

NATIONAL RPAC TRUSTEES FUNDRAISING COMMITTEE POLICIES

(Bylaws, Fundraising)

REALTORS® POLITICAL ACTION COMMITTEE
NATIONAL ASSOCIATION OF REALTORS®

BYLAWS AS APPROVED BY NAR BOARD OF DIRECTORS
NOVEMBER 1993, LAST UPDATED NOVEMBER 2018

AND POLICIES LAST AMENDED BY THE NATIONAL RPAC TRUSTEES
NOVEMBER 2018

ORIGINAL RPAC MISSION STATEMENT:

Purpose: The REALTORS® Political Action Committee is organized and operated exclusively for the purpose of supporting the nomination or election of one or more individuals who are candidates for nomination or election to any federal elective office, and to collect and make expenditures of political investments for the purpose of furthering the candidacy of such individuals for nomination or election to such office and otherwise supporting the legislative agenda of NAR, and to do any and all things necessary to accomplish such purposes, in accordance with the Federal Election Campaign Act of 1971, as amended.

I. RPAC GOVERNANCE/BYLAWS – FUNDRAISING TRUSTEES

National RPAC Statement of Organization and Procedures

ARTICLE I

Name and Definition

The name of this committee is the REALTORS® Political Action Committee (or "RPAC") Trustees Fundraising Committee which is a committee of the NATIONAL ASSOCIATION OF REALTORS® (NAR).

ARTICLE II

Purpose: To support the NATIONAL ASSOCIATION OF REALTORS® Public Policy Competency by setting fundraising policy and the RPAC Fundraising Goals. The Committee has oversight of the Participation Council, Major Investor Council, and Corporate Investor Council. The Committee also has oversight of the Annual RPAC President's Circle Conference, RPAC Recognition programs, RPAC Direct Fundraising Programs and Grants.

ARTICLE III

RPAC Trustees Fundraising Committee

Section 1. Composition

41 members including a Chair, Vice-Chair, and Immediate Past Chair, a state and local Association Executive, RPAC Major Investor Council Chair, RPAC Participation Council Chair, Corporate Investor Council Chair, 2 members from the RPAC Major Investor Council, 2 members from the RPAC Participation Council; two representatives from each region selected by the President and President-elect; affiliate representative; large broker representative.

Section 2. Terms

The length of terms of office for the RPAC Fundraising Trustees shall be the following:
Chair: 1 year;
Vice Chair: 1 year;
Immediate Past Chair: 1 year;
Regional Trustees, two-year term, eligible for reappointment to 2nd consecutive two-year term.

(See Appendix A for Qualifications and Duties)

Section 3. Vacancies

In the event any appointed Trustee shall die, become disabled, be removed, resign, or become otherwise unable or unwilling to serve for any reason whatsoever, the President,

with the advice of the Trustees, shall appoint a successor to serve for the un-expired term of such Trustee.

ARTICLE IV

Officers of RPAC Trustees Fundraising Committee

1. Officers. The officers shall be the Chair, Vice Chair, Immediate Past Chair, and the Liaison.

2. Duties. The Leadership Duties of the Chair and Vice Chair are as follows:

a. Chair

The Chair shall preside at RPAC Trustees Fundraising Committee meetings and perform all other duties usual and customary to that office.

b. Vice Chair

The Vice Chair shall preside at meetings in the absence of the Chair. The Vice Chair shall succeed to the office of Chair the following year. If the Chair dies, resigns, or is otherwise unable or unwilling to serve, the Vice Chair shall automatically serve as Chair until the office is filled by the NAR President. Upon filling of such office, the Vice Chair shall again assume the Vice Chairmanship. If the NAR President appoints the Vice Chair to become Chair, the NAR President shall also appoint a new Vice Chair.

ARTICLE V

Meetings and Operations

1. Meetings of the Trustees shall be called by the Chair, with concurrence of the NAR President, at such time and place as he may specify in writing or at any meeting of the Trustees.

2. Twenty-two voting members of the Committee shall constitute a quorum. A simple majority of those present is necessary for approval of actions by the Committee, unless otherwise specifically noted.

3. The Recognition Year of the Committee shall be from January 1 through December 31.

4. The Funds of the Committee shall be deposited to the credit of the Committee in such banks or other depositories as NAR may select. All such funds including corporate funds in the Political Advocacy Fund shall be placed in segregated accounts and shall not be combined with any other funds of the Association.

ARTICLE VI Amendments

This Statement of Organization and Procedure may be amended by action of the NAR Board of Directors upon recommendation of the Committee.

APPENDIX A ROLES AND RESPONSIBILITIES OF RPAC TRUSTEES FUNDRAISING COMMITTEE

Section 1. Qualifications

Member REALTORS® who have exhibited demonstrable leadership in RPAC Fundraising at the State and Local levels or previous national RPAC experience.

Section 2. Authority and Duties

The Committee shall have complete supervision and control over the affairs and funds of the Committee and shall establish and carry out all policies and activities of the Committee. The Committee shall from time to time adopt policies and procedures or amend existing policies and procedures, to govern RPAC's fundraising efforts, the making of investments and other expenditures in furtherance of its purposes, and the duties and responsibilities of members of the Committee.

A. RPAC Trustees Fundraising Committee Chair

The Chair is responsible for overseeing the collection of RPAC funds. The Chair should provide leadership and inspiration to promote the REALTORS® Political Action Committee to the NAR Board of Directors, Committee leadership, and state and local associations of REALTORS® RPAC Chairmen and Fundraisers. The Chair should strive to personally be an RPAC Major Investor and President's Circle member. In addition, the Chair should encourage the Board of Directors and state and local RPAC Chairmen to invest in RPAC. The Chair should be available to attend all RPAC events held in conjunction with NAR business meetings.

B. Vice Chair and Immediate Past Chair

The Vice Chair and Immediate Past Chair are responsible for assisting the Chair in managing the Trustees as the Chair sees fit.

C. Role of National RPAC Fundraising Trustees (Regional)

- a. The RPAC Fundraising Trustees should strive to personally be an RPAC Major Investor and President's Circle member.

b. RPAC Fundraising Trustees are responsible for active participation in webinar meetings and conference calls and attendance of in-person meetings held during the REALTOR® Party Training Conference, REALTORS® Legislative Meetings & Trade Expo and REALTORS® Conference and Expo. Before meetings, RPAC Fundraising Trustees are responsible for reading through all materials provided in advance of meetings, particularly in regards to potential action items coming before the Committee.

c. Each RPAC Fundraising Trustee is responsible for working within states' existing RPAC infrastructure in their Region to help meet their annual NAR RPAC goals. Fundraising Trustees are encouraged to meet with their Region's RPAC Leadership to discuss annual goals and formulate a joint plan including allocation of responsibilities. In collaboration with the Major Investor Council representatives in each Region, RPAC Fundraising Trustees are responsible for hosting a Major Investor event in each state that is eligible in their Region using NAR's RPAC Major Investor Event-Based Fundraising Program. NAR's Major Investor Event-Based Fundraising Program is designed to help educate REALTORS® on the importance of investing in RPAC and to recruit new RPAC Major Investors and President's Circle members. RPAC Fundraising Trustees should be able to explain Major Investor and President's Circle investment levels and benefits to potential investors.

d. RPAC Fundraising Trustees are responsible for collaborating with the Participation Council representatives in each Region to promote and host fundraising events utilizing NAR grant programs in each state that is eligible. Trustees are responsible for working with their counterparts to promote the RPAC Partnership Grant Program, State Conference Grants, and Phone-A-Friend for RPAC grants.

e. RPAC Fundraising Trustees are required to submit a minimum of one field report per quarter detailing their collaborative efforts to meet and exceed annual NAR RPAC fundraising goals. Fundraising Trustees should create opportunities to speak and educate members on the importance of investing in RPAC to help achieve specific fundraising goals.

f. Each RPAC Fundraising Trustee will be responsible for encouraging RPAC participation from each member of an NAR Committee in their Region. Beginning in 2009, a challenge was issued to the national committees at NAR to encourage 100% participation to RPAC amongst the members of the committees.

D. Role of RPAC AE Representative

a. Serve as RPAC AE fundraising liaison by encouraging RPAC support and investments among AE colleagues and recruiting more AEs to become RPAC investors, Major Investors and President's Circle members in every state.

- b. Communicate regularly with AEs on RPAC-related matters of importance by advocating for RPAC policy decisions.
- c. Assist in promoting RPAC grant programs and hosting RPAC fundraising events, and serve as RPAC spokesperson at AEC and AEI programs and events.
- d. Strategize and coordinate with National RPAC Fundraising Trustees Chair, RPAC Fundraising Team and RPAC staff on ways to promote a stronger RPAC culture among fellow AEs.

E. Role of Affiliate Representative

- a. Encourage RPAC support and investment among Affiliates.
- b. Communicate regularly with Affiliates on RPAC related matters of importance by advocating for RPAC policy decisions.
- c. Serve as RPAC spokesperson at national Institute, Society and Council programs and events. Implement further ways to integrate Affiliate efforts into RPAC.

Role of Large Broker Representative

- a. Encourage RPAC support and investment among large brokers.
- b. Communicate regularly with large brokers on RPAC related matters of importance by advocating for RPAC policy decisions.

F. National RPAC Fundraising Liaison

Provisions:

One year term appointed by the NAR President and reporting to the REALTOR® Party Director.

Appointments:

The National RPAC Fundraising Liaison is a voting member of the RPAC Trustees Fundraising Committee and an appointed non-voting member of the Executive Committee.

RPAC Fundraising Liaison Responsibilities:

The position of the Fundraising Liaison was created to increase awareness of RPAC and increase investments. The position is responsible for the overall promotion of RPAC fundraising.

Specific National RPAC Fundraising Liaison responsibilities include:

- Set NAR RPAC Fundraising goals and strategic focus for the year. The RPAC Trustees Fundraising Committee shall annually develop a fundraising plan that outlines measurable financial objectives;
- Recruit dedicated and responsible members to serve on his/her team who will carry out their assigned tasks. Team members may include but shall not be limited to RPAC Trustees;
- Monitor RPAC Fundraising priorities to ensure that they are satisfied and evaluate progress throughout the year against annual goals to ensure effectiveness;
- Provide oversight and promote growth in the RPAC Major Investor program by identifying and assisting in the recruitment and solicitation of new and prospective RPAC Major Investors;
- Work with RPAC Fundraising Trustees and other influential NAR leaders to increase RPAC receipts and participation;
- Work with RPAC Leadership in approving grants for the RPAC Fundraising Partnership Program;
- Present an RPAC update at the Executive Committee and NAR Board of Directors meetings;
- Engage with the RPAC Trustees Fundraising Committee, RPAC Major Investor Council, RPAC Participation Council, and Corporate Investor Council;
- Facilitate communication among RPAC Fundraising leadership, the REALTOR® Party Director, the two NAR Vice Presidents and the Leadership Team;
- Emcee the RPAC Fundraising Awards Program at the REALTORS® Legislative Meetings and Trade Expo;
- Travel to regional, state, and local REALTOR® groups to promote RPAC.

Fundraising Liaison Activity and Travel:

REALTOR Party® representatives are eligible to travel to state and local associations upon request to speak on behalf of RPAC and the REALTOR® Party throughout their leadership year to promote and educate members on various REALTOR® Party programs and initiatives including RPAC Fundraising, Community Outreach, Member Involvement and Campaign Services. Additionally, having a REALTOR® Party leader attend and speak at a Major Investor event is a requirement of the Major Investor Event-Based Fundraising Program. The RPAC Fundraising Liaison is an authorized leadership representative along with the following volunteer positions:

- REALTOR® Party Director
- REALTOR® Party Disbursements Liaison
- REALTOR® Party Member Involvement Liaison
- REALTOR® Party Community Outreach Liaison
- RPAC Trustees Fundraising Committee Chair
- RPAC Major Investor Council Chair
- RPAC Participation Council Chair

Once RPAC staff is notified of these requests, they are then forwarded to the REALTOR Party Director and/or RPAC Fundraising Liaison for review and approval. Additionally, the REALTOR Party Director and/or RPAC Fundraising Liaison can determine where he/she needs to travel to accomplish their goals and objectives within the annual fundraising budget.

The REALTOR® Party representatives have an annual budget that includes travel to various local, state, and regional association events to act as a volunteer spokesperson to the membership on matters within their respective program areas.

II. RPAC FUNDRAISING

A. RPAC FUNDRAISING AND MARKETING PROGRAM

PURPOSE: To increase RPAC fundraising receipts by providing fundraising strategies and coordination between the National, State and Local Associations.

ACTIVITY: To develop promotional and educational materials targeted to meet the specific needs of State and Local RPAC programs so that they may reach their fundraising goals. RPAC will also produce various fundraising reports to gauge participation among NAR leaders and local and state associations.

APPROVAL PROCESS:

The National RPAC Fundraising Trustees will promote the marketing of RPAC for state and local fundraising efforts utilizing NAR-dues funded revenue. Most of these efforts are supported by RPAC fundraising grants that are approved by NAR RPAC staff. RPAC hard dollar funds shall only be used for candidate investments, Independent Expenditures, and FEC-required administrative expenses.

B. RPAC SPLIT

PURPOSE: National RPAC and NAR have entered into a “NATIONAL ASSOCIATION-STATE ASSOCIATION POLITICAL CONTRIBUTION COLLECTION AND COOPERATION AGREEMENT” (included below) with each State Association and State PAC. This agreement governs the cooperative relationship between NAR and State Associations and their respective PACs regarding RPAC fundraising. Each state association decides how to raise money and when and how much it will send to National RPAC. For example, a state association might choose to split contributions 70%/30% (keep 70% in the state and send 30% to National), or in some other way, until the Federal RPAC Disbursements Allocation is reached. A state association may also send all its RPAC receipts to National until it has reached the allocation total and then keep the rest for that year. However states decide to proceed, they must comply with state and federal law.

Regardless of how states choose to meet their goals, 30% of the amount of each contribution of individuals seeking Major Investor Recognition must be forwarded to NAR. Such amount forwarded to NAR counts toward that state's goal. President's Circle contributions to candidates (described further below) do not count toward a state's NAR fundraising goals.

ACTIVITY:

- The National RPAC Trustees set fundraising goals based on REALTOR® membership by state. Each year, the RPAC Trustees shall review these goals by considering the latest economic trends and political developments.
- One goal is set by the RPAC Trustees as the amount necessary to be effective in the federal races in which RPAC will engage in that election cycle. That goal is called the Federal RPAC Disbursements Allocation and it is set every two-year election cycle. The other goal is aspirational and is based on what each state and territory association sets as its goal for the coming year. This goal, called the National RPAC Fundraising Goal, must be higher than what the state or territory raised the previous year to qualify for subsequent NAR RPAC recognition for that fundraising year. State and territory staff and/or RPAC Chairs declare their goals prior to the upcoming fundraising year annually.
- All operating expenses for National RPAC are covered by NAR dues dollars so that 100% of RPAC investments are used for direct candidate investments, and other direct and indirect forms of candidate support.
- The NAR Board of Directors has adopted policy that states may create federal PACs only for exclusively administrative purposes. State federal PACs may not make contributions to or expenditures in support of federal candidates or federal committees. A letter of intent to begin a federal PAC should be forwarded to National RPAC to alert them of the development.
- All relationships between Federal, state and local RPACs shall be in accordance with the Cooperative Agreements, unless specifically updated through policy changes contained in this document.

C. LOCAL ASSOCIATION PACS

The National RPAC Trustees Fundraising Committee and NAR Board of Directors have adopted the following policy regarding local political action committees.

"That NAR neither promotes, nor discourages the proliferation of local association political action committees (PACs). However, all local PACs created must adhere to the following guidelines:

1. 30% of all contributions of individuals seeking National RPAC Major Investor Recognition must be transmitted to National RPAC;
2. Agreements between local PACs and state RPACs should be established and maintained regarding the sharing of contributions for use in supporting state and local candidates;

3. Local PACs and state RPACs are encouraged to expressly establish policy whereby local PACs will only contribute to or support local candidates and state RPACs contribute only to state candidates, except where the state and local association(s) agree otherwise; and,

4. The National RPAC portion of voluntary PAC contributions collected by local associations from individual members must be transmitted to National RPAC through state receiving and transmittal accounts. National RPAC will not accept member contributions submitted directly from local associations.”

The appropriate relationship between state associations and their PACs and local associations and any PACs they may create is properly established by those entities. To facilitate that relationship and provide a starting point for a well-established relationship, NAR has developed a suggested “State Association-Local Association Political Contribution Collection and Cooperation Agreement” (included below) for use by state associations and local associations, as they may determine. This agreement is wholly voluntary and the associations involved should use this form only if and to the extent they find it helpful.

**NATIONAL ASSOCIATION-STATE ASSOCIATION POLITICAL
CONTRIBUTION COLLECTION AND COOPERATION AGREEMENT**

This agreement is made and entered into this _____ day of _____ 201__ by and between the National Association of REALTORS® (NAR) and the REALTORS® Political Action Committee (RPAC), and the _____ (State Association of REALTORS®) (State Association) and _____ (State PAC).

Whereas, RPAC is a Federal political committee registered with and reporting to the Federal Election Commission, and State PAC is a state political committee registered with and reporting to the campaign finance regulatory agency in the state of _____; and

Whereas, the purpose of RPAC is to engage in activities designed and intended to support candidates for election to Federal office of the United States of America; and

Whereas, the purpose of State PAC is to engage in activities designed and intended to support candidates for election to state or local office in the State of _____; and

Whereas, individuals solicited to contribute to RPAC and State PAC are members of NAR and also members of the State Association; and

Whereas, the similarity of the purposes of and contributors to RPAC and State PAC make desirable cooperation between them and between NAR and State Association, to the end of effecting their respective purposes.

Now, therefore, in consideration of the foregoing and the following, it is agreed by the parties hereto:

1. State Association and State PAC (hereinafter collectively "State"), with the support and assistance of RPAC and NAR ("hereinafter collectively "RPAC"), shall undertake activities to solicit and collect contributions from their members and others for use by RPAC and State PAC to support candidates for local, state, or Federal elective office. Such fundraising activities may be conducted by State or by local associations of REALTORS® in the state with the encouragement and support of State, but in either event contributions received by State will be subject to and handled as described in this Agreement. Such contributions include personal contributions by individual members for use by RPAC and State PAC in connection with the support of candidates for office for which only such personal contributions are lawful. Contributions may also include those provided by contributors other than individuals where and for use in a manner permitted by law.
2. State shall receive such contributions and transmit a portion, as described herein, to RPAC, 430 North Michigan Avenue, Chicago, Illinois 60611, in a timely fashion as required by law. State shall also provide to NAR information about the identity of

contributors, the date and amount of the contribution of each, and other information required by law or specified by RPAC. NAR and RPAC acknowledge that they will not enter into cooperative agreements that permit local associations to transmit to contributions to RPAC directly.

3. State shall determine the percentage of each contribution received to be sent to RPAC and shall notify RPAC of the specified percentage. State may from time to time, but not more often than once per calendar year, change the percentage of such contributions to be provided to RPAC, and shall promptly advise NAR of any change prior to collection of any contributions to be shared based on the new percentage.

Notwithstanding the foregoing, (1) State acknowledges that it must provide to RPAC at least 30% of the personal contributions of members for such members to be eligible for RPAC "Major" contributor or investor status, and (2) for any contributions provided directly to RPAC from contributors in the state, RPAC shall transmit to State 70% of the contributed amount unless RPAC is precluded from doing so by state law.

4. RPAC shall file with the Federal Election Commission reports regarding the portion of personal contributions provided to National RPAC, and shall make such other reports and filings as may be required to comply with the Federal Election Campaign Act of 1971, as amended, or other applicable provisions of federal law. State will file reports of contributions of contributors as required by applicable state campaign finance law.

5. State will comply in all respects with all applicable Federal and state laws regarding solicitation, collection, and transfer to RPAC of contributions, including without limitation providing contributors with all required solicitation disclosure notices or "disclaimers" that inform potential contributors regarding use of their contributions. State will also inform all contributors, through the solicitation materials used in the State's fund raising activities or otherwise, of the amount of their contributions that will be provided to RPAC and reported to the Federal Election Commission, and the corresponding amount to be provided to State PAC. State PAC will further specifically inform all contributors that the amount of their contribution provided to RPAC will be reported to the Federal Election Commission as a contribution to RPAC and is charged against the contributor's limits under 52 U.S.C. §30116.

6. NAR and RPAC encourage State PAC to make available to local associations or their local political action committees a portion of the RPAC contributions retained by State PAC, for use in connection with local elections. Such use may be facilitated by providing an agreed upon portion of those contributions to the local association or PAC, by applying a portion of such RPAC contributions for use to make contributions to local candidates as the local association or PAC may direct, or otherwise as may be agreed upon by State PAC and such local associations or PACs.

7. State PAC will not solicit contributions from individuals other than members of the NATIONAL ASSOCIATION OF REALTORS® or state or local associations of REALTORS® if any portion of such contributions is intended to or will be provided to RPAC. Contributions may be solicited from individuals who are affiliate members of

local associations of REALTORS®.

8. State PAC will not make any contribution, direct or indirect, to any Federal candidate or campaign, and RPAC will not make any contribution, direct or indirect, to any state or local candidate or campaign in such state; provided, that State acknowledges that NAR's activities pursuant to NAR's state and local independent expenditure program do not violate this provision.

9. This Agreement shall become effective on the latest date of execution by the parties and shall remain in effect unless and until terminated by any party by notice in writing to the others directed to their office addresses, at least 90 days prior to the date of termination set forth in such notice, provided, that all contributions received prior to the effective date of termination shall be shared pursuant to this Agreement, even if sharing occurs after the termination date. This Agreement supersedes and replaces all prior agreements among or between NAR, RPAC, State Association, or State PAC, or any of them, regarding the collection, transfer, sharing or other activity regarding contributions to be used by NAR or State Association in connection with the election of candidate for Federal, state, or local office.

National Association of REALTORS®

REALTORS® Political Action Committee

By: Date
SVP, Community and Political Affairs

By: Date
RPAC Fundraising Trustees Chair

Association of REALTORS®
PAC
(State)

Association of REALTORS®
(State)

By: Date

By: Date

**STATE ASSOCIATION-LOCAL ASSOCIATION POLITICAL CONTRIBUTION
COLLECTION AND COOPERATION AGREEMENT**

This agreement is made and entered into this _____ day of _____ 201_ by and between the _____ (State) Association of REALTORS® (“State”) and the _____ (Local) Association of REALTORS® (“Local.”)

Whereas, RPAC is a Federal political committee operated by the National Association of REALTORS® registered with and reporting to the Federal Election Commission, and State operates State PAC as a state political committee registered with and reporting to the campaign finance regulatory agency in the State of _____; and

Whereas, State and Local cooperate to solicit and collect from their members contributions to RPAC and State PAC, and State intends to make available to Local a portion of such State PAC contributions for the purposes of supporting candidates seeking local elective office in the territorial jurisdiction of Local, as more specifically described below.

Now, therefore, in consideration of the foregoing State and Local agree as follows:

1. Local will engage in, and cooperate with and assist State to engage in, solicitation and collection of contributions to RPAC and State PAC as permitted by federal and state law and using methods such as dues billing, fundraising events, direct solicitations, and others. Such contributions include personal contributions by individual members for use by RPAC, State PAC, and Local in connection with the support of candidates for office for which only such personal contributions are lawful, and to the extent permitted by law contributions may also include those provided by contributors other than individuals.
2. Contributions collected by Local will be promptly provided to State for transmittal to the National Association of REALTORS® the portion intended for National RPAC and to State the portion intended for State PAC, as determined by State. Local shall also provide to State information about the identity of contributors, the date and amount of the contribution of each, and other information required by law or specified by State.
3. State will make a portion of the contributions collected by State available to Local for use in connection with local elections, as follows (Choose ONE of the following three options and strike the others that are inapplicable):

Local may retain _____% of the State PAC portion of contributions collected by Local for deposit to the account of the political committee (Local PAC) established and operated by Local. Local acknowledges that it will file all regular

reports required by state or local law of contributions received and contributions and expenditures made by Local PAC. All contributions by and expenditures of Local PAC shall relate to candidates for local elective office for political jurisdictions wholly within the territorial jurisdiction of Local, and Local PAC shall not make contributions or expenditures in connection with candidates for federal or state office.

OR

Local shall forward to State 100% of all contributions received, including the portion intended for transmittal to NAR for National RPAC and the portion intended for State for State PAC. State shall provide to Local ____% of such contributions to Local for deposit to the account of the political committee (Local PAC) established and operated by Local. Local acknowledges that it will file all regular reports required by state or local law of contributions received and contributions and expenditures by Local PAC. All contributions by and expenditures of Local PAC shall relate to candidates for local elective office for political jurisdictions wholly within the territorial jurisdiction of Local, and Local PAC shall not make contributions or expenditures in connection with candidates for federal or state office.

OR

Local shall forward to State 100% of all contributions received, including the portion intended for transmittal to NAR for RPAC and the portion intended for State PAC. State shall make available for use by Local ____% of such contributions for use in connection with contributions to or expenditures in support of candidates for elective local elective office within the territorial jurisdiction of Local. State PAC will make such contributions and expenditures as Local shall in its sole discretion determine, but only for candidates for local elective office for political jurisdictions wholly within the territorial jurisdiction of Local. State PAC acknowledges that it will file all regular reports required by state or local law of such contributions and expenditures related to the local candidates determined by Local, and Local shall assist State PAC as may be necessary in providing candidate, committee, or other information required for such reports. All contributions by and expenditures directed by Local shall relate to candidates for local elective office for political jurisdictions wholly within the territorial jurisdiction of Local.

4. State PAC will refrain from making contributions to or expenditures in support of or in connection with candidates seeking local elective office within the territorial jurisdiction of Local, except as provided above.
5. This Agreement is effective on the latest date of execution by the parties and shall remain in effect unless and until terminated by either party by notice in writing to the other directed to its office address, at least 90 days prior to the date of termination set forth in such notice, provided, that all contributions received prior to the effective date of termination shall be shared pursuant to this Agreement, even if sharing occurs

after the termination date. This Agreement supersedes and replaces all prior agreements among or between the parties regarding the collection, transfer, sharing or other activity regarding contributions to be used by NAR, State Association, or Local Association in connection with the election of candidate for Federal, state, or local office.

(State) Association of REALTORS®

(Local) Association of REALTORS®

By: Date

By: Date

D. PARTICIPATION

PURPOSE: In order to most efficiently increase RPAC receipts, the goal of RPAC is to achieve 37% RPAC participation among REALTORS®.

ACTIVITY: States shall continually update the PAC Management System to provide National RPAC the state's number of all RPAC investors.

APPROVAL PROCESS: They shall do so based on the following criteria:

RPAC Policy for Determining RPAC Participation Percentage – Approved by National RPAC Trustees, May 11, 2004

1. Background – How Number of REALTORS® are Counted

- A state's total number of REALTORS® is based on the membership size on October 31st of the previous year according to NRDS. It is comprised of Active REALTORS® and REALTOR® Associates, and they are assigned to a state based on which board they identify as their primary board. While the number of REALTORS® obviously changes throughout the year, for recognition purposes the number of REALTORS® shall stay fixed at the Oct. 31st figure.

2. Rationale – How Number of RPAC Investors are Counted

- The purpose of the monthly report to gauge participation percentage is to determine what percentage of our membership invests in RPAC. Thus each REALTOR® should only be counted once, even if they make multiple investments throughout the year. In other words, the goal is to count an investor, not the total number of investments. Ultimately, RPAC receipts will only continue to grow by increasing the number of REALTORS® who support RPAC.
- State and Local Associations, Institutes, Societies & Councils and other corporate entities who become Soft Dollar Major Investors in the PAF count as RPAC investors for the purposes of achieving participation and Major Investor goals.
- In the case of REALTORS® who invest on a dues statement for the following year, the RPAC investment shall be applied to the following year as well as for participation measurement, the contributor should be counted in the January count of the following year. Beginning in 2017, each state will notify NAR whether RPAC investments from dues billing in the state will count toward the year in which the money is received or toward the year for which the dues were being collected. All contributions will then be counted accordingly for the purposes of investment recognition. *(Amended 5/12/16)*

3. Requirements – Who is Counted

- This shall apply for all State and Local Associations, Institutes, Societies & Councils and other corporate entities. Each one would be counted once if an investment is made, even if they make multiple investments throughout the year.
- A personal investment from an individual who is an affiliate member may also count as one contributor, provided he or she is issued a NRDS number.
- A personal investment from a local or state association staff member shall also count, again provided he or she is issued a NRDS number.
- A spouse or immediate family member 18 years of age or older of a REALTOR® who chooses to invest shall also be counted as a contributor.

E. RPAC DUES BILLING

PURPOSE: To increase RPAC fundraising receipts and participation by encouraging associations to include RPAC investments on their dues statements.

ACTIVITY: To encourage all state and local associations to incorporate the use of voluntary RPAC investments from dues billing in their fundraising programs and if possible, in their cooperative agreements with local associations. Further, it is recommended that associations solicit brokers at an increased amount. It is also recommended that the solicitation occur "above the line," meaning it should be included in the total amount due so long as it includes the proper language required by law explaining that the RPAC investment is voluntary. The RPAC Trustees Fundraising Committee and NAR staff will work with state and local leadership and AE's to promote, educate, and formulate strategies regarding dues billing.

F. RPAC MAJOR INVESTOR RECOGNITION PROGRAMS

1. Individual Recognition:

- All investments for RPAC's Major Investor Program must be invested either to a state PAC or National RPAC, which then would be subject to the 70% (state) and 30% (national) split.
- A transmittal letter must accompany the transfer of funds to National RPAC for all Major Investors from the State Association Executive verifying that each Major Investor paid the full amount required by the investor category to the state

PAC. *This requirement is waived when states use electronic transfer to National RPAC since such transfers would automatically document the individual transmittal amounts of those funds.*

- To be recognized by National RPAC as a Major Investor, investments and supporting documentation must be forwarded to National RPAC even after a state reaches its Federal RPAC Disbursements Allocation Total.
- To implement and manage expenses associated with NAR's Major Investor Programs with the goal of limiting direct expenses to no more than 1/3 of NAR's 30% share of receipts.

Levels of Recognition:

Sterling R

- \$1,000 annually to either State PAC or National RPAC.
- 70% of funds remain at State PAC to be used at its discretion and 30% to be forwarded to National RPAC.

Sterling R, President's Circle

- \$1,000 annually to either State PAC or National RPAC.
- 70% of funds remain at State PAC to be used at its discretion and 30% to be forwarded to National RPAC.
- \$2,000 annually to directly support REALTOR® Champion targets identified by the RPAC Federal Disbursements Trustees Committee and chosen exclusively by the President's Circle contributor.

Crystal R

- \$2,500 to join, \$1,500 annually to sustain.
- 70% of funds remain at State PAC to be used at its discretion and 30% to be forwarded to National RPAC.
 - An investor that does not sustain in any one year must pay the full first year amount of a Major Investor level – not the sustaining level amount – if s/he chooses to rejoin the program after lapsing their Major Investor status for one year or more.

Crystal R, President's Circle

- \$2,000 to join, \$1,000 annually to sustain.
- 70% of funds remain at State PAC to be used at their discretion and 30% to be forwarded to National RPAC.
- \$2,000 annually to directly support REALTOR® Champion targets identified by the RPAC Federal Disbursements Trustees Committee and chosen exclusively by the President's Circle contributor.

Golden R

- \$5,000 to join, \$2,000 annually to sustain except those Golden Rs who became members before 2002 who shall continue to sustain at the agreed upon level when they joined the program.

- 70% of funds remain at State PAC to be used at its discretion and 30% to be forwarded to National RPAC.

Golden R, President's Circle

- \$4,000 to join, \$1,000 annually to sustain.
- 70% of funds remain at State PAC to be used at its discretion and 30% to be forwarded to National RPAC.
- \$2,000 annually to directly support REALTOR® Champion targets identified by the RPAC Federal Disbursements Trustees Committee and chosen exclusively by the President's Circle contributor.

Platinum R

- \$10,000 to join, \$5,000 annually to sustain.
- 70% of funds remain at State PAC to be used at its discretion and 30% to be forwarded to National RPAC.

Platinum R, President's Circle

- \$10,000 to join, \$5,000 annually to sustain.
- 70% of funds remain at State PAC to be used at its discretion and 30% to be forwarded to National RPAC.
- \$2,000 annually to directly support REALTOR® Champion targets identified by the RPAC Federal Disbursements Trustees Committee and chosen exclusively by the President's Circle contributor.

Accelerated Recognition Program

The Accelerated Recognition Program was established so that RPAC investors currently on a payment plan within their state could be recognized as a Major Investor prior to all of their funds being submitted, received and processed by the National Association of REALTORS®. Completion of the pledge needs to be monitored by the State; the State needs to ensure fulfillment of pledge prior to the end of the current fundraising year.

The Accelerated Recognition Program will allow those states currently on board the PAC Management System, Aristotle, the opportunity to note a contributor's record as a potential Major Investor by entering a pledge into their financial receipts, along with their initial 30% contribution to NAR. This pledge will offset any outstanding monies, allowing the individual to be recognized as a current year investor, despite not having the full investment level paid at the time of the initial investment. **Please note that a pledge must be secured using a credit card (a payment plan or recurring payment).**

HOW TO ENTER A PLEDGE:

Using the Vetting and Transfer Tool (VTT)

- Transfer 30% of the award level to NAR.
- Enter the remainder of the award level monies as a Pledge/Memo Receipt to the State RPAC and link to your state bank account.

The RPAC Hall of Fame:

1. Individuals only, no corporate members. Individuals may use corporate funds to count toward their total.
2. Members qualify when their RPAC investments result in an aggregate lifetime total of at least \$25,000. Tiered levels are also recognized in increments of \$25,000.
3. Investments from the President's Circle Program count toward Hall of Fame eligibility.
4. A member's in-kind contributions in their state can count toward their NAR RPAC lifetime giving history. In-kind contributions must be retained at the state level, while investments sent to NAR must still be in funds provided to National RPAC. (Amended 5/12/16)
5. A signed nomination form from the State EO supporting verification of RPAC investments must be received by the National office.
6. Induction ceremony occurs during the REALTORS® Legislative Meetings and Trade Expo held in Washington, DC.
7. A plaque bearing the individual's name and state is displayed on the rooftop of the National Association of REALTORS® in Washington, DC.

2. Soft Dollar Major Investor Recognition:

MLS/State and Local Associations and NAR Institutes, Societies and Councils:

1. National RPAC retains 30% of all investments to the Political Advocacy Fund and returns 70% to the respective state unless the investor requests otherwise. (Amended 5/15/07)
2. National RPAC retains 50% of all investments to "NAR – Issues" and returns 50% to the respective state unless the investor requests otherwise.

Soft Dollar Levels of Recognition

- Sterling R: 1,000 to \$2,499 annually
- Crystal R: \$2,500 to \$4,999 annually
- Golden R: \$5,000 to \$9,999 annually
- Platinum R: \$10,000 to \$24,999 annually
- Platinum Diamond R: \$25,000 and over annually

NATIONAL RPAC FEDERAL DISBURSEMENTS TRUSTEE POLICIES

(Bylaws, Disbursements)
REALTORS® POLITICAL ACTION COMMITTEE
NATIONAL ASSOCIATION OF REALTORS®

BYLAWS AS APPROVED BY NAR BOARD OF DIRECTORS
NOVEMBER 1993, LAST UPDATED NOVEMBER 2012

AND POLICIES LAST AMENDED BY THE NATIONAL RPAC TRUSTEES ON
MAY 2017

RPAC FEDERAL DISBURSEMENTS COMMITTEE MISSION STATEMENT:

PURPOSE: To enhance the political effectiveness of the NATIONAL ASSOCIATION OF REALTORS® by making direct contributions for the purpose of assisting real estate-supported candidates win election to federal office; working collaboratively with state RPAC Trustees Committees to secure a request to mobilize REALTORS® in districts of RPAC-supported federal candidates; urging the general public through Independent Expenditures to support key federal legislators which is predicated upon first receiving a request to mobilize REALTORS® from respective state Trustees; and urging general public support for federal legislative and regulatory issues through public issue advocacy communications.

RPAC GOVERNANCE/BYLAWS – FEDERAL DISBURSEMENTS TRUSTEES

National RPAC Statement of Organization and Procedures

ARTICLE I

Name and Definition

The name of this committee is the REALTORS® Political Action Committee (or "RPAC") Federal Disbursements Trustees which is a committee of the NATIONAL ASSOCIATION OF REALTORS® (NAR).

ARTICLE II

PURPOSE: To enhance the political effectiveness of the NATIONAL ASSOCIATION OF REALTORS® by making direct contributions for the purpose of assisting real estate-supported candidates win election to federal office; working collaboratively with state RPAC Trustees Committees to secure a request to mobilize REALTORS® in districts of RPAC-supported federal candidates; urging the general public through Independent Expenditures to support key federal legislators which is predicated upon first receiving a request to mobilize REALTORS® from respective state Trustees; and urging general public support for federal legislative and regulatory issues through public issue advocacy communications.

ARTICLE III

Board of RPAC Trustees

Section 1. Composition

The Board of Trustees shall be composed of sixteen voting Trustees, appointed by the President of NAR, as follows:

RPAC Chairman

RPAC Vice Chairman

Immediate Past RPAC Chairman

13 Regional Trustees (1 per region)

Disbursements Liaison, (non-voting member)

Vice President to Government Affairs, (non-voting member)

NAR Treasurer (also serves at RPAC Treasurer, non-voting member)

Section 2. Terms

The length of terms of office for the RPAC Trustees shall be the following:

RPAC Chairman: 1 year;

RPAC Vice Chairman: 1 year;

Immediate Past RPAC Chairman: 1 year;

Regional Trustees, two year term, eligible for reappointment to 2nd consecutive two year term

(See Appendix A for Qualifications and Duties)

Section 3. Vacancies

In the event any appointed Trustee shall die, become disabled, be removed, resign, or become otherwise unable or unwilling to serve for any reason whatsoever, the President, with the advice of the Trustees, shall appoint a successor to serve for the un-expired term of such Trustee.

ARTICLE IV

Officers of RPAC

1. Officers. The officers of RPAC shall be the RPAC Chairman, RPAC Vice Chairman, Immediate Past Chairman, the Treasurer, the Leadership Liaison, and one or more Assistant Treasurers, who shall be staff members of the NATIONAL ASSOCIATION OF REALTORS® designated by the Executive Vice President.

2. Duties. The Leadership Duties of the Chairman, Vice-Chairman and Treasurer are as follows:

a. RPAC Chairman

The Chairman shall preside at Trustee Committee meetings and perform all other duties usual and customary to that office. The Chairman shall be an ex-officio member of all RPAC subcommittees.

b. RPAC Vice Chairman

The Vice Chairman shall preside at meetings in the absence of the Chairman. The Vice Chairman shall succeed to the office of Chairman the following year. If the Chairman dies, resigns, or is otherwise unable or unwilling to serve, the Vice Chairman shall automatically serve as Chairman until the office is filled by the NAR President. Upon filling of such office, the Vice Chairman shall again assume the Vice Chairmanship. If the NAR President appoints the Vice Chairman to become Chairman, the NAR President shall also appoint a new Vice Chairman.

c. Treasurer

The Treasurer shall be the custodian of funds for the Committee. He/She, with the assistance of the Assistant Treasurer, shall keep all funds of the Committee in accordance with the instructions of the Trustees, and shall keep full and accurate accounts, present financial statements, and prepare, sign and file all reports to the governmental authorities required by law or directed to be filed by the Trustees. The Treasurer and Assistant Treasurer shall give bond in such sum as may be fixed by the Trustees, the premium on such bond to be paid by the Association.

ARTICLE V

Meetings and Operations

1. Meetings of the Trustees shall be called by the Chairman, with concurrence of the NAR President, at such time and place as he may specify in writing or at any meeting of the Trustees.
2. Nine voting members of the Board of Trustees shall constitute a quorum. A simple majority of those present is necessary for approval of actions by the Board of Trustees, unless otherwise specifically noted.
3. The Treasurer of the Committee shall keep correct and complete books and records of account in accordance with applicable law and generally accepted accounting practices. The Committee's books of account should be audited by NAR Finance staff at least once a year.
4. The Fiscal Year of the Committee shall be from January 1 through December 31. However, the recognition year is from Nov.1 to Oct 31st (began in 2009).
5. The Funds of the Committee shall be deposited to the credit of the Committee in such banks or other depositories as NAR may select. All such funds including corporate funds in the Political Advocacy Fund shall be placed in segregated accounts and shall not be combined with any other funds of the Association.

ARTICLE VI

Amendments

This Statement of Organization and Procedure may be amended by action of the NAR Board of Directors upon recommendation of the Board of Trustees. (August 24, 2001)

APPENDIX A

ROLES AND RESPONSIBILITIES OF TRUSTEES

Section 1. Qualifications

- 1-year experience as a state RPAC trustee or RPAC Committee chair
- An appreciation for the importance of RPAC, as indicated, for example, by being a multi-year RPAC contributor.
- 2 years experience on an NAR political or legislative committee
- Volunteer experience in a political campaign

Section 2. Authority and Duties

The Board of Trustees shall have complete supervision and control over the affairs and funds of the Committee and shall establish and carry out all policies and activities of the

Committee. The Board shall from time to time adopt policies and procedures or amend existing policies and procedures, to govern RPAC's fundraising efforts, the making of investments and other expenditures in furtherance of its purposes, and the duties and responsibilities of members of the Board of Trustees.

A. RPAC Disbursements Trustees Chair

The RPAC Chairman is responsible for overseeing the distribution of RPAC funds. The Chairman should provide leadership and inspiration to promote the REALTORS® Political Action Committee to the NAR Board of Directors, Committee leadership, state and local associations of REALTORS® RPAC Chairmen and Fundraisers. The Chairman is encouraged to demonstrate his or her leadership by making a major investment in RPAC. In addition, the Chairman should encourage the Board of Directors, state and local RPAC Chairmen to make a major investment to RPAC. The Chairman should be available to attend all RPAC events held in conjunction with NAR business meetings.

B. RPAC Disbursements Trustees Vice Chair and Immediate Past Chair

The Vice Chair and Immediate Past Chair are responsible for assisting the Chair in managing the Trustees as the Chair sees fit.

C. Role of National RPAC Disbursements Trustees (Regional)
Disbursement Responsibilities

1. **Securing Candidate Requests per RPAC Matrix:** The core responsibility of the Trustees is to decide who should be supported and at what financial level, in response to requests submitted by the state Trustees. Over the last cycle, agreement has grown between NAR and state Trustees through more active management of the process. This is not to diminish the fact that disagreements still occur and require Trustee involvement to secure the desired request. This is particularly true of open seats when it comes to basic RPAC direct investment funding, where states have traditionally taken the lead as they do know the candidates better than NAR.
2. **Presenting Candidate Requests:** Once a state request has been received, it is the duty of the respective regional Trustees to move the state's request. The Trustee must perform the dual role of being an advocate for their state while also being mindful of their obligation to meet NAR objectives using the RPAC disbursements as one tool. The Trustee should be aware of the rationale for the request and be prepared to speak to the committee to explain the rationale.
3. **Evaluating Request:** NAR RPAC Trustees evaluate the merits of each requested contribution and may Approve, Amend, Defer or Deny the request. The Trustees must be respectful of states' rationales, but must also be willing to disagree with the state's request if it does not meet the overall objectives of a 'REALTOR® Party' disbursement

strategy of supporting candidates who have been supportive of pro-real estate public policies regardless of their political party affiliation.

4. **Explaining Decisions:** It is imperative that RPAC deliberations be kept confidential and that no confidences are broken on such important and sensitive matters. However, it is equally important that Trustees communicate back to state trustees why the National Trustees made the decisions that they did. While they may not agree with the decision, they must know that there was a rationale for the different conclusion.
5. **Opportunity Race Execution:** For Opportunity Races conducted for incumbents with a tough re-election it may be difficult to secure a REALTOR® Steering Committee, as members may wish not to be public with their support in a controversial race. However, a Steering Committee is crucial to signaling grassroots support for the effort, so it is essential that trustees speak member to member if necessary to secure volunteers for the effort.
6. **Independent Expenditures:** For RPAC Independent Expenditures trustees must serve as spokesmen in the respective districts to explain why RPAC is undertaking the effort. However, the bigger issue is even securing those races in the first place in some cases, as some incumbents deserve higher levels of RPAC extended political support beyond a direct RPAC investment. In a recent election cycle, for example, there were three incumbents considered worthy of Independent Expenditure support, but the three respective state Trustee Committees refused to vote for the necessary Opportunity Race support in order to trigger final Independent Expenditure approval.
7. **Collection of President's Circle Pledges:** For candidate targets for President's Circle solicitations, Trustees work with Major Investor Council members to assist them in following-up with members to explain the rationale of the targets and secure a commitment from them to support one of the candidates. Trustees should also be familiar with the collection process and instruct members accordingly. The RPAC Trustees will be responsible for getting PC Members to fulfill their pledge to the President's Circle in conjunction with the Major Investor Council Members from the states within their respective regions.
8. **Issue and Political Advocacy:** Since NAR federal issue and political advocacy is closely entwined with RPAC electoral efforts, the responsibility of the Public Advocacy Advisory Group was transferred to the RPAC Federal Disbursements Trustees Committee. Nothing can undermine an NAR political effort more than not having state and local association leadership in harmony by understanding and supporting an advocacy campaign affecting a Member of Congress in their state. Furthermore, it is necessary to educate state Trustees on the difference between Issue Advocacy and Express Advocacy. The former may identify a particular candidate but does not urge direct electoral support for that candidate and thus does not require any type of state trustee request to trigger the approval

process. This is in contrast to “express advocacy” such as in Opportunity Race and Independent Expenditure communications, which explicitly call for the election (or defeat) of a named candidate, and require state involvement in the request process. Regardless of the legal and internal policy difference, most state Trustees do not grasp the distinction. It is essential that Trustees utilize their travel allowance to visit their respective state Trustee Committees to educate them on our advocacy protocols. They should do so in coordination with their appropriate NAR Political Field Representative. Together they can explain the process while also providing rationale for selected federal advocacy targets in that state.

II. DISBURSEMENTS CRITERIA

RPAC INVESTMENTS

A. RPAC Trustees Conflicts of Interest Policy

In order to avoid the potential for conflicts of interest between an RPAC Trustee’s duty to act in the best interests of NAR, it’s members and the real estate industry when voting to provide direct financial or other forms of support by RPAC to candidates for Federal office, the following principles shall apply:

1. (a) An RPAC Trustee shall disclose to the other Trustees any direct family or business relationship with a candidate for Federal office for whom RPAC is considering making direct financial or other support, and shall not vote on nor remain present during discussion or consideration of such support.

(b) For purposes of the foregoing, an RPAC Trustee has a direct family or business relationship with any candidate for Federal office who is
 - (i) the Trustee;
 - (ii) the Trustee’s spouse, parents, parents-in-law, or children or grandchildren or their spouses;
 - (iii) any partner of a partnership in which the Trustee is a partner, or shareholder or corporate officer of a corporation of which the Trustee is a shareholder or corporate officer, but either shall be deemed a shareholder only if he or she owns in excess of 1% of the stock of the corporation.

Such disclosure shall occur at the earliest possible time after the Trustees begin consideration of support for such candidate.

2. An RPAC Trustee shall disclose to the other Trustees
 - (a) any family relationship with a candidate for whom RPAC is considering making direct financial or other support other than the family relationship described in paragraph 1(b) above;
 - (b) if he or she is a member of the campaign committee of such a candidate;

Such disclosure shall occur at the earliest possible time after the Trustees begin consideration of support for such candidate. The Trustee may participate in the discussion regarding the support for the candidate but must recuse him or herself from voting.

Except as described in paragraphs 1 and 2 above, Trustees may participate in and vote, and are not required to make any disclosure of relationships with candidates, with respect to all other direct financial or other support for candidates for Federal office being considered.

B. IN-STATE RECEPTIONS

PURPOSE: To strengthen our grassroots capabilities by enhancing relationships between appointed Federal Political Coordinators and their respective U.S. Representative or Senator. The FPC must be part of the check delivery presentation for In-State and Special Recognition checks unless unable to attend.

To strengthen that relationship as early in the election cycle as possible, In-State requests must be used in the first year of the two year election cycle for House members or in the first five years of the six year election cycle for Senators. In-State funds are not available once a state requests Special Recognition funding for the candidate.

ACTIVITY: The In-State Reception Program provides REALTOR® access to incumbent Members of Congress and Senators. An In-State contribution does not imply endorsement nor official support for the incumbent's re-election which is only secured through Special Recognition funding.

Incumbent House Members are eligible for up to \$1000 per two-year election cycle for In-State reception funds. All In-State requests should be for no less than \$500. If the event costs less than \$500, the FPC should invite other REALTORS to join them, seek a VIP ticket upgrade or seek credit for a complimentary invite to a future event.

U.S. Senate candidates are eligible to receive up to \$2,000 of In-State reception funds to be used all at once or in increments anytime in the 6-year cycle up until the Primary.

Once a challenger or open seat candidate receives special recognition funding, the incumbent in that seat may not receive In-State Reception funds.

Incumbents may not receive In-State Reception funding after officially declaring their candidacy for another office. Incumbents may receive In state funding for their current office when considering running for another office as long as not yet officially declared for the new office.

State associations and local boards that do not contribute hard dollars (which are preferred) or soft dollars to RPAC are not eligible to receive In-State Reception Funds, unless approved by a simple majority vote of the National RPAC Trustees.

FPC - RPAC Check Presentation Policy

- National RPAC requires that all checks be delivered in person by the FPC (and contact team if possible) within 15 days of the FPC receiving the check. If the check is not cashed within 60 days, the check will be voided and a replacement check will be delivered by the NAR Lobbyist.
- If the FPC cannot perform this task, he or she should immediately contact the state association so that another REALTOR® representative may deliver the check to the candidate.
- In no event may a contribution check be delivered to a candidate later than the day prior to the election for which the contribution is designated.
- While delivery of the check to the candidate is highly encouraged, if the candidate is unavailable and the election is quickly approaching, the RPAC check should be delivered to a key congressional or campaign staffer, making clear the need for an eventual meeting with the candidate in the future.
- All checks approved within 30 days of the Primary and at the last Trustee Special meeting for General Elections must be sent directly to the candidate rather than to the state association, with exceptions to be approved by the RPAC Chair and Vice Chair.

FPC's Role in Check Presentation

- 1) The FPC should file comments on the check presentation and those comments will be included in the FPC’s annual review.
- 2) FPCs must ensure that RPAC checks are delivered on time and tangible consequences need to be created for those FPCs that do not.
- 3) FPCs must complete a form that documents that a FPC delivered a RPAC check.
- 4) For In-State receptions, a request should be submitted by the AE/GAD with comments solicited from the FPC. NAR Lobbyists are automatically copied on state requests and states are copied on DC Reception requests by NAR Lobbyists to improve communication and teamwork by the respective parties.

APPROVAL PROCESS:

TYPE OF IN-STATE REQUEST	PROCESS
Incumbents	<ul style="list-style-type: none"> • No formal approval by the National RPAC Trustees is necessary for In-State reception requests within the \$1,000 House and \$2,000 Senate per cycle limit for incumbents. • A completed electronic RPAC "Candidate Contribution Request" for incumbent candidate receptions must be submitted to National RPAC staff at least two weeks prior to the date of the scheduled event.

- The electronic RPAC "Candidate Contribution Request" form requires that the State RPAC Chairman has been notified of the request for In-State funds by the FPC via the GAD.

C. D.C. RECEPTIONS

PURPOSE: To strengthen our ability to pass REALTOR® supported legislation on Capitol Hill by enhancing the relationships between the NAR legislative staff and Members of Congress. The D.C. Reception Program provides valuable opportunities for the NAR Government Affairs staff to develop working relationships with federal elected officials. The visibility and access NAR maintains by continuing this program is essential to conducting business in Washington, D.C.

ACTIVITY: The D.C. Reception Program provides the NAR legislative staff access to incumbent Members of Congress and Senators by allowing them to attend Washington, D.C. fundraising receptions.

Incumbent House Members are eligible to receive up to \$2,000 per two-year election cycle of D.C. Reception funds.

U.S. Senate candidates are eligible to receive up to \$3,000 of DC Reception funds, of which \$1,000 will be accessible each two years of the six-year term. Unused funds may be carried over to following years of the term. DC Reception funds may only be used in the Primary unless the incumbent has already received Special Recognition funding.

Once a challenger or open seat candidate receives special recognition funding, the incumbent in that seat may not receive DC Reception funds.

An incumbent may not receive DC Reception funding after he has officially declared for another office. An incumbent may receive DC funding for his current office when he is considering running for another office as long as he has not yet officially declared for the new office.

All D.C. Reception funds which have not been used 60 days prior to the general election will be rolled into the Special Recognition Fund.

All contributions for D.C. Receptions must be delivered in person by the NAR Legislative Representative or association's leadership to a candidate or a candidate's campaign staff within fifteen business days of receipt of the contribution by the Legislative Representative. In no event shall a contribution check be delivered to a candidate later than the day prior to the election for which the contribution is designated.

After 45 days if the RPAC check is still not cashed, the holder of the check is to be informed that they have two weeks to deliver the check or it will be voided and they would forfeit their opportunity to deliver that check. In the case of NAR lobbyists who fail to deliver the RPAC check by the 60th day, the check will be re-cut and sent to the respective state for personal delivery by the FPC in the state/congressional district.

APPROVAL PROCESS:

TYPE OF D.C. RECEPTION REQUEST

PROCESS

Incumbents
v House and Senate

- No formal approval by the National RPAC Trustees is necessary for D.C. reception requests (within the designated limits) for incumbent Members.
- State GAD and FPC are automatically copied on DC Reception requests by NAR Lobbyists to improve communication and teamwork by the respective parties.

D. SPECIAL RECOGNITION FUND

PURPOSE: To provide higher levels of financial support for those Members of Congress who have been extraordinary supporters of the real estate industry and/or are involved in a very tough election campaign. In addition, this fund will assist challenger and open seat candidates who traditionally have a difficult time raising money.

ACTIVITY: The Special Recognition Fund will provide higher levels of support for incumbent Members of Congress who are champions of NAR's legislative agenda and/or are in a very tough reelection campaign. The fund will also be used for challengers, open seat candidates, and debt retirement for incumbents. Strict guidelines (See Appendix B) will be used when making decisions regarding Special Recognition Fund distributions.

The FPC must be part of the check delivery presentation for In-State and Special Recognition checks unless unable to attend. If logistically possible, such as if the National RPAC Trustee is from their state, the FPC and/or state staff should consider also extending an invitation to the National RPAC Trustee to join them in the presentation of Special Recognition checks.

It is the policy of NAR's RPAC Trustees that a candidate questionnaire must be completed for all open seat and challenger candidates for the House and Senate. A candidate interview is highly encouraged to obtain the answers to the questionnaire in person. The candidate questionnaire should be used during the interview and must be sent to RPAC following completion of an online request for RPAC funds for the request to be considered.

All Special Recognition requests for challengers and open seat candidates must be accompanied by a candidate questionnaire or summary of a personal interview. The National RPAC Trustees will not consider requests until the candidate has officially

declared for the office he/she is seeking and has filed the appropriate paperwork with the FEC. National RPAC encourages the state interviewing committee to share the candidate questionnaire with the candidate prior to the interview so the candidate may have an opportunity to be familiar with NAR issues. The interviewing committee should obtain from NAR the official NAR answers to the questions, however the answers should not be shared with the candidate. A personal interview is encouraged, but is not necessary as long as the candidate completes the candidate questionnaire. Candidates are also encouraged to interview with NAR staff if they are in Washington, DC for other business as well. National Trustee policy requires that NAR staff shall not interview federal challenger candidates until the year of the election so as not to send any possible mixed signals to incumbents with whom NAR is working on legislation.

Incumbents do not need to complete a questionnaire. However, if state RPAC is considering opposing the incumbent, the incumbent must be offered an interview to defend his record. If he/she chooses to accept, a completed incumbent questionnaire should be submitted with the request, whether the request is for the incumbent or the challenger. In Open Seat races, major candidates from both parties must be offered a questionnaire to complete before making a Primary or General Election request. All questionnaires collected should be submitted along with the request for whichever candidate the state recommends.

Incumbent House Members who are running for the Senate rather than for re-election to the House are not required to complete a questionnaire. When requesting debt relief, a candidate questionnaire is preferred but not required. If one was obtained during the election, it should be forwarded with the request, but the newly elected Member should not be asked to complete one.

NAR will provide at no charge a poll to state RPAC Trustees (not to be shared with any candidate which would be an illegal in-kind contribution) to help them assess the political climate of competitive open seat races. The RPAC Trustees Leadership will use the non-partisan Cook Political Report as a guide in determining whether a race merits a poll. The NAR Political Rep. will work with the state GAD to determine if state desires the poll and when would the poll need to be conducted in regard to timing of the election (either Primary or General) and of the state Trustees meeting to review the poll before making their request for the recommended candidate.

NAR staff shall not interview federal challenger candidates until the year of the election so as not to send any possible mixed signals to incumbents with whom NAR is working on legislation. Once an incumbent has received Special Recognition support, NAR Staff shall not meet with their challenger.

Once Special Recognition funding is provided to a candidate, no other candidate for that seat may receive Special Recognition unless the initial candidate receiving funding loses in the Primary. If a state's request for Special Recognition for a candidate is denied by the National Trustees, no other candidate may receive Special Recognition funding in the race unless the denied candidate loses the Primary.

One exception to the policy of providing Special Recognition to only one candidate is the REALTOR® Appreciation Funding policy. In the case where a REALTOR® is running against the RPAC-endorsed candidate, a State Trustees Committee may (but is not required to) request a \$1,000 contribution for the REALTOR® running for federal office in addition to requesting up to \$5,000 funding for the RPAC-endorsed candidate. The REALTOR® candidate is required to complete a Candidate Questionnaire and should include years active as a REALTOR® and history of RPAC support. The National RPAC Trustees will then review the request and decide whether to provide the \$1,000 funding. If approved, a letter to the challenger shall accompany the check to clarify that the contribution is only a token of appreciation for their political activism and that RPAC has endorsed the other candidate.

Candidates shall not receive Special Recognition funds for the General Election before the state's Primary has occurred except in special circumstances. Trustee policy is to not begin approving Special Recognition funding until the first Annual Convention Meeting in the election cycle for states with early Primaries. States must submit requests for the Primary Election based on the election cycle calendar approved by the Trustees to ensure an orderly disbursement process. Early funding for a select number of "REALTOR® Champions" may occur at the discretion of the Trustees pending a request from the respective state trustees.

Special Recognition Fund expenditures may include direct contributions or in-kind research (benchmark polls, focus groups, demographic studies).

After a state RPAC committee initiates a federal candidate request for Special Recognition funds to the NAR RPAC Trustees, that request should remain confidential until the NAR RPAC Trustees have reviewed the request and made their decision. When the RPAC Trustees provide maximum funding to a candidate (\$5,000 per election), the candidate may state that they have been endorsed by RPAC. Candidates receiving lesser amounts of Special Recognition funding would merely be supported by RPAC. Only once the NAR RPAC Trustees have bestowed maximum funding and thus endorsed the candidate may the state and local associations also endorse the same candidate. Candidates only receiving DC or Instate Reception funds should not be considered as having the support of RPAC until Special Recognition funding is bestowed by the NAR RPAC Trustees.

NATIONAL ASSOCIATION OF REALTORS® policy prohibits state associations/PACs from making direct or "indirect" contributions to federal candidates and that State associations and their associated PACs may not support federal candidates by advocating or otherwise supporting the election of federal candidates in other lawful ways, such as independent expenditures, advocacy communications directed to members, or public communications that identify federal candidates. This requirement is also embodied in the NAR/RPAC - State Association/State PAC Contribution Collection and Cooperation Agreement. If a state or local association or PAC wishes to supplement the

efforts of National RPAC to assist a federal candidate, any proposed activities must first be approved by National RPAC.

A subset of Special Recognition is a Debt Relief contribution. This is a contribution made after the election. It may total \$5,000 per election, which includes any contribution made before the election. Candidate questionnaires are not required to submit a Debt Relief request.

All contributions for Special Recognition must be delivered in person by the FPC and/or the state association's leadership (including respective National and State RPAC Trustees) to a candidate or a candidate's campaign staff within fifteen business days of receipt of the contribution by the State Association. In no event shall a contribution check be delivered to a candidate later than the day prior to the election for which the contribution is designated. If the check is not cashed within 60 days of being issued, it will be cancelled and a new check will be reissued and delivered by the respective NAR Lobbyist.

For incumbent Members of Congress approved to receive an In-Kind fundraiser at NAR's Washington DC office, since Special Recognition funds would be required to host the event, NAR will fund the Federal Political Coordinator to come to Washington DC to serve as a host of the event.

All deliveries of contributions to federal candidates outside of D.C. will be performed only by state associations and local boards that contribute either hard dollars (which are preferred) or soft dollars to National RPAC.

APPROVAL PROCESS: STATE ORIGINATED REQUESTS

The National RPAC Trustees must approve all Special Recognition Fund requests by a 2/3 vote of the Trustees present.

All National Trustee deliberations and materials are confidential. However, the respective National Trustee should contact the state prior to the National Trustee Meeting to inform them that they have submitted a request that will be on the Discussion Agenda to solicit their rationale for the request.

The following RPAC forms must be submitted to the National RPAC staff by the requests cut-off date for the next scheduled National RPAC Trustees meeting or conference call:

- A completed RPAC "Candidate Contribution Request" online form.
- A completed Candidate Questionnaire must also be submitted with all challenger and open seat requests for both the candidate being recommended as well as for the opponent.

- The RPAC "Candidate Contribution Request" form must be approved by the State RPAC Chairman and approved by the State RPAC Trustees committee.

RPAC Candidate Profile

NAR Staff must provide to state association staff a candidate profile of incumbents based on the REALTOR® Party Criteria (see below). State staff may then decide how best and in what format to share the information with their state Trustees per the custom in that state. The State is encouraged to invite their NAR Political Representative to attend the meeting to be able to provide any further information requested by the state Trustees on their delegation.

RPAC Decision Notification

A candidate should not be made aware of the state request before the National Trustees have made a final funding decision. The State AE or GAD will be notified by NAR staff of the action taken by the National RPAC Trustees within 72 hours of the vote.

NATIONAL ORIGINATED REQUESTS

- National RPAC encourages state and local RPAC Committees to make a recommendation in all Primary and General Elections in both incumbent and open seat races. RPAC does not support more than one candidate in a race so in the rare circumstances when the state RPAC Trustees are unable to generate a request, National RPAC will remain neutral in the race unless it chooses to generate a nationally originated request.
- The National RPAC Trustees may originate a request for Special Recognition Funding for a U.S. House or Senate incumbent/open seat candidate if a state RPAC Trustee Committee has not made a request for funds within 60 days of the election.
- NAR staff must complete an RPAC "Candidate Contribution Request" form and a summary of the candidate interview (if open seat), and submit them to the National RPAC Trustees by the requests cut-off date for the next scheduled meeting or conference call of the RPAC Trustees.
- National RPAC Trustees must approve all Special Recognition Fund requests by a 2/3 vote of the Trustees present.
- When requests are initiated by the National RPAC Trustees, the State RPAC Chairman will be asked for input prior to the vote of the RPAC Trustees.
- The state EO or GAD will be notified of the action taken by the National RPAC Trustees within 72 hours of the vote.

REALTOR® Party RPAC Disbursement Criteria

RPAC policy is to support incumbents who have been supportive of NAR.

In order to gauge the deserved level of support, the following criteria will be used to build a candidate profile of incumbents to evaluate support for each election cycle's funding. The criteria are:

- Individual action taken to advance NAR legislation (Initiating Dear Colleague letters, supportive action during hearings, floor speeches, etc)
- Special Recognition (Co-sponsorship of NAR legislation, co-signing of regulatory letters)
- Congressional Leadership Position
- Congressional Committee Assignments
- Congressional Voting Record for current and up to 3 previous Congresses
- DC Engagement
- Instate Accessibility
- Race Competitiveness

E. POLITICAL PARTY CONTRIBUTIONS

PURPOSE: To increase our political visibility in United States House and Senate races.

ACTIVITY: To contribute \$45,000 per year each to the National Republican Senatorial Committee, Democratic Senatorial Campaign Committee, National Republican Congressional Committee, Democratic Congressional Campaign Committee, Republican National Committee and Democratic National Committee.

APPROVAL PROCESS:

A simple majority vote of the National RPAC Trustees present is required to approve these contributions.

F. POLLING PROGRAM

PURPOSE: To provide a poll either as an in-kind contribution to a candidate, or to conduct a poll for internal use only to be shared with a state Trustees Committee to assist them in making a candidate funding recommendation.

ACTIVITY: To provide funding using Political Advocacy Fund (PAF) for internal polling or RPAC funds for polling to be shared with candidates.

APPROVAL PROCESS:

NAR staff or a state Trustees committee may request funds for an internal poll. State Trustees must request providing a poll as an in-kind contribution to a candidate. A simple majority vote of the National RPAC Trustees present is required to approve either of these type of polling expenditures.

G. LEADERSHIP PAC CONTRIBUTIONS

PURPOSE: To ensure that funds are available to assist targeted Members of Congress with raising money for their Leadership PACs. They, in turn, use the funds to support other incumbent and non-incumbent candidates for Congress, thereby expanding NAR's and their influence in the federal electoral and legislative processes.

ACTIVITY: To set aside a specific amount of funding at the beginning of each election cycle for unanticipated election cycle needs. The Leadership Committees of the House Speaker, the House Majority Leader, the House Minority Leader, the Senate Majority Leader, The Senate Assistant Majority Leader and the Senate Minority Leader shall each automatically receive \$5,000 each year of the cycle. The remaining funds shall be used at the discretion of the trustees and staff in accordance with the approval process.

APPROVAL PROCESS:

For Leadership PACs other than those listed above, the NAR Sr. Vice President and RPAC Program Representative may approve to expend up to \$1,000 per calendar year per Leadership PAC. The RPAC Chairman, NAR Sr. Vice President and RPAC Program Representative may approve to expend up to \$2,500 per calendar year per Leadership PAC.

A two-thirds vote of the National RPAC Trustees present is required to approve funding beyond \$2,500 and up to the \$5,000 per calendar year limit.

H. DC IN-KIND FUNDRAISERS

PURPOSE: This program enables National RPAC to provide our valued federal candidates with additional dollars from individuals and PACs outside of the REALTOR association.

ACTIVITY: To generate financial support for federal candidates. Fundraisers in Washington, D.C. will be organized by NAR's RPAC staff and Legislative

Representatives targeting other D.C. based PACs. National RPAC will provide the organizational support for the Trustee approved fundraisers, thus generating an "in-kind contribution" to the campaign.

In compliance with Federal Election Commission law, in-kind contributions combined with any direct contributions may not exceed the allowable limits of \$5,000 for a primary or a general election campaign.

APPROVAL PROCESS:

The RPAC Trustees must approve. Targets are generally also President's Circle recipients.

I. DC MEET & GREETINGS

PURPOSE: This program enables the REALTORS® Association to provide our valued federal candidates an opportunity to meet with NAR Lobbyists and other lobbyists from other lobbying groups to discuss public policy issues, but not campaign-related topics.

ACTIVITY: RPAC will fund up to \$500 for NAR to host a Meet and Greet event for a Member of Congress. Since it is only a policy-based discussion, the cost does not count against the candidate's contribution limit as an in-kind contribution.

APPROVAL PROCESS:

The RPAC Trustees must approve the candidate for NAR to host the event.

J. IN-STATE MEET & GREETINGS

PURPOSE: This program enables the REALTORS® Association to provide our valued federal candidates an opportunity to meet with REALTORS® to discuss public policy issues, but not campaign-related topics.

ACTIVITY: RPAC will fund up to \$500 for a state or local association to host a Meet and Greet event for a Member of Congress. Since it is only a policy-based discussion, the cost does not count against the candidate's contribution limit as an in-kind contribution.

APPROVAL PROCESS:

The RPAC Trustees must approve the candidate for the association to receive funding. There is no formal approval process, but states interested should contact their NAR Political Field representative.

K. IN-STATE IN-KIND FUNDRAISERS

PURPOSE: This program enables the REALTORS® Association to provide our valued federal candidates with additional dollars from individuals and PACs outside of the REALTOR association.

ACTIVITY: State and local associations are generally discouraged from conducting In-Kind fundraisers due to the complicated reporting requirements specified by federal election law. Instead, they are encouraged to take advantage of the In-Home Political Events program.

In compliance with Federal Election Commission law, the in-kind contributions, combined with any direct contributions, may not exceed the allowable limits of \$5000 for a primary or \$5000 for a general election campaign.

APPROVAL PROCESS:

Due to the potential legal liabilities for National RPAC, instate In-Kind Fundraiser requests must be approved in advance by the National RPAC Trustees. The state GAD or EO should contact NAR staff and then the GAD or EO will be subsequently notified by NAR staff if approval is granted.

L. IN-HOME POLITICAL EVENTS PROGRAM

PURPOSE: Unlike the district-based Meet & Greet program which is a strictly public policy-only event, the In-Home Political Events program allows FPCs to add a political component to the event per the following guidelines.

ACTIVITY: RPAC will fund via the Political Advocacy Fund the cost of hosting a “Political” Meet and Greet whereby an incumbent candidate may also fundraise from REALTORS® in attendance, though they are not required to contribute in order to attend.

APPROVAL PROCESS:

The RPAC Trustees must approve. Targets are generally also Level 1 Opportunity Race recipients.

I. Background

In January 2005, the RPAC Trustees approved funding to create an In-Home Political Event (IHPE) program, which would encourage Federal Political Coordinators (FPCs) to host REALTOR® political events -- ideally in their home for their assigned Member. The objective was to help FPCs build relationships with their respective Member of Congress (MOC) and foster better and more frequent dialogues between MOCs and REALTORS® on the grassroots level. The program utilizes RPAC Political Advocacy Funds (PAF) to help underwrite costs up to \$1,000 per event (i.e. for food and beverage).

II. Program Goals and Objectives

The program was created to enhance the relationship between REALTORS® and their federally elected officials by exchanging views on legislative topics as well as engaging REALTORS® in the candidate's election campaign. The program has a grassroots focus with a two-part goal:

- First, to provide a comfortable, informal setting in the FPC's home to cement the FPC/Congressman's relationship as well as for other attending REALTORS® to meet their Member of Congress, ask questions, and discuss issues of importance to NAR members and the real estate profession in general;
- Second, to encourage REALTORS® who are supportive of the Member of Congress to take an active role in Member's re-election effort. To that end, attending REALTORS® may be asked to make a low to mid-level contribution (\$25 to \$250) to the candidate's campaign, or simply volunteer in a related capacity.

The goal of the In-Home Political Event program is not to raise large sums of individual/personal REALTOR® funds for a targeted candidate. That is the objective of NAR's Presidents Circle. Instead, the goal is to strengthen the FPC/Congressman's relationship by achieving a large attendance of REALTORS® to underscore the political clout of the FPC and their association to the Member of Congress and his/her campaign. (*Note - this should be made clear to the campaign in advance of confirming the event).

WHAT ABOUT SECTION II?

III. Program Targets

In Home Political Event congressional targets are selected based on the following factors:

- The MOC's importance to NAR's legislative agenda,
- The experience/ability of the MOC's FPC to successfully host the event.
- The record of legislative support of NAR issues by the MOC, or the need to educate the MOC on a critical REALTOR® issue.

The likelihood of success appears to be predicated on these factors:

- The involvement of a motivated and organized FPC
- The existence of legitimate grassroots REALTOR® support for the Member within the state/district
- The active involvement of the NAR Field Staff (and occasionally the state/local association staff) that were instrumental in assisting and organizing the events.

Staff also recommends a two-track approach to the program:

- Election-year targets would be Members of Congress facing competitive elections who will also be receiving Opportunity Races.
- Off-election year targets would focus on freshman/junior members who don't necessarily have competitive races but who have been supportive of NAR and would appreciate the attention by NAR.

IV. Program Criteria

Criteria for selection of a MOC for an IHPE include the following:

Election year criteria

- Support by the MOC for NAR legislative priorities
- MOC faces a competitive race in either the congressional primary or general election.
- Recommendation and approval of an Opportunity Race for the MOC in a congressional election year
- Agreement by the FPC to host the event
- Availability of NAR Field Staff to assist with event organization/execution

Off Election year criteria

- Freshman or junior MOC who was supported by RPAC in the past election
- Initial record of support by the MOC for NAR legislative priorities
- Holds a committee assignment of strategic importance to REALTOR® interests
- Agreement by the FPC to host the event
- Availability of NAR Field Staff to assist with event organization/execution

V. Legal Considerations

In order for NAR to use treasury funds (“soft dollars”) to pay the costs of the event, three requirements must be met:

- 1) Only REALTORS® may be invited and attend the event;
- 2) A suggested contribution may be included on the invitation and may be solicited at the event by the FPC, but REALTORS® must be allowed to attend at no cost if they wish;
- 3) No REALTOR® volunteer or association staff may handle collecting the funds; the candidate or his campaign staff must do so. The rule is you may solicit, but not facilitate contributions to the candidate.

In addition, the costs incurred by NAR in connection with the event must be reported to the Federal Election Commission, although there is no limit on such costs.

VI. Program Approval Process

- Any FPC may submit their Member of Congress as a possible target to receive support via this program;
- Field Staff reviews the target in regard to above criteria, especially electoral competitiveness and REALTOR® support of candidate;
- Lobbyist reviews the target in regard to above criteria, especially support for NAR legislative priorities;
- Political Program staff recommends targets to RPAC Trustees based on above discussion and input;
- RPAC Trustees review requests and makes final determination;
- FPC is notified, and if request is approved, Field Staff contact FPC to begin process of planning/executing event

M. FEDERAL OPPORTUNITY RACES:

PURPOSE: The Opportunity Race program channels REALTOR® grassroots support for federal candidates who are advocates of the real estate industry. It may be as simple as educating REALTORS® about the candidate's voting record on real estate issues to ensure REALTOR® support of the candidate on election day; or as involved as encouraging REALTORS® to help directly affect the outcome of the race through their volunteer efforts on behalf of that candidate's campaign.

NOTE: All communication to REALTORS® come from NAR. It is NAR policy as well as RPAC policy that NAR does not make NRDS membership lists available to candidates or political entities for any purpose.

ACTIVITY: NAR's Opportunity Race Program is a grassroots-based program that encourages REALTORS® to support and become active in the campaigns of selected NAR-supported federal candidates. REALTORS® are contacted by NAR through direct mail, phone banks, email and other campaign activities and encouraged to support a particular candidate for Congress in their state or district. Since federal election law allows only a maximum of \$10,000 to be contributed to a candidate by RPAC, the Opportunity Race program allows NAR to go the extra step to help elect pro-REALTOR® candidates.

The Opportunity Race program is funded through voluntary corporate contributions, commonly referred to as "soft dollars." Because all election communications by NAR are provided to members only, NAR may use so-called "soft dollars" or "non-federal funds" and save our RPAC "hard dollars" or "federal funds" to be used only for direct contributions to candidates.

NAR has a unique advantage over many other participants in the political process in that we have one million members to draw upon. The Opportunity Race program seeks to channel that resource into an effective political force that will make a difference in the election.

This has the effect of also serving as a lobbying tool, in that Members of Congress will be far more receptive to NAR's concerns if they know the REALTORS® in their districts our educated and motivated voters. The program also has the added value of showing REALTORS® their political contributions at work while educating them on the voting record of the candidates running to represent them in Congress.

APPROVAL PROCESS:

National RPAC Trustees must approve Opportunity Race requests by a 2/3 vote of the Trustees present.

Opportunity Race Levels

There are three levels of support in the Opportunity Race program. Each level is generally defined by the amount of voter contact between NAR and its members in support of the chosen federal candidate.

The level selected for each race depends on many factors but the two main qualifiers are: how good of a supporter is the candidate, and how viable of a chance does the selected candidate have of winning the race.

Level 1 (1A or 1B)

GOAL: To positively affect the election outcome of NAR-supported candidates in highly competitive races for Congress, as well as to educate the REALTOR® membership on the issues facing Congress.

ACTIVITY: Consists of the following activities:

- 4 pieces of Direct Mail (Postcards, brochures, personalized letters)
- Could also include:
 - Paid Phone Banks using recorded message of Assn. President for information on GOTV, Voter Registration, and/or Early/Absentee voting, and a Fundraiser
 - REALTOR® Action Center emails/" REALTORS® For" websites, and online videos
- For Level 1A races, a NAR Field Rep. will work in the state/district to educate and encourage REALTORS® to become active in the targeted campaign.
- Level 1B races entail the same direct costs as Level 1A, but there is no NAR Field Staff component. (See Request Process below for more details)
- For a candidate to benefit from an Independent Expenditure or NAR Political Advocacy, the candidate must first be approved for a Level 1A or Level 1B Opportunity Race

COMPONENTS:

- Assemble Steering Committee
- Gather a Media Kit (Picture of candidate, campaign address)
- Collect best mailing list of REALTORS® (NRDS, state or local)
- Decide which issues to use on mail pieces
- Choose which mail templates to use
- Encourage volunteers to participate in field activities (Level 1A only)

QUALIFICATIONS:

- Highly competitive race (Defined by "Lean" or "Toss-up" by Cook Report)
- Has championed REALTOR® public policy priorities

Level 2

GOAL: To positively affect the election outcome of NAR-supported candidates in competitive races for Congress, as well as to educate the REALTOR® membership on the issues facing Congress.

ACTIVITY: Consists of the following activity:

- 2 pieces of Direct Mail (Postcards, brochures, personalized letters)

COMPONENTS:

- Assemble Steering Committee
- Gather a Media Kit (Picture of candidate, campaign address)
- Collect best mailing list of REALTORS® (NRDS, state or local)
- Decide which issues to use on mail pieces
- Choose which mail templates to use

QUALIFICATIONS:

- Competitive race (Defined by “Lean” or “Likely” by Cook Report)
- Has consistently supported REALTOR® public policy priorities

Level 3

GOAL: To positively affect the legislative behavior of NAR-supported candidates in minimally competitive races for Congress, as well as to educate the REALTOR® membership on the issues facing Congress.

ACTIVITY: Consists of the following activity:

- 1 piece of Direct Mail (GOTV Postcard)

COMPONENTS:

- Assemble Steering Committee
- Gather a Media Kit (Picture of candidate, campaign address)
- Collect best mailing list of REALTORS® (NRDS, state or local)
- Decide which issues to use on mail pieces
- Choose which mail template to use

QUALIFICATIONS:

- Minimally Competitive race (Defined by “Likely” or “Solid” by Cook Report)
- Has supported at least one key REALTOR® public policy priority

Opportunity Race Request Process

State RPAC Trustees may request an Opportunity Race on behalf of a federal candidate by submitting an electronic candidate request. The Meeting schedule for the National RPAC Trustees is listed on the RPAC website along with the respective cut-off date that requests must be received by for each meeting. If the candidate is a challenger or Open seat candidate, a candidate questionnaire must also be submitted.

Since the success of the program is dependent upon sufficient lead-time to manage the logistical challenges of this complex program, a premium will be placed on those requests that are received in a timely manner. The Cook Report rankings are a good barometer of what Opportunity Race level should be requested but of course exceptions may exist based on other factors.

For Level 1 Requests, the state shall simply request Level 1 if they seek maximum support. The choice as to whether the race ultimately is designated as a Level 1A (with Field Staff component) or Level 1B (without Field Staff component) will later be determined by NAR Government Affairs Management based on a variety of factors. Such factors include:

- Availability of NAR staff based on other commitments
- Number and motivation level of REALTORS® in state/district
- Geographic factors that determine concentration of REALTORS® in state/district.

For Senate candidates only, the comment field of a Level 1 request should include what resources the state plans to commit in conjunction with NAR to achieve victory if the race is chosen for 1A status. This is not necessary for Level 1 requests for House candidates. Since the Cooperative Agreements state that only NAR may fund federal candidates, the state would commit resources to such activities as voter registration, sample ballots, and/or absentee ballot programs that benefit all candidates.

Because a Level 1A race is such a significant commitment of NAR/RPAC resources and also relies on state resources for maximum benefit, Level 1 requests require a $\frac{3}{4}$ vote of the State Trustees if they are to be considered for Level 1A status. Furthermore, if NAR Government Affairs Management selects a senate race to be a Level 1A target, it requires that the State Board of Directors or State Leadership Team also approves of the State Trustees' Level 1 request and is supportive of contributing state resources to the effort.

When considering requesting an Opportunity Race, it is recommended contacting your NAR Political Representative to seek their input in the process, as they serve as the primary point person during the implementation of the Opportunity race.

N. INDEPENDENT EXPENDITURES

Protocols for NAR/RPAC Federal Independent Expenditure Campaigns

To ensure all NAR/RPAC-funded Independent Expenditures are sufficiently independent to be legal, the following protocols have been developed and will be followed.

Implementation of Federal Independent Expenditure Campaigns

1. All NAR/RPAC produced Independent Expenditures (IE) on behalf of a federal candidate will be in support of a candidate (as opposed to calling for the defeat of a candidate).
2. Before an IE can be considered, the state must first have requested a Level 1 Opportunity Race (the most intense level of member to member communications on behalf of a candidate).
3. NAR lobbyists and political field staff help recommend Opportunity Races based on their knowledge of their assigned states. However, they are not involved in recommending or selecting candidates for federal IEs, and will also be required to execute an "Affidavit of No Contact or Coordination" or describe in writing the nature of any communication or interaction with any of the candidates on the IE Target List.
4. No IE may be considered for a federal candidate who is running against an incumbent with a demonstrable record of support for NAR.
5. An IE should not be considered for a federal candidate unless the candidate is viewed by national political analysts as having a reasonable chance of winning the race.
6. The recommended "target" federal candidates to be considered for an IE will first be selected by the Federal Independent Expenditures Advisory Board (FIEAB) and staff, and a public opinion poll conducted to assess the race. *The potential target list of federal candidates considered for an IE campaign by the FIEAB and staff is limited to those federal candidates approved for an Opportunity Race campaign.* This requirement insures state and local REALTOR® support for a targeted federal candidate and minimizes potential conflict with candidates targeted for a state and/or local IE campaign in the same geographic area.
7. The FIEAB and staff will reconvene once the polls are completed to review the results, as presented by the outside consultants, and decide who among this list of federal candidates should be targeted for an IE campaign. Each member of the FIEAB and staff involved in developing this "IE Target List" will be asked to sign an "Affidavit of No Contact or Coordination" confirming no interaction with any of the candidates on the IE Target List that would cause any expenditure to be non-independent.
8. A formal proposed campaign plan for each candidate on the IE Target List will be developed by staff and consultants and submitted for consideration and approval by the FIEAB. Each IE campaign plan will include the message(s) to be delivered, specific voter groups to target the message(s) to, method(s) of message delivery (for example: television, direct mail, online ads), the timing of each campaign activity, and a campaign budget that lists all expenses associated with the IE.

9. Each campaign plan for candidates on the IE Target List approved by the FIEAB will be submitted to the RPAC Trustees for final approval. Prior to presentation of these campaign plans to the Trustees, the Trustees will be provided with names of the candidates on the IE Target List and asked to confirm that they are able to execute an “Affidavit of No Contact or Coordination” with respect to each candidate. Any Trustee that is unable to do so with respect to a given candidate will be excused from the presentation, discussion, and consideration and approval of the campaign plan for such candidate. The RPAC Trustees may reject a recommendation by the FIEAB to conduct an IE by a two-thirds majority of all the RPAC Trustees.
10. To insure independence of the expenditures no NAR staff other than those described in these protocols will be involved in implementing any Federal IEs or informed of the IE Target List, except that the NAR Community & Political Affairs staff who manage the state and local IE program will be notified of a federal IE campaign as soon as the NAR RPAC Trustees have approved the campaign plans for each candidate on the IE Target List.
11. State and Local Association Leadership and staff will be notified at least 72 hours before the first IE communication begins as a courtesy to the REALTOR® Associations. Notification will be done via conference call with confidential talking points provided afterward via email.
12. One NAR Public Affairs spokesperson is designated to respond to all media or press inquiries related to the federal IE campaigns. That person is notified about an IE campaign and provided with a copy of the talking points for the campaign as soon as the IE notification conference call with the State and Local Association Leadership and staff has concluded.

O. Presidential Campaign Contributions

On May 10, 1986, the following policy regarding Contributions to Presidential Candidates was adopted. The RPAC Trustees reaffirmed the policy on 5/10/05:

“To encourage the continued expansion and growth of REALTOR® involvement in the political process, the RPAC Trustees, the REALTOR® Legislative Committee, and the Political Affairs Committee join in urging all members of the National Association of REALTORS® to participate fully in the Presidential campaign of their choice, on a personal and financial basis to insure that whomever the next President of the United States may be, REALTORS® will have played an active and vital role in his or her election.

The RPAC Trustees of the NATIONAL ASSOCIATION OF REALTORS® are empowered to contribute to the Presidential campaign committee of a declared candidate for President wherein the RPAC Trustees, in their sole discretion, have determined that

such candidate enjoys “significant REALTOR® support,” in accordance with the following criteria:

1. Each volunteer committee of REALTORS® for (Presidential Candidate) should be able to demonstrate contributions to the campaign from at least 100 REALTORS® who are contributors to RPAC, from at least 10 states. There should be a minimum of five REALTOR® from each state that are not duplicative of contributors listed by other similar REALTOR® involved Presidential campaigns.
2. Each volunteer committee of REALTORS® for (Presidential Candidate) should be able to demonstrate at least five REALTORS® in at least ten states that hold volunteer positions of responsibility within the organizational framework of the campaign.

If such support is confirmed the RPAC Trustees will consider a contribution to that particular campaign up to the maximum allowed limit under the law (\$5,000).”

V. THE PRESIDENT’S CIRCLE

Program Overview

In 2001, RPAC was the subject of a Presidential Advisory Group to begin preparing in anticipation of pending Campaign Finance Reform (CFR) legislation that ultimately became law and went into effect in 2003. Although the Supreme Court has since struck down other aspects of the law, the prohibition on corporate contributions to national political party committees and federal candidates is still intact, and personal or “hard” dollars remain important.

In light of that reality, NAR/RPAC leadership developed a National “Direct Giver” Program as a key component of NAR’s overall political program. This program not only strengthens RPAC and NAR’s Grassroots, but it also creates an additional communication tool to candidates and add more political options for NAR. Even more importantly, this new program will keep the REALTORS® ahead of the political curve.

NAR and RPAC Leadership felt this was our chance to reaffirm our status as national trade association with the most political clout in the Washington and decided to move forward with the President’s Circle Program.

The program consists of an annual individual hard dollar pledge of \$2,000 in order to join. Members write checks payable directly to designated federal candidates or National Political Party Committees of their choice when called upon to do so. Participants have flexibility among the NAR designated targets in choosing which federal candidates or National Political Party Committees they wish to support to fulfill their \$2,000 calendar

year pledge. Only RPAC Sterling, Crystal, Golden, and Platinum R Major Investors may participate in the President's Circle program.

NAR staff recommends a select list of program recipients that include National Political Party Committees and federal candidates. The National RPAC Trustees approve or deny staff recommendations of proposed program recipients and these targets will be reported to the Leadership Team. Checks or online contributions from President's Circle members are sent directly to the Committee or Candidate.

PRESIDENT'S CIRCLE BYLAWS
(Amended April 2006)

Program Purpose and Features:

To establish a National REALTOR® Direct Giver Program with a guiding principle of establishing an elite group of investors that will complement the REALTORS® Political Action Committee. Program features include:

A. Program Name

The name of the direct giver program is the President's Circle. The Leadership Team changed the name in April 2004 from the REALTOR® Party President's Circle (RPPC).

B. Financial Goal

The goal of the President's Circle will be to increase membership and disbursements each year based on the previous year's performance.

C. Eligibility

Only RPAC Major Investor (Sterling, Crystal, Golden and Platinum Rs) program participants are permitted to participate in this elite NAR Direct Giver program.

D. Investment Level

An annual individual hard dollar pledge of \$2,000 is required to join the President's Circle. NAR staff requests program participants to write checks or make online contributions directly to designated federal candidates/National Political Party Committees. Participants have complete discretion and flexibility to choose the designated federal candidates and/or National Political Party Committees that will receive contributions necessary to fulfill the participants \$2,000 pledge.

E. Benefits

President's Circle members receive:

- 1) Legislative briefings and communications from Sr. VP of Government Affairs.
- 2) Invitations to private receptions at national meetings.
- 3) Invitation to Annual RPAC/President's Circle Conference

F. Direct Giver Recipients and Program Governance

The NAR staff recommends a select list of program recipients that includes National Political Party Committees and federal candidates, subject to RPAC Trustees approval of such staff recommendations. Actions of the RPAC Trustees are reported to the NAR Leadership Team.

G. Criteria for Direct Giver Recipients

1. Federal Candidates. Selection dependent upon the candidate meeting some or all of the following:

- has demonstrated outstanding commitment to the NAR legislative agenda
- has a key position to affect the NAR legislative agenda
- has a political need for the extra support
- has state and local REALTOR® support
- has received maximum RPAC support and/or an Opportunity Race in last election

2. National Political Party Committee Events. Selection dependent upon some or all of the following Party Leaders being present at event:

- House and Senate Leadership
- House and Senate Committee and Subcommittee Chairs and Ranking Members
- Cabinet Secretaries
- President or Vice President of the United States

H. State RPAC Recognition

States receive no credit towards achieving their Fundraising Goal (originally did when program began).

I. Fundraising Apparatus

The NAR President will annually appoint a Fundraising Liaison and Disbursements Liaison who oversee the program via the RPAC Fundraising Trustees (responsible for membership recruitment) and the RPAC Federal Disbursement Trustees (responsible for target selection and resource allocation per target).

J. Delivery of Funds

- 1) On-line funds must be invested only thru the official President's Circle website www.NAR.votesane.com or by sending checks directly to the candidate or committee.

K. RPAC Hall of Fame Credit

Investments to the program are counted toward entry into RPAC's Hall of Fame. The "Hall of Fame" is an aggregate lifetime total of at least \$25,000 to RPAC.

L. Modifications to the Program

The RPAC Trustees must approve program modifications.