LEGAL NOTICES AND DISCLOSURES REGARDING DUES BILLING STATEMENT

REALTOR® ACTION ASSESSMENT & FUND: Explanation and Legal Notice

California Association of REALTORS® (C.A.R.) 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 advocacy-oriented issues that impact real property in California. IMPAC is funded by your dues dollars. C.A.R. also supports the Advocacy Local Fund (ALF), a non-PAC fund for expenditures on general advocacy activities.

*REALTOR® Action Assessment (RAA): This mandatory $168 state political assessment may be satisfied in one of two ways: either (1) a voluntary contribution to CREPAC, CREIEC, and/or IMPAC 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 in one payment, and if you do so, $168 will go into CREPAC, CREIEC and/or IMPAC, or other related political purposes. If you have an assessment that would result in a contribution of over $200 to CREPAC due to your DR and nonmember count, then any such amount that exceeds the $200 CREPAC limit will go into CREIEC. If you choose not to contribute to a PAC, you must do so in writing and the entire assessment of $168 will be placed in the C.A.R. general fund and used for other political purposes. PAC contributions from the REALTOR® Action Assessment will be allocated among CREPAC, CREIEC, IMPAC, and possibly ALF. The allocation formula is subject to change. Payment of the assessment is a requirement for maintaining membership.

**REALTOR® Action Fund (RAF): REALTORS®, and REALTOR-ASSOCIATES® may also participate in RAF by including an additional voluntary contribution on the same payment 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 member 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 and ALF. Failure to contribute to RAF 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 CREPAC, CREIEC, IMPAC and possibly ALF in an allocation to be determined by C.A.R. A corporate contribution includes any contribution drawn from a corporate account.

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. Personal contributions to the REALTOR® Action Fund will be allocated among CREPAC/Federal and CREPAC, CREIEC, IMPAC and possibly ALF in an allocation determined by C.A.R. and in compliance with applicable contribution limits.

If you are a California major donor and need specific information regarding your contributions, please contact the C.A.R. Controller's office at (213) 739-8252. Contributions in excess of the contribution limits will be reallocated to another PAC connected with C.A.R. 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. Federal and State law prohibit any individual from making political contributions (either RAA or RAF) in the name of or on behalf of any other person or entity.

NOTICE REGARDING DEDUCTIBILITY OF DUES, ASSESSMENTS AND CONTRIBUTIONS

2027 ESTIMATED PORTION OF YOUR DUES USED FOR LOBBYING THAT ARE NON-DEDUCTIBLE:

NAR 27.36% $55.00

C.A.R. 52.27% $183.48

Local 1% $1.49

Total Non-Deductible (Lobbying) Dues Portion: **$** $239.97

Dues payments and assessments for your local association, C.A.R. and NAR, and contributions to RAF are not tax deductible as charitable contributions. However, the dues portion of your bill, excluding the portion of dues used for lobbying activities, REALTOR® Action Assessment and REALTOR® Action Fund, may be deductible as ordinary and necessary business expenses. Contributions to C.A.R. CARES Fund are charitable and tax-deductible to the extent allowed under both federal and state law. Please consult your tax professional.

All dues, assessments, and fees are non-refundable.

C.A.R. CARES FUND:

**REALTORS® and REALTOR-ASSOCIATES® may make a voluntary, tax-deductible, charitable contribution to the C.A.R. CARES Fund with their dues payment. The C.A.R. CARES Fund is a charitable nonprofit organization exempt under Section 501(c)(3) of the IRS Code. CARES channels REALTOR® generosity to provide grants supporting C.A.R.'s charitable organizations focused on expanding homeownership, addressing California's housing affordability crisis, providing scholarships, supporting real estate professional development, and helping members of the REALTOR® family recover after natural disasters. Contributions to CARES from both individuals and businesses are charitable and tax-deductible to the extent allowed under both federal and state law. For more information about CARES, visit www.give.car.org, email cares@car.org, or write to C.A.R. CARES Fund, 915 L Street, 1460, Sacramento, CA 95814.