

**VOLUNTEER SERVICE AGREEMENT, CONFLICT OF INTEREST,
APPARENT AUTHORITY, ANTITRUST STATEMENT**

PISMO COAST ASSOCIATION OF REALTORS®

(COMPLETE bottom portion and RETURN to ASSOCIATION by 1/31 of the upcoming year)

As a volunteer member of a governing board, committee, task force, advisory group or other similar body ("leader") for the Pismo Coast Association of REALTORS®, Inc. (PCAOR), assisting in PCAOR's mission to enhance the ability of our members to be successful, you have special responsibilities. You also may be exposed to certain confidential information related to PCAOR and/or its members. Therefore, it is important that you agree to the following provisions (examples, where indicated, are illustrative and not exclusive):

1. You will maintain in confidence, and not disclose, or cause to be disclosed to anyone, other than PCAOR, any information designated prior to, or during, deliberation as confidential by PCAOR at PCAOR's sole discretion. You will keep any materials containing confidential information in a safe and secure place to protect against inadvertent disclosure. You will preserve confidential information indefinitely, even after expiration of your service. Upon expiration of your service, you will promptly return to PCAOR staff, upon request, any materials containing confidential information that you have been sent or acquired relating to your work for PCAOR. This does not mean that all leader discussions are confidential; only those discussions designated in the manner set forth above are confidential. For example: 1) assume that an MLS Task Force, during its search for a new Internet-based MLS vendor/product, designates the deliberations as "confidential," to preserve the integrity of the search. It would be a violation of this policy for members of the task force to disclose such deliberations to anyone outside the task force or except as may be required for the conduct of the task force's business as required by law; 2) while serving on a Committee you learn personal information about a member that could have a negative impact on their business or reputation if shared publicly, which would be required to be kept confidential. As a general rule, consider all committee, task force and advisory meetings and discussions as confidential, unless the chair of the group has requested the information be shared publicly, or requested that information from those meetings/discussions be used to solicit input from members.
2. Any material developed by leadership groups/bodies on which you serve will be the property of PCAOR, and you hereby assign to PCAOR all right in and to any such material, including copyrights and other proprietary interests. For example, assume that you serve on a PCAOR Map Committee which produces a MLS area overlay map. The MLS area overlay map is the property of PCAOR and it would be a violation of this policy to take the work of the Committee and use it for your personal use or personal financial gain.

CONFLICT OF INTEREST POLICY

Service as a leader for PCAOR gives rise to certain legal obligations to PCAOR. One obligation is the fiduciary duty owed to PCAOR by the leader. It requires the exercise of reasonable care in performing functions for PCAOR exhibiting honesty and good faith, and encompasses the responsibilities of both care and loyalty. The duty of loyalty requires PCAOR leaders to avoid conflicts of interest and be looking out for PCAOR's best interests, not their own best interests.

A conflict of interest may exist when one participates in the decision-making process on an issue for PCAOR while concurrently having other business, professional or personal interests that could tend one toward bias or predisposition on the issue. The fiduciary duty of a leader also requires a leader to avoid the appropriation of programs and activities, particularly business prospects that properly belong to the PCAOR. PCAOR leaders also must maintain the confidentiality of PCAOR information. These obligations run from the PCAOR leader to PCAOR as a whole.

Even where a PCAOR leader might be appointed or elected regionally, or by virtue of the PCAOR leader's professional position within a particular company or practice area, **the obligations of the PCAOR leader are to PCAOR as an organization, not to the PCAOR leader's constituency.** The policies below apply to all PCAOR leaders, including but not limited to officers, directors, committee and/or task force members, advisory group or other similar body.

According to *Black's Law Dictionary* a conflict of interest is defined as, "A term used in connection with public officials and fiduciaries and their relationship to matters of private interest or gain to them."

Any PCAOR leader will be considered to have a conflict of interest whenever that leader:

1. is a principal, partner, officer, director, member, manager or greater than one percent owner of a business ("the Business") providing products or services to or competing with PCAOR or
2. is a principal, partner, officer, director, member, manager or greater than one percent owner of the Business being considered as a provider of products or services to or competing with PCAOR or
3. holds any unique and substantial interest in the Business, financial or otherwise, such as a familial, personal, employer-employee, contractor-contractee, shareholder or governance relationship with the Business.

4. has personal knowledge that PCAOR is considering doing business with an entity in which a PCAOR leader has any financial or ownership interest, then such PCAOR leader must disclose the existence of his or her financial or ownership interest.
5. has a financial or ownership interest in an entity that the PCAOR leader knows is offering competing products and services as those offered by PCAOR, then such PCAOR leader must disclose the existence of his or her financial or ownership interest.

PCAOR leaders with a conflict of interest must immediately disclose their interest at the outset of any discussions by a decision-making body pertaining to the Association or any of its products or services. Such PCAOR leader shall be excused from such discussions of the pros and cons on the matter unless otherwise requested by the Board of Directors, and shall respond to any questions asked of them. Furthermore, no PCAOR leader with a conflict of interest may vote on any matter in which the PCAOR leader has a conflict of interest, including votes to block or alter the actions of the decision-making body in order to benefit the Business in which they have an interest. Minutes of appropriate meetings shall reflect that such disclosure was made, and that the leader excused themselves from the discussion of the pros and cons and vote on the matter.

Please sign below indicating your agreement to abide by the terms stated above, and return a signed copy by the date indicated. Thank you very much for your cooperation and your willingness to serve the PCAOR.

APPARENT AUTHORITY - In general the appropriate process is as follows – Committees “recommend”, Directors “approve”, Volunteers and Staff “fulfill”. Only the Association President should speak in representing the Association, unless that task has been specifically delegated to another member within the Association, such as a Committee Chair or Member. Only the Association staff will issue communications using Association letterheads and envelopes, unless specifically delegated to another member within the Association.

CONTRACTING ON BEHALF OF ASSOCIATION – Only the Association staff or representative designated by the Board of Directors may sign contracts on behalf of the Association.

WHISTLEBLOWER POLICY

The PCAOR requires Directors, committee members and staff to observe high standards of business and personal ethics in the conduct of duties and responsibilities, practicing honesty and integrity in fulfilling responsibilities, complying with all applicable laws and regulations, and avoiding inappropriate behavior such as (but not limited to) harassment of any type. It is the responsibility of all directors, committee members and staff to report violations or suspected violations in accordance with this Whistleblower Policy. No one who in good faith reports a violation shall suffer harassment, retaliation or adverse employment consequence. A staff member who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment. This Whistleblower Policy is intended to encourage and enable staff members and others to raise serious concerns within the Association prior to seeking resolution outside the Association. If a staff member has an issue they want addressed, procedures found in the Employee Manual should be followed. The board of directors shall address all reported concerns or complaints regarding corporate accounting practices, internal controls, auditing or similarly critical elements of the operation. The President shall immediately notify the board of directors of any such complaint, and work with the directors until the matter is resolved. Anyone filing a complaint must have reasonable grounds for believing the information disclosed indicates a violation. Any allegations that prove not to be substantiated, and which prove to have been made maliciously or knowingly to be false will be viewed as serious matters warranting potential disciplinary action. Violations or suspected violations may be submitted on a confidential basis by the complainant or may be submitted anonymously. Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation. The Association Executive or President will notify the sender and acknowledge receipt of the reported violation or suspected violation within five (5) business days. All reports will be promptly investigated and appropriate corrective action taken if warranted by the investigation.

ANTITRUST COMPLIANCE STATEMENT

The Pismo Coast Association of REALTORS® (“Association”) is not organized to and may not play any role in the competitive decisions of its members or their employees, nor in any way restrict competition among members or potential members. Rather it serves as a forum for a free and open discussion of diverse opinions without in any way attempting to encourage or sanction any particular business practice.

The association provides a forum for exchange of ideas in a variety of settings including its annual meeting, educational programs, committee meetings, and Board meetings. The Board of Directors recognizes the possibility that the Association and its activities could be viewed by some as an opportunity for anti-competitive conduct. Therefore, this policy statement clearly and unequivocally supports the policy of competition served by the antitrust laws and to communicate the Association’s uncompromising policy to comply strictly in all respects with those laws.

While recognizing the importance of the principle of competition served by the antitrust laws, the Association also recognizes the severity of the potential penalties that might be imposed on not only the Association but its members as well in the event that certain conduct is found to violate the antitrust laws. Should the Association or its members be involved in any

violation of federal/state antitrust laws, such violation can involve both civil and criminal penalties that may include imprisonment for up to 3 years as well as fines up to \$350,000 for individuals and up to \$10,000,000 for the Association plus attorney fees. In addition, damage claims awarded to private parties in a civil suit are tripled for antitrust violations. Given the severity of such penalties, the Board intends to take all necessary and proper measures to ensure that violations of the antitrust laws do not occur.

Policy

In order to ensure that the Association and its members comply with antitrust laws, the following principles will be observed:

The association or any committee, section, chapter, or activity of the Association shall not be used for the purpose of bringing about or attempting to bring about any understanding or agreement, written or oral, formal or informal, expressed or implied, among two or more members or other competitors with regard to prices or terms and conditions of contracts for services or products. Therefore, discussions and exchanges of information about such topics will not be permitted at Association meetings or other activities.

There will be no discussions discouraging or withholding patronage or services from, or encouraging exclusive dealing with any supplier or purchaser or group of suppliers or purchasers of products or services, any actual or potential competitor or group of actual potential competitors, or any private or governmental entity.

- There will be no discussions about allocating or dividing geographic or service markets or customers.
- There will be no discussions about restricting, limiting, prohibiting, or sanctioning advertising or solicitation that is not false, misleading, deceptive, or directly competitive with Association products or services.
- There will be no discussions about discouraging entry into or competition in any segment of the marketplace.
- There will be no discussions about whether the practices of any member, actual or potential competitor, or other person are unethical or anti-competitive, unless the discussions or complaints follow the prescribed due process provisions of the Association's bylaws.
- Certain activities of the Association and its members are deemed protected from antitrust laws under the First Amendment right to petition government. The antitrust exemption for these activities, referred to as the Noerr-Pennington Doctrine, protects ethical and proper actions or discussions by members designed to influence: 1) legislation at the national, state, or local level; 2) regulatory or policy-making activities (as opposed to commercial activities) of a governmental body; or 3) decisions of judicial bodies. However, the exemption does not protect actions constituting a "sham" to cover anticompetitive conduct.
- Speakers at committees, educational meetings, or other business meetings of the Association shall be informed that they must comply with the Association's antitrust policy in the preparation and the presentation of their remarks. Meetings will follow a written agenda approved in advance by the Association or its legal counsel.
- Meetings will follow a written agenda. Minutes will be prepared after the meeting to provide a concise summary of important matters discussed and actions taken or conclusions reached.
- At informal discussions at the site of any Association meeting all participants are expected to observe the same standards of personal conduct as are required of the Association in its compliance.

Volunteer Service Agreement-Conflict of Interest-Antitrust Statement agreed to by:

PRINT NAME: _____

SIGNATURE: _____

DATE: _____

**(Complete & return a signed copy to PCAOR by January 31 to:
Fax-489-6594 or email Lisa@PismoCoastRealtors.com)**