



POLICY MANUAL

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SECTION ONE

I. BOARD OF DIRECTORS/OFFICERS/CEO

A. FIRM REPRESENTATION ON THE BOARD OF DIRECTORS

There shall be no more than four (4) members serving on the Board of Directors from any one office.

If a Director(s) changes offices mid-year, and creates a situation in which there are too many Directors from one firm, then that Director(s) shall be grandfathered in for the remainder of the year or their term at the discretion of the Board, regardless of the number of Directors who are serving from their new office. The determination as to whether the Director(s) in question will remain for the rest of the year or the rest of their term will be made by a vote of the Board with all members of that Director's firm recused from the discussion and the vote.

B. DUES AND FEES FOR ASSOCIATION PRESIDENT & MLS CHAIR

Local Association dues and MLS fees shall be waived for the Association President and the MLS Chair for that year in which they serve.

C. REVIEW OF FINANCIAL STATEMENTS

The Board of Directors shall review the financial statements, including balance sheet, income statements, and budget vs. actual reports on a quarterly basis. Financial statements shall be included in the Board of Directors' meeting agenda packets and mailed to them prior to the Board of Directors' meeting in which the statements are to be reviewed.

D. INDEPENDENT FINANCIAL REVIEW

The Board of Directors shall cause to have annual tax returns and financial statements prepared by an independent accounting firm. Said statements shall be made available at the Association office to all members requesting same. Additionally, an independent accounting firm shall be employed each year to perform a "Review" per NAR Standards and an "Agreed Upon Procedures" investigation, review and analysis of the accounting practices, and procedures on the financial records of one month each year as randomly selected by the accounting firm to prevent employee error, theft or dishonesty.

E. PRESIDENT'S DISCRETIONARY SPENDING

The President of the Association may unilaterally decide to spend up to \$1,000 per year in support of charitable organizations. The President may also spend up to \$1,500 per year to attend functions and events that promote the Association and the REALTOR® image.

The President may take his/her spouse or significant other to one of the CAR or NAR conferences each year, with the travel expenses (airfare and meals) paid for by the Association.

F. BOARD OF DIRECTORS JOB DESCRIPTIONS

The membership of the Santa Barbara Association of REALTORS®, a California corporation ("Association, Inc.") has entrusted its Board of Directors and Officers with the duty and responsibility to manage the affairs of the corporation for the benefit of the membership and the public it serves.

These job descriptions are designed to set out clearly those duties and responsibilities so that the Directors and Officers comprehend their rights, duties and obligations.

BOARD OF DIRECTORS

The Board of Directors ("the Board") of the Santa Barbara Association of REALTORS®, in conformity with applicable Federal and California law, the Code of Ethics of the National Association of REALTORS® and being ever mindful of the needs of its members and the public at large, shall exercise its authority to manage the affairs of the corporation.

Its chief responsibility shall be to determine the goals and set the direction of the corporation. It shall further develop the policies by which the corporation shall operate, administer the staff and assets of the corporation in achieving those goals, and it shall frequently review progress towards those goals.

OFFICERS

PRESIDENT

The President is the chief presiding officer of the Santa Barbara Association of REALTORS® and the Chair of the Board of Directors. This individual is responsible for the general direction of the Association and is expected to preside at all meetings. The president is authorized to appoint all committees, subject to approval by the Board of Directors, and is designated as an ex officio member of all committees.

The president is a major spokesperson for the Association and must stay informed on Association projects, industry-related developments, and state and national events.

The President shall direct the implementation of the goals and policies of the Association, with the assistance of the officers, volunteers and staff. To gather ideas for new programs and solutions, the president is expected to attend other local, state, and national meetings. The president is expected to be visible to membership as well.

In those rare instances where appropriate and immediate action must be taken by the Santa Barbara Association of REALTORS® to preserve its assets or to meet its goals, and where a meeting of the Board of Directors cannot be held in a timely manner, the President shall in conference with the officers take those actions which are deemed necessary, subject to ratification by the Board of Directors

PRESIDENT-ELECT

The greatest responsibility of the President-Elect is to prepare to become president. For this reason, the President-Elect is expected to attend meetings with the president.

The President-Elect assists the president in the performance of his or her duties and performs the duties of the presidency in the president's absence or when the president is unable to serve.

The President-Elect serves as a Director on the Board of Directors.

Absent compelling reason, the President-Elect shall normally be nominated and elected to the office of president for the year immediately following his or her term as President-Elect.

VICE PRESIDENT

The Vice President shall assist the president in the performance of his or her duties. The Vice President shall also serve as a Director on the Board of Directors. The Vice President shall act as the liaison between the committee Chairs and the Association Board of Directors. Prior to each Board meeting, s/he shall review each committee's minutes to ensure that any important items are specifically addressed at the board meeting during the approval of the consent calendar. The Vice President shall assess, recruit and encourage committee Chairs for potential Association Directors and shall evaluate committee members for potential committee Chairs.

SECRETARY/TREASURER

The Secretary/Treasurer presents the Association's financial statements to the Board of Directors. To do that, the Secretary/Treasurer must become familiar with the financial statement format and content and should help prepare the Association's annual budget. The Secretary/Treasurer is the Chair of the Association's Budget and Finance Committee, which reviews the budget and financial conditions. The Secretary/Treasurer confirms that financial statements are reviewed by a certified accounting firm and may be called on to sign certain legal and banking documents as needed.

The Secretary/Treasurer assists the President in the performance of his or her duties. The Secretary/Treasurer is sometimes called on to sign certain legal documents. The Secretary/Treasurer, with the assistance of staff, takes the minutes of the meetings of the Association and preserves the records of the corporation, including its charter, bylaws, and minutes.

The Secretary/Treasurer shall also serve as a Director on the Board of Directors.

DIRECTORS

Members of the Board of Directors are expected to represent the entire membership. When evaluating an issue before the Board, remember that the Board of Directors is responsible to all members and must place the welfare of the total Association ahead of personal, geographic, or factional considerations.

Each Director is unique and contributes special talents. Therefore, Directors must express their viewpoints and share their opinions. Constructive criticism can be important to the Association's growth and development. Directors should consider the needs and feelings of others and face the issues and facts. A lot of importance is attached to their remarks made on, and off, the record. Directors should remember that discretion protects credibility and discourages rumors, gossip, and criticism. Directors must be familiar with antitrust laws, professional standards, and Association Bylaws.

Additionally, Directors must be active members. Their attendance at Association functions facilitates a steady flow of communication with membership. Directors may also serve as liaisons between various committees or divisions of committees. Because of these added responsibilities, Board of Directors' meetings can become lengthy. Be conscious of this and try to keep the meetings moving.

CHIEF EXECUTIVE OFFICER

The Chief Executive Officer of Santa Barbara Association of REALTORS® (Herein referred to as CEO or Executive Officer) is the senior salaried employee of the corporation.

The Executive Officer, at the direction of the Board, directs the implementation of the goals and policies of the Association through the efforts of volunteers and staff.

The Executive Officer does not serve as a Director of the Board of Directors, but does attend the meetings of the Association, to report on progress towards achieving its goals and implementing its policies. The Executive Officer at all times lends his or her counsel to the Board of Directors.

The Executive Officer shall serve at the pleasure of the Board of Directors. In reviewing the Executive Officer's performance, the Personnel Committee and the Board of Directors shall consider his or her honesty, loyalty, integrity and overall job performance.

While the Executive Officer shall administer the entire operations of the Association, as noted above, set out below are several areas for which the Executive Officer shall be particularly responsible.

The Executive Officer's duties and responsibilities, including those activities delegated to other staff members, consist of the following.

1. Administers the staff to achieve maximum benefit to the Association and its members, including the hiring and termination of all staff with the exception of the Government Affairs Director. The Executive Officer seeks the advice and counsel of the Personnel Committee prior to taking any action in regard to the Government Affairs Director.
2. Directs and supervises staff. Employs, trains, promotes and terminates employees in accordance with the Personnel Policy Guidelines and applicable law. Organizes and directs staff for the efficient administration of Association and MLS business.

3. Coordinates, oversees and maintains the computer operations of the Association of REALTORS® and the MLS. This includes keeping up to date on the technology in order to improve or expand on the computer system currently in place. Serves as a liaison between MLS and the computer vendor and works with the MLS Committee to resolve any problems with the service.
4. Collects and accurately accounts for all moneys paid to the Association of REALTORS® and MLS. Maintains the financial records of the Association and MLS in accordance with the set procedures. This includes preparation of monthly financial statements and an annual audit to be presented to the Board of Directors. Assists the Budget and Finance Committee in preparing the annual budget for approval by the Directors. Makes recommendations to appropriate committees concerning overall budgets (Association and MLS), including staff salary levels. Follows Personnel Committee direction in keeping the wage step scale and fringe benefits up to date.
5. Makes recommendations to the Personnel Committee for travel expenses for meetings, educational opportunities or other business activities of staff. Works closely with the Treasurer and President to prudently invest all Association and MLS funds.
6. Working in concert with the Government Affairs Director, maintains awareness of legal issues and governmental affairs affecting the Association of REALTORS® and MLS and their members, participants and subscribers. Ensures that the Directors and membership are kept informed concerning such matters.
7. Maintains close liaison and good relations with government agencies, including the California Department of Real Estate, other Associations and MLS operations, CAR, NAR, related trade organizations, and with firms that deal with the Association, MLS, and their members. Attends regional, state and national meetings as deemed necessary by the Board of Directors. Attending such meetings is for the purpose of obtaining and sharing information, and also to provide that the Association and MLS have an effective voice in the regional, state, and national activities of organized real estate.
8. Aids the Association of REALTORS® and MLS in developing an effective public relations program designed around the CAR Communications Manual and assists in carrying it out so that the Association, MLS, and their members will have the desired awareness and influence in public affairs. Strives to work effectively with the newspaper and other media as part of a strong overall media relations program.
9. Keeps accurate membership records and maintains contact with members, participants and subscribers. Keeps aware of their attitudes, concerns and needs for service from the Association and MLS and takes appropriate administrative action, or, where policy matters are concerned, presents issues to the Directors. Provides editorial supervision for written communications to keep members informed of Association and MLS purposes and activities.
10. Works with committee Chairs and assigns staff, as reasonable and necessary, to assist committees.
11. Works closely with the Association and MLS attorney in relation to actions of the Grievance and Professional Standards Committees and any other matters requiring legal advice or action. In the event of legal action, prepares the necessary documentation, files or other paperwork.
12. Plans and organizes the Annual Installation and Awards Presentation and the annual planning session for incoming officers and committee Chairs.
13. Assists the incoming and outgoing president to insure a smooth transition. Works with past presidents, soliciting input and advice. Sets up the Past Presidents' meetings each year.

SECTION TWO

I. C.A.R. DIRECTORS & FUNDED ATTENDEES

A. ANNUAL SELECTION

The SBAOR Board of Directors may fund up to 10 attendees each year for CAR business meetings and expos. These ten attendees include all CAR sanctioned Directors as well as other elected Funded Attendees from the SBAOR membership, even though these Funded Attendees are not CAR Directors. The Executive Officer and Government Affairs Director are not included in this number.

CAR Directors and Funded Attendees will be elected for one-year terms and will be required to fulfill the following duties and responsibilities:

- Attend pre-CAR meetings as called by the SBAOR President, to determine which events, meetings, and forums they will be responsible for attending
- Represent the Association professionally and responsibly at all approved CAR events, forums and meetings.
- Submit a report back to membership in the form and format as requested by the President

C.A.R. Directors and Funded Attendees shall be elected in the following manner:

1. On or about June 1st of each year, staff will notify membership that the Board of Directors is taking applications for CAR Director and Funded Attendee positions for the upcoming year. Only Applicants who have served on at least one committee(s) for two years will be qualified for consideration.
3. The appointment of the next year's President as a C.A.R. Director will be automatic, and a position for the President-Elect will be reserved (as either a Director or Funded Attendee at the discretion of the Board during the election process) should the President-Elect choose to apply.
4. Applications from qualified members will be collected and distributed to Board members prior to the next regularly scheduled meeting.
5. Applicants will be scheduled to come to the above-mentioned meeting for interviews which will be conducted by the Board members present.
6. After the interviews have been conducted the Board members present will determine how many total CAR Directors and Attendees will be funded (up to ten) and a private ballot will be distributed to each Board member with all applicants' names included.
7. During the election process the Board of Directors will strive for balance between member Companies while at the same time focusing on candidates' qualifications and abilities.
8. The Board members present will vote for as many C.A.R. Directors and funded Attendees as there are authorized positions remaining after subtracting for the President's automatic appointment and allowing for the President-Elect position as decided from year to year.
9. Funded Attendees may be elected to attend all or some of the next year's meetings.
10. After the election all applicants will be notified of the results.

B. RESERVATIONS FOR DIRECTORS' MEETINGS

A member of the staff, under the direction of the Executive officer, shall make reservations for the CAR Directors at hotels and meetings, but not travel reservations.

C. REIMBURSEMENT OF EXPENSES

State Directors and Funded Attendees are required to submit a written report in order to receive payment of their per diem for attendance at Directors' meetings.

SECTION THREE

I. ASSOCIATION – GENERAL

A. SUPPORTING CHARITIES

1. Association endorsement

- a. The Association name may be lent as an endorsement for those charities which meet the criteria, subject to Board of Director approval
- b. An Association member may speak on behalf of a charity at the Thursday morning networking meeting.
- c. An Association member may write and submit an article about a charity to the REALTOR® publication

2. Criteria for supporting a charity:

- a. The charity must be an accredited charity with at least 80% of the amount of its donations going to the actual charity and no more than 20% for the charity's overhead.
- b. The charity needs to fall within one or more of the following categories; however these categories may be expanded to include any other charitable cause at the discretion of the Board of Directors:
 - (1) connected with housing;
 - (2) local and the money applied locally;
 - (3) diversified, i.e., covers a large segment of the community;
 - (4) strong emphasis on children; and,
 - (5) foster neighborhood or community involvement or improvement
 - (6) senior citizens
 - (7) education
 - (8) disabled persons
 - (9) financially challenged persons or families

B. IN MEMORIAM - DONATIONS ON BEHALF OF DECEASED MEMBERS

The Board of Directors shall use the following guidelines in determining donations to the Santa Barbara Scholarship Foundation in memory of deceased members:

Up to 5 years member	1 point
Up to 10 years member	2 points
Up to 15 years member	3 points
Up to and over 20 years	4 points

Additional points to be added:

Committee Member	1 point
Board of Directors	2 points
President	3 points

Donations shall be calculated on the point system:

8 - 10 points	\$1000
6 - 7 points	\$800
2 - 5 points	\$600
1 point	\$400

In the event a member has been inactive with the Association for two years or more years, the donation to the Santa Barbara Scholarship Foundation will be a straight \$250 donation in the his/her memory. However, the donation for a deceased former president of the Association will be \$500.

C. REALTOR® SCHOLARSHIP FUND

The name of the scholarship fund is the Santa Barbara Association of REALTORS® Scholarship Fund. The nature of the awards is grants. The amount of the award is a maximum of \$1000. The amount and number of awards is determined by the amount in the fund. If a proper recipient is not selected for the year, the money will remain in the fund and will not be awarded. The fund shall be placed with the Santa Barbara Scholarship Foundation at no cost to the Association for administering it. The Santa Barbara Scholarship Foundation shall gain interest from the funds placed with them. Grants from the Scholarship Foundation of Santa Barbara are awarded to students based on an evaluation of the applicant's financial need as verified by the federal tax returns, as well as motivation and potential. A personal interview is required. \$1000 is also the minimum award that the Foundation gives.

1. Eligibility The recipient must be a child or grandchild of a present dues paying member of the Santa Barbara Association of REALTORS®, NAR, and CAR. Any exceptions are to be approved the Board of Directors. Recipient must be planning to attend full-time an approved college, university or vocational school, and must have graduated or will graduate by June from a secondary school. Re-entry Adult applicants who have resided in Santa Barbara for a minimum of the last three years as a non-student may also be eligible. All students must remain in good academic standing and be making timely progress towards a degree or vocational certificate. Primary criteria are financial need, motivation and potential.
2. Application
Applications are available from October 1st – January 24th at the Scholarship Foundation office, at high school counselors' office in Santa Barbara County, and from the financial aid offices of UCSB, SBCC and Westmont. Application deadline is January 31st

D. AFFILIATE SCHOLARSHIP FUND

The name of the scholarship fund is Affiliates of the Santa Barbara Association of REALTORS® Scholarship Fund. The nature of the awards is grants. The amount of the award is a maximum of \$1000. The amount and number of awards is determined by the amount in the fund. If a proper recipient is not selected for the year, the money will remain in the fund and will not be awarded. The fund shall be placed with the Santa Barbara Scholarship Foundation at no cost to the Association for administering it. The Santa Barbara Scholarship Foundation shall gain interest from the funds placed with them. Grants from the Scholarship Foundation of Santa Barbara are awarded to students based on an evaluation of the applicant's financial need as verified by the federal tax returns, as well as motivation and potential. A personal interview is required. \$1000 is also the minimum award that the Foundation gives.

1. Eligibility: The recipient must be a child or grandchild of a present dues paying Affiliate member of the Santa Barbara Association of REALTORS®. Any exceptions are to be approved the Board of Directors. Recipient must be planning to attend full-time an approved college, university or vocational school, and must have graduated or will graduate by June from a secondary school. Re-entry Adult applicants who have resided in Santa Barbara for a minimum of the last three years as a non-student may also be eligible. All students must remain in good academic standing and be making timely progress towards a degree or vocational certificate. Primary criteria are financial need, motivation and potential.
2. Application: Applications are available from October 1st – January 24th at the Scholarship Foundation office, at high school counselors' office in Santa Barbara County, and from the financial aid offices of UCSB, SBCC and Westmont. Application deadline is January 31st
3. Funding: The Affiliate Scholarship Fund shall be funded from the proceeds of the Santa Barbara Association of REALTORS® Fiesta Kick-off Party and the 50/50 Raffle held during this event. Should the proceeds be less than \$1,500, the Santa Barbara Association of REALTORS® will donate the difference to the Affiliate Scholarship Fund for a total donation of \$1,500. Should the proceeds be more than \$1,500, the entire amount will be donated to the Fund.

E. SAVINGS ACCOUNTS

In order to ensure maximum safety, savings accounts of the Association of REALTORS® shall not exceed the federal insurance limitations of any institution. Any depositing of Association funds into savings accounts shall be deposited in an institution covered by State and Federal insurance limitations.

F. CREDIT CARDS

There shall be a credit card in the Association's name for the President, Executive Officer, and Government Affairs Director for use for expenses for which they would normally be reimbursed. At the discretion of the Executive Officer, Credit cards may be issued to other staff members to facilitate the normal operations of the Association.

G. INACTIVATION AND REACTIVATION FEES

A REALTOR® member may inactivate his/her membership with the Association for no charge prior to the time that late fees for dues are assessed. A late inactivation fee of \$25 will be charged once the dues bills are late. The member shall not be eligible to inactive his/her membership once it has been terminated. A REALTOR® member may reactivate for one full year following the year for which the member's dues are paid for a reactivation fee of \$25. Those members wishing to rejoin after a year past his/her date of inactivation must pay the then current new member application fee. This policy applies to Affiliate members as well.

H. AUTHORIZATION TO SPEAK FOR THE ASSOCIATION

The President is the official spokesperson for the Association. Others shall exercise due diligence to ensure that comments that they personally make verbally, in writing, in the media, in public forums or at any other time do not imply that they are speaking on behalf of the Association unless they have been given that authority by the Board of Directors, the President or his/her designee.

SECTION FOUR

I. COMMITTEES - GENERAL POLICY

A. COMMITTEE APPOINTMENTS

Prior to the beginning of each year, the incoming President shall appoint committee Chairs and members as prescribed in the Association Bylaws. The President may delegate the responsibility for appointing committee members to the incoming committee Chair.

B. COMMITTEE GOALS

Committees will not be permitted to access their budgeted funds until goals for each current year are submitted to and approved by the Board of Directors.

C. BUDGETS

All committees, standing or special, involved in handling, receipt or disbursement of funds shall annually submit a budget to the Association's Budget & Finance Committee for review and recommendation to the Board of Directors. Any proposed revisions to these budgets shall be presented to the Budget & Finance Committee for review and recommendation to the Board of Directors for its action.

D. NON-BUDGETED COMMITTEE EXPENSES

Committee recommendations for any non-budgeted items with financial impact shall be referred to the Budget & Finance Committee for review and submitted to the Board of Directors. All such items shall reflect source of funds and/or appropriate transfer of funds.

E. STAFF PROJECTS REQUESTED BY COMMITTEES

Committee requests regarding staff time or administrative resources must be approved by the Executive Officer.

F. ACTION ITEMS

All action items from committees are to be submitted in the form of a recommendation to the Board of Directors for approval. These items are to include any projected financial impact.

G. ATTENDANCE

Any committee member who fails to attend two (2) consecutive meetings, without excuse acceptable to the Chair of the committee, may be deemed to have resigned from said committee and the vacancy shall be filled by the President or Committee Chair if delegated.

H. DISCOUNTS OR PERKS TO COMMITTEE MEMBERS

Any discounts or perks offered in exchange for committee members contributions must be approved by the Board of Directors prior to the discounts or perks being offered.

II. AWARDS COMMITTEE

A. AWARDS COMMITTEE POLICY

PURPOSE: The purpose of the awards committee is to identify individuals whose contribution to the Association, the community and/or the real estate industry qualify them for an award or recognition.

The committee Chair shall be appointed by the President of the Association as specified by the bylaws of the Santa Barbara Association of REALTORS®. Committee members may be appointed by the President of committee Chair at the discretion of the President. The committee shall consist of:

1. No more than ten (10) and no less than six (6) members.
2. There shall be at least one Past President of the Association and one member of the current Board of Directors on the committee.
3. At least (three) 3 committee members shall have a minimum of 5 years membership in the Association.
4. No more than one (1) committee member per branch office and no more than two (2) committee members from the same brokerage firm shall be appointed in any one year.

Awards may be suggested by any member of our Association or the public. When a member is being considered for an award, the committee shall contact that persons' manager/broker and other members if deemed necessary.

Records shall be kept of all award recipients annually and shall be given to the Executive Officer for retention at the Association office. The Chair shall forward to the next year's Chair a list of possible candidates for future awards. It shall be the responsibility of the committee to select plaques, write scripts and make all necessary arrangements for the awards. Only the Chair, Vice-Chair or designated appointee may order plaques and awards. All awards given by the committee are given in the name of the Association, with the exception of the President Recognition Awards. Prior to the annual installation ceremony, the committee shall rehearse the awards presentations which will include describing the award, why the recipient was chosen, who the award winner is.

B. CRITERIA FOR AWARDS

1. HOWARD GATES PERPETUAL AWARD

- a. Any Member of the Association may enter the competition.
- b. Must be for a transaction/exchange that closed between October 1st of the preceding year and September 30th (of the current year).
- c. All entries must be turned in to the Association no later than October 15th.
- d. Entries shall be addressed to the Chair of the awards committee.
- e. Guidelines the committee shall consider shall be:
 - (1) primary emphasis shall be on the role the agent played in bringing about a successful closing in a transaction that might not have closed without the agent's effort;
 - (2) consideration given to the agent's proficiency skill, ingenuity, determination, originality, thoroughness, and ability to bring the transaction to fruition;
 - (3) price range, property type, location or who the clients are shall not be a consideration;
 - (4) agents' ethics, understanding and practice of Real Estate shall be considered;
 - (5) no one is eligible who has an interest as a principal in the transaction.

- d. Each entry is to consist of a written explanation of the transaction and may include copies of Purchase Contacts, Escrow Instructions and any other documents that the agent feels may be of help to the committee. Broker/manager shall verify close of escrow if agent elects not to provide written verification.
- e. All entries shall be returned to the agents submitting them. All entries shall be held in strictest confidence.
- f. Each committee member shall read all entries. A vote shall be taken of all members to determine the winner.
- g. The Perpetual Trophy is and shall remain the property of the SBAOR. The annual winner may retain the actual trophy until the following year at which time it shall be returned to the Association. Winner's name, together with year awarded shall be engraved on the base plaque and an individual plaque shall be given to the recipients.

2. HONORARY MEMBER(S) FOR LIFE

- a. Recipient shall be a member of the SBAOR for a minimum of 25 years.
- b. Recipient shall have given outstanding service to the Association.
- c. This award shall be approved in advance by the Board of Directors

3. REALTOR® OF THE YEAR

- a. Minimum of 5 years continuous membership in SBAOR.
- b. Recipient must make a significant contribution to the SBAOR and give service to the membership, usually over a period of years.
- c. Awards will be given only once to any recipient.
- d. Recipient shall model ethical business practices and standards, have a good reputation among peers and display a spirit of cooperation.
- e. Current President is not eligible for this award.
- f. If the committee determines that there is no one qualifying for this award in a particular year, award will not be given.

4. AFFILIATE OF THE YEAR

- a. Recipient shall be an Affiliate who makes a significant contribution to the SBAOR and gives service to the membership, usually over a period of years.
- b. Recipient shall model ethical business practices and standards, have a good reputation among peers and display a spirit of cooperation.
- c. If the committee determines that there is no one qualifying for this award in a particular year, the award will not be given.

5. COMMUNITY SERVICE AWARD

- a. Recipient must be a non-REALTOR® who has given outstanding service to the community.
- b. If the committee determines that there is no one qualifying for this award in a particular year, award will not be given.

6. REALTOR® COMMUNITY SERVICE AWARD

- a. Recipient must be a REALTOR® who has given outstanding service to both the community and the Association of REALTORS®
- b. If the committee determines that there is no one qualifying for this award in a particular year, award will not be given.

7. REALTOR AWARD OF EXCELLENCE

- a. The recipient shall be a distinguished member of our real estate community, who has consistently demonstrated positive collaboration along with the highest standard of ethics and professionalism within our industry. By their practice, this person is a proven role model for other REALTORS® and has unselfishly and willingly shared their knowledge and expertise to the benefit of others.
- b. Award will be given only once to any recipient.
- c. If the committee determines that there is no one qualifying for this award in a particular year, award will not be given.

III. EDUCATION COMMITTEE

A. GENERAL

Each year the Education Committee shall take a survey of the membership to ascertain what types of classes, professional development seminars, professional designations and certifications, and other educational programs or events the members are interested in. As early as possible each year, and as necessary thereafter, the Committee shall prepare and publish to the members a calendar for these events, classes, and programs.

B. LUNCHEON SEMINARS

The Education Committee shall have the authorization to plan and carry out monthly luncheon seminars for the membership and offer sponsorship opportunities for the luncheon.

C. SELECTION OF SPEAKERS

The Education Committee shall, whenever possible use REALTOR® or Affiliate member speakers for educational seminars, classes or programs. If a non-member speaker offers their expertise and knowledge in a desire to present a seminar, program, or class to our membership, the committee shall encourage this non-member to become a member of our Association by pointing out the benefits of membership. The committee shall evaluate the offering and determine whether to include the class in their schedule.

D. REFUNDS

In order to refund a pre-registration for a class or seminar, a notice of cancellation must be given no later than 24 hours prior to the class. Emergencies will be handled case by case based on a written explanation. Fees will not be transferable to another class.

IV. PERSONNEL COMMITTEE

The Personnel Committee shall be responsible for matters relating to the Chief Executive Officer's (Herein referred to as CEO or Executive Officer) contract and compensation, as well as performing Executive searches for replacement of the CEO. The Personnel Committee shall consist of the President, President Elect, Secretary/Treasurer, Vice President, and two Past Presidents, one of which will be selected by the President and one of which will be selected by the Executive Officer (assuming there is a CEO in place).

The Personnel Committee shall meet each year prior to the CEO's contract renewal date to review any contract and/or compensation adjustments or modifications. During their meeting(s) the Personnel Committee shall discuss performance and compensation issues with the Executive Officer as part of their regular procedure, and finalize their decision in closed session. The Personnel Committee shall also consider bonus amounts and any other form(s) of compensation or benefit during their review.

If the Executive Officer's position is being considered for termination, that decision must be ratified by a majority vote of the full Board of Directors (all members present) at a duly scheduled meeting. The Executive Officer will have the right to appear during that meeting and address the Board of Directors during their discussion of, and prior to their vote regarding, ratification of the Personnel Committee's decision. The Board may then excuse the Executive Officer for final discussion and voting.

V. NOMINATING COMMITTEE

Every year, prior to the April Board of Directors meeting the President shall appoint the Chairperson and members of a Nominating Committee of nine REALTOR® members. These appointments shall be subject to Board approval and shall be placed on the agenda for the April meeting. At least one of the appointees shall be a current member of the Board of Directors, with a minimum of four members to be past Association Presidents.

There shall be no more than two members from any one company, no member may serve more than three consecutive years on the committee, and the sitting President may not be a member of the Nominating Committee.

Upon appointment as a committee, the Nominating Committee shall seek applications for positions on the Board of Directors from the general membership.

The committee shall seek from the Executive Officer, and the officers of the Corporation recommendations as to their suggestions for future Association leadership.

The Nominating Committee shall then interview each of the applicants. The scheduling of the interviews shall be made by Association staff. All interviews shall be conducted by the Nominating Committee.

After interviewing each of the potential candidates, a tentative slate of Directors and Officers shall be compiled.

The Chair of the Nominating Committee will contact the suggested list of nominees to gain their acceptance if formally nominated.

The Chair will report to the Nominating Committee the results of contacting each nominee. A formal slate shall then be prepared and put forth in accordance with the Bylaws. These Appointments shall be subject to Board approval and placed on the Board Agenda on or before the April Meeting.

VI. GRIEVANCE COMMITTEE

A. GENERAL:

The Grievance committee is charged with reviewing alleged violations of the Code of Ethics. The organization of and procedures of the committee shall be governed by the Code of Ethics and Arbitration Manual as from time to time amended. Grievance Committee members shall serve staggered three (3) year terms.

A member of the Grievance Committee must attend the applicable C.A.R. professional standards training class within the first year of being on the committee, and all members must take this CAR training course every other year they serve on the committee. A member may not serve on a tribunal (or vote on a case) until he/she has attended all required training classes.

Requirements for Grievance Committee Members

- Ability to maintain confidentiality
- Three (3) or more years active real estate experience
- Professional Standards or Mediation training
- Attend meetings with other Ombudsmen and Association leadership ~~at least quarterly~~ as necessary to review cases (the merits not the parties), processes, techniques, etc.
- Familiarity with the Code of Ethics

B. Citation Policy – See Attached Citation Policy in Appendix A and Citation Schedule in Appendix B

The Grievance Committee is encouraged to utilize citations when the facts appear obvious, the Article in question is on the allowed list, and it is not considered to be in the complainant's or respondent's best interest to mandate a hearing.

VII. PROFESSIONAL STANDARDS COMMITTEE

The Professional Standards Committee is charged with the enforcement of the Code of Ethics and Membership Pledge, the disciplining of members and the arbitration of disputes. The organization of and procedures of this committee shall be governed by the code of Ethics and Arbitration manual of the Association as from time to time amended. Professional Standards Committee members shall serve staggered three (3) year terms.

Members of the Professional Standards Committee must attend the C.A.R. professional standards training course within the first year of serving on the committee, and all members must take this CAR training course every other year they serve on the committee. A member may not serve on a tribunal until he/she has attended the aforementioned training class.

Requirements for Professional Standards Committee Members

- Ability to maintain confidentiality
- Five (5) or more years active real estate experience
- Professional Standards or Mediation training
- Attend meetings with other Ombudsmen and Association leadership ~~at least quarterly~~ as necessary to review cases (the merits not the parties), processes, techniques, etc.
- Familiarity with the Code of Ethics

A. COORDINATION OF PROFESSIONAL STANDARDS MATTERS

Requests for arbitration and disciplinary action cases will be directed to the staff member in charge of professional standards matters who shall confer with the Executive Officer before proceeding. All forms and correspondence relating to initiating an arbitration or disciplinary action case, holding of hearings, and awards or disciplinary actions shall be reviewed by the Executive Officer prior to distribution.

B. PUBLISHING THE NAMES OF CODE OF ETHICS VIOLATORS

The Association will publish the names of code of ethics violators in accordance with the guidelines set forth in the CAR Code of Ethics and Arbitration Manual, and in accordance with NAR's Professional Standards Policies.

C. VIRTUAL HEARINGS

When it is not practical to hold in-person hearings for Grievances or Arbitrations, virtual hearings shall be held unless both parties agree to delay the proceedings until an in-person hearing can be held.

VIII. OMBUDSMAN AND ETHICS ADVOCATE PROGRAM POLICY

There will be no maximum or minimum number of Ombudsmen required by this policy, however, the goal will be to have approximately 6 participating Ombudsmen at any given time.

The length of term of service for Ombudsmen shall be three (3) years with approximately one-third the number of participating Ombudsmen's terms expiring each year. There will be no limit as to the number of terms an Ombudsman may serve. Ombudsmen will also serve as Ethics Advocates when needed and will be trained as such. The policy for use of Ethics Advocates shall be the policy found in the California Code of Ethics and Arbitration Manual.

Requirements for Ombudsmen

- Ability to maintain confidentiality
- Five (5) or more years active real estate experience
- Professional Standards or Mediation training
- Attend meetings with other Ombudsmen and Association leadership as necessary to review cases (the merits not the parties), processes, techniques, etc.
- Familiarity with the Code of Ethics

IX. NOMINATION AND SELECTION OF GRIEVANCE, PROFESSIONAL STANDARDS AND OMBUDSMAN MEMBERS

On or about September 1st of each year, the Association staff will send out an announcement to the membership that applications for these positions are being accepted. Applications will be accumulated during the month of September. Interviews will be scheduled with applicants and the Interview Panel (as identified below) during the month of October. All interviews shall be conducted and completed prior to the November Board of Directors meeting. The Interview Panel shall prepare and submit their recommendations for Grievance, Pro Standards, and

Ombudsmen to the Board for approval at the November Board of Directors meeting. The President may remove members at his/her discretion during the year.

The four member interview panel shall consist of the Chairs of the Professional Standards Committee, Grievance Committee, and Ombudsmen Committee, and the Vice President of the Association. The Association President may appoint a replacement for any of these members if they are unable to serve.

X. BUDGET & FINANCE COMMITTEE

The Budget & Finance Committee shall consist of a minimum of seven members including the President, President-Elect, Vice President, and the Secretary/Treasurer, who shall be the Chair. The Budget & Finance Committee shall review the financial statements, including balance sheets, income statements, budget vs. actual, and check register, on a monthly basis. The Budget and Finance Committee shall review all finances of committees and divisions thereof and shall submit a quarterly financial statement to the Board of Directors.

The committee shall be charged with reviewing and preparing recommendations to the Board of Directors on all financial matters including the preparation of an annual budget for the Board of Directors, annual Association Dues, MLS fees, Lockbox service fees, and any capital expenditures necessary for the coming year. Notice of all meetings of the Budget & Finance Committee shall be published to all members and all such meetings shall be open to all members.

XI. GOVERNMENT RELATIONS COMMITTEE (GRC)

The LGRC is a group of dedicated members committed to serving as a conduit on government related issues on behalf of the Santa Barbara Association of REALTORS® and is recognized as a strong, invited and respected voice at in the community. The GRC represents a balance between the protection of private property rights, promotion of home ownership and respect for the environment and our community. The GRC does this by monitoring legislative matters at all levels of government, keeping members informed, and coordinates with members of allied industries to solve mutual problems.

A. SUPPORT OF ISSUES

Whereas it is in the interest of organized Real Estate to protect the ownership and use of private property, now therefore be it resolved that it is the policy of the Santa Barbara Association of REALTORS® to support issues that will protect the ownership and private property rights. The GRC is tasked with researching and making recommendations to the Board of Directors to set policy pertaining to its mission.

In general, broad reaching policies will be monitored and acted upon, however, the GRC may also make recommendations to the Board of Directors to support specific projects if they believe that development of a project is in the best interest of the members and the community as a whole.

B. VOLUNTARY CONTRIBUTIONS

It shall be the duty of the GRC or another Board of Directors appointed body to procure voluntary contributions for the REALTOR® Action Fund (RAF). The RAF raises voluntary contributions which are used to increase the federal, state, and local lobbying efforts for both issues and candidates.

XII. LOCAL CANDIDATE RECOMMENDATION COMMITTEE (LCRC)

The Local Candidate Recommendation Committee (LCRC) is a subcommittee of the GRC. Generally, the purpose of the LCRC is to cultivate candidates, interview candidates, and recommend to the Board of Directors endorsements and/or contributions to candidates that support the goals and objectives of the Santa Barbara Association of REALTORS®. Endorsements are differentiated from contributions as endorsements allow a candidates to use the SBAOR names as a supporter whereas contributions are monetary from the California Real

Estate Political Action Committee for Candidate Support (CREPAC). LCRC should make the recommendations separately and specifically if an endorsement and/or contribution is being sought.

i. **PROCESS**

A quorum of the committee must be present in order to consider a recommendation to the Board of Directors that a local candidate(s) should receive the Association endorsement and/or contribution(s). The LCRC shall utilize all available data (i.e. polling, questionnaires, interviews, etc.) as the basis of a recommendation to the Board of Directors. The Association's announcement of endorsed candidates shall occur after acceptance by the Board of Directors.

SECTION FIVE

I. AFFILIATES

A. PRIVILEGES

Affiliate members are individuals or firms engaged in activities related to the real estate profession, who do not qualify for REALTOR® membership. Affiliate members have interests requiring information concerning real estate and aligned with the objectives of the A.O.R. They receive the privileges of membership as authorized by the Board of Directors, with the exception of the right to vote in an association election, chair certain committees, and certain limitations on use of the MLS system. Affiliate members may participate in:

NETWORKING

- Make brief (30 second) announcements at the weekly Networking meetings and distribute literature
- Serve on committees as Affiliate Liaison
- Participate in REALTOR® sponsored events
- Network with other Affiliates to enhance professionalism and image with REALTORS®

MARKETING

- Sponsorship of REALTOR® charitable & other events
- "Affiliate Spotlight" shall highlight one Affiliate in each weekly SBAOR Newsletter
- Be listed on the "Find an Affiliate" section of the SBAOR website

EDUCATION/INFORMATION ACCESS

- Access to education courses and seminars
- Santa Barbara Association of REALTORS® "Updates" on local/political issues

MLS ACCESS

- Member E-Mail access (Read only)
- Membership roster/labels for marketing
- Tour of Homes (Caravan List)
- Other functionality as defined in the SBMLS Policy Manual

B. ADVERTISING AS AN ASSOCIATION MEMBER

The use of the term "Affiliate member of the Santa Barbara Association of REALTORS®" may be used in printed material, such as business cards, letterhead, etc. When referring to affiliation with the Santa Barbara Association of REALTORS® the affiliates will identify themselves as "Affiliate Members", not "member of the S.B. Association of REALTORS®."

SECTION SIX

I. STAFF

A. HIRING AND FIRING OF EMPLOYEES

1. EXECUTIVE OFFICER – (see Personnel Committee)

2. ALL OTHER POSITIONS

All other employees shall be hired, reviewed, compensation and bonus set within approved SBAOR budget level, and terminated at the discretion of the Executive Officer.

B. EDUCATION

A staff member may be reimbursed for the tuition and/or books after taking a job related course and passing with a grade of "C" or better. A written request for reimbursement of tuition and/or books must be made to the Executive Officer before starting the course and after completing the course.

C. PENSION PLAN

The Employee 401(K) Pension Plan shall be funded each year for all eligible employees at a minimum of 4% of salary, or more at the discretion of the Board of Directors.

SECTION SEVEN

I. FACILITY USAGE

A. CONDITIONS FOR USE OF FACILITIES

1. As a community service, the Association of REALTORS®' facilities may be used by any group and for any function that complies with the Board of Directors' Policy. However, any use for non-Association of REALTORS® activities shall always be subordinate to use for activities of the Association of REALTORS®.
2. The use of Association of REALTORS®' facilities may be authorized by the Executive Officer, subject to conformance to the policies of the Association of REALTORS®, as established from time to time.
3. A person designated by the using group to be the responsible party must be in attendance continuously during the use of the Association of REALTORS®' facilities. This person is responsible for building security during the event, seeing that the facilities are left in the same condition as they were when entered, or better, and seeing to it that all doors and windows are locked when the event is over.
4. If the event is scheduled after normal business hours it may be necessary to assign an Association staff person to be in attendance at the facility. In that event staff cost at overtime rates will be charged to the group.
5. Restrictions may apply to the use of the parking spaces in the Association lot. At the time of application, the Executive Officer may place limitations on the number of parking spaces available. Use of parking facilities for the Association of REALTORS® shall always take precedence.
6. A fee may be charged for use of the Association of REALTORS®' facilities:
 - a. If the facilities are used by a member office during normal office hours for an office meeting, no rental fee will be charged.
 - b. If the facilities are to be used for a function of a community organization at which no admission will be charged, the rental fee will not exceed costs. A security deposit of \$200.00 will be charged and will be refundable if the facilities are left in at least the same conditions as when entered.
 - c. If the facilities are to be used by a member office for a meeting or class or any other function at which admission or enrollment is charged, a fee may be charged based on the Facilities Use Guidelines, and Facility/Equipment Rental Price List as posted on the sbaor.org website.
 - d. A Facilities Use Rental Agreement shall be completed prior to use of the facilities.
 - e. Association facilities may be used for real estate continuing education or other classes or seminars for which the instructor charges a fee, if the class is sponsored by the Education Committee of the Association of REALTORS® and a contract has been negotiated between the Association staff and the instructor and said contract has been approved by the Executive Officer. The contract will state the fee to be charged to students, and the room rental fee will be expressed in the contract.
 - f. The general public may use the facilities at the discretion of the Executive Officer. Rent will be negotiated on a case by case basis.
 - g. Each user shall, as a condition of such use, sign a Facility Use Agreement stating in part that the Executive Officer or Executive Officer's designated representative shall be the sole judge of the condition in which the facilities are left by the users of the Association of REALTORS®' facilities, and agreeing to pay for any damage or cleaning necessary as a result of said use.

7. The Association of REALTORS® does not provide coffee, sugar, creamer, cups, silverware, napkins or any other supplies or equipment without prior reservation and payment.
8. Liability Insurance. Use by persons or groups other than members of the Association of REALTORS® requires a certificate of insurance naming the Santa Barbara Association of REALTORS® and the Santa Barbara Multiple Listing Service as co-insured.
9. **All non-member users shall pay in advance, a \$200 security deposit which shall be returned within seven days of the event less deductions for damages and/or cleaning if any.**

B. FACILITIES USE PRIORITY

1. **USERS FROM HIGHEST TO LOWEST IN PREFERENCE**
 - A. Association of REALTORS®
 - B. Persons or Organizations conducting activities sponsored by the Association of REALTORS®
 - C. Real estate activities of members or honorary members of the Association of REALTORS®
 - D. Real estate activity of affiliate members of the Association of REALTORS®
 - E. Non-profit organizations or volunteer organizations which support the goals of organized real estate and the furtherance of private property rights
 - F. Others
2. For events not sanctioned as official SBAOR business, REALTOR® members and MLS members may use available rooms in the Association building only for a private meeting with members of their own office. Affiliate members may use available rooms for outreaches that benefit the Association and its members.

C. FACILITY MAINTENANCE

The Executive Officer may authorize maintenance and repairs to the Association's building so long as the amount of any such repair is less than \$10,000. For maintenance or repair items that exceed \$10,000 the Budget and Finance Committee should review the item and make a recommendation to the Board of Directors.

SECTION EIGHT

I. HOLIDAY SCHEDULE

A. OFFICE CLOSURES

1. The Association Office shall be closed in observance of all Federally designated Holidays and the Friday following Thanksgiving Day.
2. The Association Office shall close for the two weeks that encompass Christmas and New Year's Day.
3. At the discretion of the Executive Officer, the office may be closed early on a day that immediately proceeds a major holiday.
4. The office will be closed on the Friday of the Old Spanish Days Fiesta week.
5. Fulltime employees shall receive holiday pay for the days indicated above.
6. The membership shall be notified in advance of all closures via the Newsletter and/or MLS message board.

APPENDIX A

Citation System for Code of Ethics Violations

The following Citation Policy has been adopted by the Santa Barbara Association of REALTORS®.

- I. Complaint alleging violation of the Code of Ethics is received by AOR and channeled through the Grievance Committee:
 - A. Decision whether conduct is subject to citation is made by Grievance Committee.
 1. Assuming the allegations on the face of the complaint are true, is there a potential violation of the Code of Ethics?
 2. Assuming there is a potential violation of the Code of Ethics, is the conduct the type that is prohibited by the Citation Schedule that has been adopted by the AOR, i.e. a citable offense?
 - a. If the violator has already received a citation for violation of an MLS rule, for the same event and conduct, it is not eligible for citation.
 - b. If a citable offense,
 - i. attached citation is sent to violator, with copy to DR.
 - ii. citations are not used for purpose of possibly increasing discipline at future ethics hearings.
 - c. If conduct is not eligible for citation, but possible violation of the Code of Ethics is alleged,
 - i. Grievance Committee has authority to amend complaint with additional alleged violations of Code of Ethics and/or MLS Rules.
 - ii. matter will be sent forward for full ethics hearing.
 - iii. all hearings are held in accordance with the *California Code of Ethics and Arbitration Manual* (“Manual”).
 - iv. if violation is found by hearing panel, that information can be used to possibly increase discipline at future ethics hearings.
 - d. If no possible violation is alleged, complaint will be dismissed.
 - i. Complainant has right to request Directors’ Review
 - B. If conduct is a citable offense, upon receipt of citation, violator has 10 days to elect one of the following options:
 1. Pay the fine (amount is local discretion).

2. Ethics Training (local option) – if offered to violator and this is chosen, violator will pay a fine (amount determined by local) and, at option of SBAOR, all or part will be refunded upon proof of completion.
 3. Elect full Ethics hearing to contest citation.
 - a. If hearing is elected, complaint is returned to Grievance Committee for further scrutiny and possible amendment with additional alleged violations of Code of Ethics and/or MLS Rules.
 - b. All hearings are held in accordance with the Manual.
 1. If anonymous complaint, Grievance Committee is complainant;
 2. If identified complainant, he/she has full due process rights afforded under the procedures approved by NAR for disciplinary hearings.
 - c. Violator will have a full due process hearing where hearing panel, made up of members of the Professional Standards Committee, has the following options:
 1. Dismiss the citation and complaint
 2. Uphold the citation and corresponding fine
 3. Amend complaint by adding additional violations, as supported by the evidence,
 4. Increase the discipline, including any allowable sanction.
 - d. If violation is found by hearing panel, that information can be used to possibly increase discipline at future ethics hearings.
 - e. The results of hearings can be appealed to the Board of Directors, as set forth in the Manual.
- C. Failure to respond to citation within 10 days results in a warning letter (model attached) that the matter will be forwarded for full Ethics hearing if no response is received within 10 more days.
- D. Failure to respond to citation within 20 days from date of citation automatically results in full Ethics hearing, which opens up the possibility of any allowable sanction(s) determined by the hearing panel, including greater fine and possible suspension or expulsion from membership.
- E. If ethics training is elected, violation is kept in file only for purpose of keeping track of number of citations and the time frames in which they were given – the information is not used to possibly increase discipline at a future ethics hearing.
 1. Ethics training can only be elected once in any three (3) year period.
 2. Only three (3) citations may be issued to a violator within a three (3) year period.

- a. When number of citations limit is reached, no further citation can be issued to that violator - all alleged violations must go to full due process hearing.

- F. Where an actual complainant reports the citable behavior – as opposed to an anonymous complaint or citation initiated by the Grievance Committee – notification of the action taken by the Grievance Committee would be given to the complainant (model attached).

- G. C.A.R. has published the attached model citation list.
 - 1. Local option:
 - a. Which citable offenses are adopted (local may adopt fewer than the entire list of citations, but may not add citable offenses).
 - b. Amount of fine for citable offense.
 - 1. Fines cannot exceed maximum allowable by N.A.R.
 - 2. Locals may adopt, at their option, accelerated fines for multiple violations (i.e. the fine for a second offense is greater than for the first offense).
 - c. Whether ethics training can be taken by the violator as an alternative to paying the fine.

APPENDIX B

SBAOR Citation Schedule

Citations for the following offenses may be up to the following amounts:

Article 3: Attempt to change offer of compensation after being made aware of signed offer to purchase.	\$750
Failure to disclose existence of dual or variable rate commission.	\$250
Failure to disclose existence of accepted offers to cooperating brokers.	\$500
Article 4: Failure to disclose REALTOR® interest in property being bought or sold.	\$500
Article 5: Providing professional service without disclosing interest in property.	\$500
Article 6: Accepting any commission, rebate or profit on expenditures without client's knowledge or consent.	\$750
Article 12: Failure to present a true picture in real estate communications and advertising.	\$500
Failure to disclose professional status in advertising and other representations.	\$250

Failure to disclose compensation from 3 rd party for services provided free to a client.	\$500
Advertisement offering to sell/lease property without authority of owner or listing broker.	\$500
Failure to disclose name of firm in advertisement for listed property.	\$250
Failure to disclose status as both owner/landlord and REALTOR® or licensee when advertising property in which REALTOR® has ownership interest.	\$350
Falsely claiming to have “sold” property.	\$750
Registration or use of deceptive URL or domain name.	\$500
Article 14: Failure to cooperate in any professional standards proceeding or investigation.	\$500
Article 16: Use of terms of an offer to modify listing broker’s offer of compensation.	\$750
Placement of for sale/lease sign on property without permission of seller/landlord.	\$100