimize interference with efforts to attain overall objectives, and to minimize the probability of excluding appropriate investment opportunities.

PROHIBITED INVESTMENTS

The following investments and investment activities are prohibited:

- 1.) Private placements;
- 2.) Letter stock;
- 3.) Derivatives. However, to the extent that mutual funds are used by CBAR the mutual funds may buy or sell derivatives for the purposes of managing portfolio risk. Additionally, if individual equities are owned by CBAR, covered call option writing is allowed. All other options are prohibited;

- 4.) Individual commodities or commodity contracts. However, if purchased in a managed portfolio such as a mutual fund commodities will be allowed;
- 5.) Short sales;
- 6.) Margin transactions;
- 7.) Any speculative investment activities; and
- 8.) Digital/Crypto Currencies.

DIVERSIFICATION

Individual stocks are subject to a maximum 5% commitment at cost or 7% commitment of the account's market value for an individual security and 15% for a particular industry.

Individual bonds not guaranteed by the U.S. Government its agencies or instrumentalities are subject to a maximum 5% commitment at cost.

LONG TERM FUND AND TARGET ASSET MIX

The long-term component of the Reserve Fund shall be comprised of the asset classes listed in the table below. The target weight is the desired weight for each asset class. The minimum weights and maximum weights are to allow for normal market fluctuations. It shall be the responsibility of the investment consultant(s) to remain within the range specified for each asset class. The investment consultant(s) should re-balance the portfolio according to the target weights semi-annually.

With input from the Financial Advisor, the target allocation of the portfolio will be:

ASSET CLASS	MINIMUM WEIGHT	TARGET WEIGHT	MAXIMUM WEIGHT
EQUITY	10%	25%	35%
FIXED INCOME	30%	50%	70%
ALTERNATE INVESTMENTS	10%	25%	35%
TOTALS		100%	

Portfolio assets will be allowed to be invested in a combination of the following sub-sectors of the broader asset classes mentioned above, provided that the portfolio stays within the guidelines mentioned above. The allowable sub-sectors are:

Equities

- o Large Cap Growth
- o Large Cap Value
- o Mid Cap Growth
- o Mid Cap Value
- o Small Cap Growth
- o Small Cap Value
- o Micro Cap
- o International Growth
- o International Value

- o International Large Cap
- o International Small Cap
- o Emerging Markets

Fixed Income Securities

- o Investment Grade Bonds
- o High Yield Bonds
- o Convertible Securities
- o Floating Rate Securities
- o International Bonds
- o Certificates of Deposit
- o International Certificates of Deposit
- o U.S. Treasury Securities
- o Preferred Stock

Alternate Investments

- o Real Estate (if purchased in a managed portfolio such as a REIT – individual properties are not allowed)
- o Commodities (if purchased in a managed portfolio – individual commodities or commodity contracts are not allowed)
- o Managed Futures (if purchased in a managed portfolio – individual commodities or commodity contracts are not allowed)

EQUITIES

The equity asset classes should be maintained at risk levels roughly equivalent to the sectors of the market represented, with the objective of exceeding a nationally recognized index measuring the performance of the designated sector over a three-year moving time period net of fees and commissions. Mutual funds conforming to the policy guidelines may be used to implement the investment program.

The following definitions shall apply for the purposes of this policy:

U.S. Large Capitalization Stocks: A portfolio of stocks comprised primarily of U.S. based companies, with the average of the stocks held having a market value exceeding \$3.0 billion and primary shares of which are traded on a major U.S. exchange.

U.S. Mid Capitalization Stocks: A portfolio of stocks comprised primarily of U.S. based companies with the average of the stocks having a market value less than \$3 billion but greater than \$1 billion.

U.S. Small Capitalization Stocks: A portfolio of stocks comprised primarily of U.S. based companies with the average of the stocks having a market value less than \$1 billion.

International Stocks: A portfolio comprised primarily of stocks of non-U.S. based companies, the primary shares of which are traded on exchanges outside the U.S. American Depositary Receipts are considered International Stocks.

FIXED INCOME

Investments in fixed income securities will be managed actively to pursue opportunities presented by changes in interest rates, credit ratings, and maturity premiums. Mutual funds conforming to the

policy guidelines may be used to implement the investment program. The Following definitions shall apply for the purposes of this policy:

U.S. Government/Corporate Intermediate Bonds: A portfolio consisting primarily of fixed income securities denominated in U.S. dollars issued by the U.S. Government or U.S. corporations having a weighted average maturity of less than 10 years.

High Yield Corporate Bonds: A portfolio consisting primarily of bonds issued by U.S. corporations and the majority of the bonds are rated below BBB/Baa.

International Bonds: A portfolio consisting primarily of fixed income securities denominated in currencies other than U.S. dollars. Issuers may be both governments and corporations.

PERFORMANCE REPORTING

The Long-Term Fund will be evaluated quarterly on a total return basis. Returns will be compared to:

- 1.) Consumer Price Index;
- 2.) Three-month Treasury Bill Index;
- 3.) A weighted average of nationally recognized benchmark indices that is weighted according to the target allocation.

Comparisons will show results for the latest quarter, year to date and since inception. The report will be prepared by the Investment Consultant and will be presented to the Board of Directors on a semi-annual basis.

APPENDIX C – ACKNOWLEDGEMENT OF RECEIPT OF CONFIDENTIALITY POLICY

I acknowledge receipt of the Coastal Bend Association of REALTORS® Confidentiality Policy.

I understand that it is my responsibility to read and comply with this policy.

I understand that the confidential information described in this policy shall not be disclosed or otherwise used contrary to the Confidentiality Policy. I agree that I shall use the confidential information solely for the purpose of my duties with the Coastal Bend Association of REALTORS®, and I agree to protect all confidential information from discussion and review outside of the Association.

I understand that if I do not comply with the Confidentiality Policy, my actions will be subject to consideration by the Board of Directors or Governors, as appropriate, and may be cause for immediate removal in accordance with the Bylaws or Company Agreement.

Signed this _____ day of _____, _____.

Print Name

Signature

**APPENDIX D – ACKNOWLEDGEMENT OF RECEIPT OF
CONFLICTS OF INTEREST POLICY**

I acknowledge receipt of the Coastal Bend Association of REALTORS® Conflicts of Interest Policy.

I understand that it is my responsibility to read and comply with this policy.

I understand that as a member of the _____ (Board/Committee), I have a duty to immediately notify CBAR or South Texas MLS upon learning that that CBAR or South Texas MLS is considering entering into an agreement, transaction, or relationship in which I have a direct or indirect interest, whether individually or as a director, officer, employee, agent, or equity owner in such organization, or if CBAR or South Texas MLS is considering undertaking a project or initiative that may result in an actual or potential conflict with my own interests. If such a situation arises, I agree to immediately notify CBAR or South Texas MLS in writing or verbally at the organization's board or committee meeting, if the potential conflict of interest is first discovered at such meeting.

I understand that if I do not comply with the Conflicts of Interest Policy, my actions will be subject to consideration by the Board of Directors or Governors, as appropriate, and may be cause for immediate removal in accordance with the Bylaws or Company Agreement.

Signed this _____ day of _____, _____.

Print Name

Signature

APPENDIX E – ACKNOWLEDGEMENT OF RECEIPT OF POLICY MANUAL

I acknowledge receipt of the Coastal Bend Association of REALTORS® Policy Manual, including the policies listed below. I understand that as a member of the Coastal Bend Association of REALTORS®, it is my responsibility to read and comply with these policies.

Should I have questions about these policies, I will ask the AE/CEO, or a member of the Board of Directors or Board of Governors.

I understand that if I do not comply with these policies, my actions may be subject to consideration by the Board of Directors or Governors, as appropriate, and may be cause for immediate removal in accordance with the Bylaws or Company Agreement.

None of these policies constitute an employment contract or agreement between me and the Coastal Bend Association of REALTORS®.

Print Name

Signature

Date of Signature

APPENDIX F – INTERNET CRUSADE SERVICE RULES

Internet Crusade is a CBAR service available to all South Texas MLS Participants and Subscribers (Users). Users may submit email requests to the service for email distribution to other Users. To submit a request, Users must also be opted in to receive emails from the service. Examples of submissions include new or existing listing flyers, status updates, price changes, open houses, etc.

General Guidelines:

- Limit of one distribution per agent per day
- Processing of submissions occurs during normal office hours
- Submissions are not guaranteed to be distributed the same day
- Acceptable flyer formats include .jpeg, .png, .pdf

The following information is **required** for a submission to be distributed to other Users:

1. MLS number of the property (as it appears in the South Texas MLS system)
2. Property address
3. Minimum of one (1) photo of the property
4. Listing agent's contact information
5. Listing price

The following information is **strictly prohibited** in submissions to the service.

1. Any mention of commissions, bonuses, compensation to buyer's agents, BAC, or similar language.
2. Links or QR codes leading to websites that display commissions, bonuses, compensation to buyer's agents, BAC, or similar language.

Users that include prohibited language in submissions will have their access to the service suspended as follows:

- 1st Violation – 1 week suspension from the service
- 2nd Violation – 1 month suspension from the service
- 3rd Violation – Review by the Board of Directors for further action up to and including removal from the service.

APPENDIX G – CYBER SECURITY POLICY

The purpose of this policy is to protect the Association/MLS's digital information, member data, and technology systems from cyber threats and unauthorized access. This policy applies to all Association and MLS staff, officers, board members, volunteers, contractors, and any vendors who access organization systems or data.

1. Basic Security Rules

- a) Use organization systems only for organization business.
- b) Keep all passwords private.
- c) Use strong, unique passwords and enable multi-factor authentication (MFA) where available.
- d) Do not install unapproved software or connect personal devices without permission.
- e) Store organization documents only on approved, secure systems—not on personal devices or unprotected drives.
- f) All non-staff members must use guest access when connecting to the organization's network.

2. Protecting Member & Association Data

- a) Access confidential or member information only when needed for your role.
- b) Email containing sensitive data must be encrypted or sent through a secure service.
- c) Devices must be protected with passwords, screen locks, and current security updates.
- d) All software, antivirus tools, and system updates must be kept current.

3. Email & Phishing Safety

- a) Do not open suspicious links or attachments.
- b) Report possible phishing or unusual system activity to the AE/CEO or IT support immediately.

4. Incident Reporting

- a) If you believe there has been a data breach, ransomware attack, or unauthorized access:
- b) Notify the AE/CEO at once.
- c) Do not attempt to fix or investigate the issue yourself.
- d) The Association's IT support will secure affected systems and guide next steps.
- e) The AE/CEO will handle required notifications.

5. Data Retention & Disposal

- a) Follow the Association's Record Retention Policy. When data is no longer required, it must be securely deleted or destroyed.

6. Vendors & Third Parties

- a) Any vendor with access to Association systems or data must maintain reasonable cybersecurity protections and notify the organization immediately of any security issue.

7. Training

- a) All staff must complete cybersecurity training at least once per year.

APPENDIX H – Participant AI Use Policy (MLS Only Policy)

This Section governs participant’s deployment of artificial intelligence tools or systems to present or process MLS data in connection with participant-entitled data use as granted under the MLS rules and the applicable data license agreement.

Section H.1 – Artificial Intelligence or AI Defined.

Artificial Intelligence or AI means any application of systems, software, tools, or processes that use data to perform, assist with, or automate tasks that normally require human intelligence. This includes answering questions, generating content, analyzing data, recognizing patterns, performing reasoning tasks, or making recommendations. Under these rules, a tool is considered AI if it dynamically generates, selects, transforms, or ranks outputs based on data inputs, instead of following a fixed set of instructions. AI includes tools that learn or adapt using methods such as machine learning, natural language processing, or generative models.

AI does not include valuation models, analytics, or other software systems that operate using fixed coefficients, static formulas, deterministic logic, or non-adaptive statistical or business rules that do not dynamically generate, modify, or update outputs based on data inputs.

Section H.2 – Authorization, Scope, and Participant Obligations.

Participant and its affiliated subscribers may engage in AI-Facilitated Display (defined in H.3) or AI Data Processing (defined in H.4) subject to the following requirements:

1. AI systems may access or process MLS data only under an authorized participant-entitled data use (e.g., IDX, VOW, brokerage back office, valuation). The integration of AI does not expand or modify the scope of the underlying participant-entitled data use. All AI-related operations must comply with rules and restrictions applicable to the underlying participant-entitled data use.
2. AI systems may be deployed only to support activities within the scope of the participant’s professional license.
3. Participant is responsible for the use, access, and outputs of its AI system. Participant must ensure that any AI tools or systems are configured to require meaningful human oversight by the participant, including correction and review prior to public-facing display. Human oversight may not be delegated to end users.
4. Participant must supervise the use of MLS data to prevent the generation of false, misleading, or fabricated listing content, or harmful application of AI, including any violation of fair housing laws.
5. Participant may not bypass technical, field-level, or policy restrictions set by the Service or use AI to create or maintain copies of MLS data or derivatives of MLS data.

6. Any MLS data use that exceeds the participant's licensed rights is prohibited. The Service reserves the right to interpret and enforce these rules in a commercially reasonable and nondiscriminatory manner.
7. Participant must pay applicable administrative fees in connection with its AI system, as set forth in a published fee schedule or as otherwise provided by the Service.
8. Nothing in this Section prohibits a participant or subscriber from using AI tools for brokerage activities, provided MLS data is used consistently with the rules. Examples include drafting marketing content, generating property descriptions, and preparing client communication.

Section H.3 – Requirements for AI-Facilitated Display.

AI-Facilitated Display means any participant-controlled interface or delivery mechanism that incorporates AI functionality to present MLS data to a user. Examples include chatbots, virtual assistants, voice assistants, listing summarization tools, recommendation engines, or AI-enabled plug-ins.

Participant is permitted to publish an AI-Facilitated Display subject to the following requirements:

1. MLS data must be retrieved from a participant-controlled or Service-controlled system (such as a model context protocol (MCP) server).
2. The AI system must access MLS data only in response to a user request or as part of the display functionality. As permitted under IDX or VOW display rules, MLS data must be retrieved in live, near-real-time, or from a stored-feed and may be cached, logged, or retained to support saved searches, user alerts, personalization, security, abuse prevention, performance optimization, and audit purposes.
3. MLS data may not be retained, reused, or repurposed for training, model adaptation, or creation of persistent datasets for reuse outside the permitted display, and must not be used in any manner inconsistent with applicable display and data use rules.
4. All public displays must comply with the applicable display policy requirements (e.g., IDX or VOW), including attribution to the listing broker and the Service.
5. Participant may display only those listing fields permitted under the applicable participant entitled data use. Fields marked as confidential, MLS-only, or excluded by any MLS rule may not be ingested or exposed. Restricted fields must be technically excluded from AI ingestion pipelines. The Service may maintain and publish a list of fields eligible for AI-Facilitated Display.
6. AI-Facilitated Display may be embedded or framed within a third-party platform, plug-in, or application to the same extent permitted under existing MLS display rules, provided the participant retains exclusive technical control over compliance,

- authentication, and display behavior, and the framing does not mislead users or obscure the MLS data source.
7. Participant must notify the Service of any website, application, plugin, or platform where AI Facilitated Display is made available to consumers. This includes submitting the URL, application name, category or tool, integration method, and updating the Service of any changes.
 8. MLS data may not be used for training, resale, extraction of structured datasets, or any unauthorized use beyond the scope of permitted display.
 9. AI-enabled photo alteration, virtual staging, or visual enhancement of listing media is permitted only to the extent allowed under existing MLS rules, must not alter factual characteristics of the property, and must comply with any listing broker instructions and disclosure requirements.

Section H.4 – Requirements for AI Data Processing.

AI Data Processing means any system or platform that accesses, organizes, indexes, or prepares MLS data to support delivery of MLS data to AI-powered features or tools, operating on behalf of a participant. Examples include model context protocol (MCP) servers, summarization engines, or vector-based retrieval systems used to enable AI interaction with MLS content.

Participant is permitted to engage in AI Data Processing subject to the following requirements:

1. AI Data Processing may only be used to support the participant's own systems. MLS data may only be accessed, stored, or indexed internally only as necessary to deliver the participant-facing functionality. MLS data may only be shared or exposed outside of the participant's systems in accordance with a participant-entitled data use.
2. AI Data Processing must enforce field-level access controls, prevent exposure of restricted fields (e.g., confidential or MLS-only), and comply with all other data handling limitations imposed by the Service. The Service may maintain and publish technical specifications or approved processing standards.
3. MLS data may not be used to train, fine-tune, adapt, or embed any general-purpose, shared, or third-party learning system or AI model, or monetize MLS data, whether directly or indirectly. Use of third-party foundation or base models is permitted provided MLS data is used in compliance with the rules.
4. Prohibited activities include: modifying model weights, parameters, or persistent internal representations derived from MLS data, using MLS data to train or enrich a foundation model or embedding model with MLS data, or developing any synthetic dataset that replicates the structure or fields of MLS data.
5. Permitted processing includes retrieval-augmented generation (RAG), vector search, or summarization where MLS data is stored externally from the model and not incorporated into the model's memory or training, and structuring, indexing, or

transforming MLS data to support the participant's live-query infrastructure (e.g., MCP server).

Section H.5 – Vendor Use and Terms.

AI Vendor means any platform or provider designated by participant to provide AI Data Processing to participant, subject to participant's supervision, accountability, and compliance with Appendix H.

1. No AI Vendor has any independent participation rights in the Service or right to use MLS data, except in connection with the provision of AI Data Processing for participant. Access to MLS data by AI Vendor is a derivative right of the participant on whose behalf AI Vendor provides the AI Data Processing, and participant remains fully responsible for MLS data usage and compliance by AI Vendor.
2. Participants must disclose to the Service the identity of any AI Vendor and any subcontractor, affiliate, or sub-processors that will access MLS data.
3. The participant must ensure that the AI Vendor, and their subcontractor as applicable, execute the Service's written agreement and that AI Vendor agrees in writing to comply with all MLS rules and regulations applicable to AI Data Processing, including field limitations, retention rules, training prohibitions, and audit rights, as a condition of access.
4. The Service may require participants and AI Vendors to provide technical documentation, access to relevant logs, and periodic written attestations reasonably necessary to verify compliance with MLS data handling, retention, and non-training requirements.
5. Upon termination of the participant's MLS access or the participant's relationship with the AI Vendor, the AI Vendor must immediately cease all access to MLS data and delete any MLS content or derived data in its possession, including vector indexes, embeddings, and internal representations, unless otherwise authorized in writing by the Service.