

REALTOR® ACTION ASSESSMENT & FUND: Explanation and Legal Notice

C.A.R.'s Political Action Committees. C.A.R. sponsors four Political Action Committees (PACs). CREPAC is used to support state and local candidates to further the goals of the real estate industry. CREIEC is an independent expenditure committee that independently advocates for or against candidates in accordance with the interests of the real estate industry. CREPAC/Federal supports candidates for the U.S. Senate and House of Representatives. IMPAC supports local and state ballot measures and other issues that impact real property in California. IMPAC is funded by your dues dollars.

REALTOR® Action Assessment: This mandatory state political assessment may be satisfied in one of two ways: either (1) a voluntary contribution to CREPAC and/or CREIEC and/or other related political purposes or (2) a designation of the funds for political purposes in the C.A.R. general fund. You may include the entire amount on one check and if you do so, \$49 will go into CREPAC and/or CREIEC, or other related political purposes. If you have an assessment that is over \$98 due to your DR nonmember count, then any amount over \$98 contributed to the state PACs (i.e. CREPAC and CREIEC) will go into CREIEC. If you choose not to contribute to a PAC, then the entire assessment of \$49 will be placed in the C.A.R. general fund and used for other political purposes. Contributions from the REALTOR® Action Assessment will be allocated between CREPAC, CREIEC and some may be designated for issues through IMPAC. The allocation formula is subject to change including re-designating a portion to IMPAC. Payment of the assessment is a requirement of maintaining membership.

REALTOR® Action Fund: REALTORS® and REALTOR-ASSOCIATES® may also participate in the REALTOR® Action Fund by including an additional voluntary donation on the same check as your dues and assessment payment. Forty-nine dollars (\$49) is the suggested additional voluntary contribution but you may give more, or less, or nothing at all. No contributor will be favored or disfavored by reason of the amount of his/her contribution or his/her decision not to contribute. Contributions to the REALTOR® Action Fund will be allocated among C.A.R.'s political action committees (CREPAC, CREIEC, and CREPAC/Federal) according to a formula approved by C.A.R. depending on whether it is a personal or corporate contribution. The allocation formula is subject to change including re-designating a portion to IMPAC. Failure to contribute will not affect an individual's membership status in C.A.R.

CORPORATE CONTRIBUTIONS to C.A.R.'s PACs are permissible and may be used for contributions to state or local candidates or for independent expenditures to support or oppose federal, state, or local candidates. However, current C.A.R. practice is to deposit all corporate contributions into either CREPAC, CREIEC or another fund supporting real estate issues. A corporate contribution includes any contribution drawn from a corporate account. Of the first \$93 (not including the REALTOR® Action Assessment), the contribution will be allocated between CREPAC and CREIEC, and then shall be allocated only to CREIEC for any total amounts above \$93.

PERSONAL CONTRIBUTIONS to C.A.R.'s PACs may be used for both state and federal elections and therefore may be deposited into CREPAC/Federal in addition to all other C.A.R. political action committees. Up to \$93 of a REALTOR® Action Fund contribution will be divided into the C.A.R.'s state PACs in an allocation to be determined by C.A.R. Any amount above \$93, up to applicable legal limits, will be allocated to CREPAC/Federal.

If you are a major donor and need specific information regarding your contributions, please contact the CALIFORNIA ASSOCIATION OF REALTORS® Controller's office at (213) 739-8252. Contributions in excess of the contribution limits will be reallocated to another PAC connected with the CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.) or refunded to the contributor. Under the Federal Election Campaign Act, an individual may contribute up to \$5,000 in a calendar year to CREPAC/Federal.

Political contributions are not deductible as charitable contributions for federal and state income tax purposes. Failure to contribute to a PAC will not affect an individual's membership status in C.A.R. No contributor will be favored or disfavored by reason of the amount of his/her contribution, or his/her decision not to contribute to a PAC.

C.A.R. HOUSING AFFORDABILITY FUND:

REALTORS® and REALTOR-ASSOCIATES® may make a voluntary tax-deductible, charitable contribution to the C.A.R. Housing Affordability Fund (HAF) on the same check as the dues payment. The HAF is a charitable nonprofit organization whose purpose is to address the statewide housing crisis. It receives contributions from REALTORS® and other individuals as well as businesses and other organizations, and distributes funds through Local Associations of REALTORS® toward programs that increase homeownership and the supply of housing across the state.

HAF is exempt under Section 501(c)(3) of the IRS Code. Contributions to HAF from both individuals and businesses are charitable and tax-deductible to the extent allowed under both federal and state law.

Individual contributions are designated by 'Keys to California' Pins: Bronze (\$100), Silver (\$500), Gold (\$1,000) with an option to renew annually for \$300, and Founder's Circle (\$1,500) with an option to renew annually for \$500. For information about HAF, including major non-cash gifts or corporate sponsorships, visit www.carhaf.org or contact the HAF at 213-739-8200.

YOUR SUBSCRIPTION TO CALIFORNIA REAL ESTATE MAGAZINE IS PAID FOR WITH YOUR DUES AT A RATE OF \$6.00 AND IS NON-DEDUCTIBLE THEREFROM.

The REALTOR® Action Assessment (\$49 of the \$184) will automatically be deposited into CREPAC and/or CREIEC and for other political purposes as your contribution. Those wishing to have their assessment entirely applied for more general political purposes may specify so in writing, and it will be redirected to a different account instead of one of the dedicated California Real Estate Political Action Committees (CREPAC or CREIEC). Designated REALTORS® must pay the \$49 REALTOR® Action Assessment for each licensee of that DR (as shown in the nonmember count), and the payment will be treated in the same manner as the REALTOR® Action Assessment for members.

Make a difference by helping promote REALTOR® interests through the political process and designate an additional \$49 or more to the REALTOR® Action Fund. Forty-nine dollars (\$49) is the suggested additional voluntary contribution but you may give more, or less, or nothing at all. See additional information on the political contribution structure and allocation in the above section of the disclosure.

2012 ESTIMATED PORTION OF YOUR DUES USED FOR LOBBYING THAT ARE NON-DEDUCTIBLE:

N.A.R. 31% \$37.00

C.A.R. 43% \$79.12

Total Non-Deductible Dues Portion \$116.12