

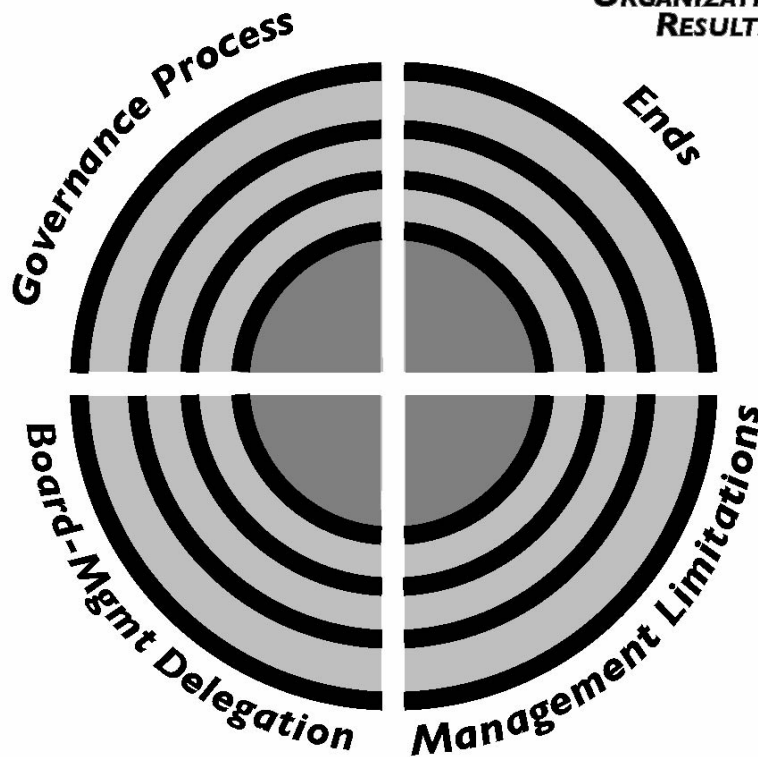


Oakland
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GOVERNING POLICIES OF THE BOARD OF DIRECTORS

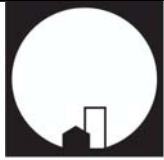
BOARD MEANS

*INTENDED
ORGANIZATIONAL
RESULTS*



BOARD MEANS

STAFF MEANS



Oakland
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GOVERNING POLICIES OF THE BOARD OF DIRECTORS

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**GOVERNING POLICIES OF
THE BOARD OF DIRECTORS**

Policy 1.0 – ENDS

Date Adopted/Last Revised: November 28, 2007



Ends

1.0 Global Ends Statement:

OAR's purpose is that
Members have benefits conducive to their professional success.

(priority results: NOT reflecting any order of priority)

1.1 Members have the knowledge, skills and resources necessary for successful practice.

- A. Members are aware of the status of relevant local legislative issues.
- B. Members are prepared for continued success in a changing market.

1.2 Members understand and adhere to the REALTOR® Code of Ethics and Standards of Practice.

1.3 Public Policy and Legislation are favorable to the preservation and enhancement of private property rights and OAR member interests.

- A. Members are involved in the political process.

1.4. There is positive public perception of OAR Members.

1.5. OAR REALTOR® and Affiliate Members are aware of valuable and identifiable Benefits.

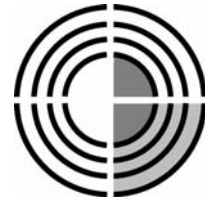


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**GOVERNING POLICIES OF
THE BOARD OF DIRECTORS**

**Policy 2.0 – GENERAL EXECUTIVE
CONSTRAINT**

Date Adopted/Last Revised: March 22, 2006



Management Limitations

The CEO shall not cause or allow any practice, activity, decision, or organizational circumstances that is either unlawful, imprudent, or in violation of commonly accepted business and professional ethics.

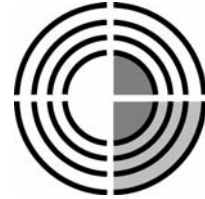


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**GOVERNING POLICIES OF
THE BOARD OF DIRECTORS**

Policy 2.1 – TREATMENT OF MEMBERS

Date Adopted/Last Revised: February 7, 2007



Management Limitations

With respect to interactions with members or those applying to be members, the CEO shall not cause or allow conditions, procedures, or decisions that are unsafe, undignified, unnecessarily intrusive, or that fail to provide appropriate confidentiality or privacy.

The CEO shall not:

1. Elicit member information for which there is no clear business necessity.
2. Use methods of collecting, reviewing, transmitting, or storing member information that fail to protect against improper access to the material elicited.
3. Maintain facilities that fail to provide reasonable level of privacy.
4. Fail to communicate to members a clear understanding of what may be expected from the services offered.
5. Fail to inform members, as appropriate, of this policy, and to provide a complaint response process.

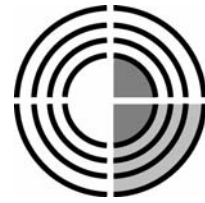


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**GOVERNING POLICIES OF
THE BOARD OF DIRECTORS**

Policy 2.2 – TREATMENT OF STAFF

Date Adopted/Last Revised: February 7, 2007



Management Limitations

With respect to the treatment of paid staff and volunteers, the CEO may not cause or allow conditions that are unfair, unsafe or undignified.

Pertaining to employees, the CEO shall not:

1. Operate without written personnel policies, approved by legal counsel, that clarify personnel rules for staff, provide for effective handling of grievances, and protect against wrongful conditions.
2. Retaliate against an employee for non-disruptive, internal expression of dissent.
3. Prevent staff from grieving to the Board when (1) internal grievance procedures have been exhausted *and* (2) the employee alleges that Board policy has been violated.
4. Fail to acquaint staff with these governing policies, with particular emphasis on this policy, and the CEO's interpretations of their protections under it.

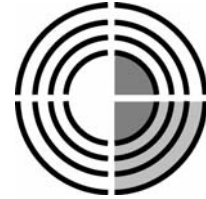


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**GOVERNING POLICIES OF
THE BOARD OF DIRECTORS**

**Policy 2.3 – FINANCIAL CONDITION &
ACTIVITIES**

Date Adopted/Last Revised: February 7, 2007



Management Limitations

With respect to the actual, ongoing financial conditions and activities, the CEO shall not cause or allow the development of fiscal jeopardy or a material deviation of actual expenditures from board priorities established in Ends policies.

The CEO shall not:

1. Expend more funds than have been received in the fiscal year to date.
2. Use any Board-designated reserves, or dedicated reserves for any purpose other than designated
3. Fail to settle payroll and debts in a timely manner.
4. Allow tax payments or other government-ordered payments or filings to be overdue or inaccurately filed.
5. Make a single purchase or commitment of greater than \$10,000, unless such expenditure was explicitly itemized in budget monitoring data previously disclosed to the Board.
6. Acquire, encumber, lease or dispose of real property.
7. Fail to aggressively pursue material receivables after a reasonable grace period.
8. Sign any check of greater than \$5,000 without a Board-authorized second signature.
9. Fail to exercise adequate internal controls over receipts and disbursements to avoid unauthorized payments or material dissipation of assets.

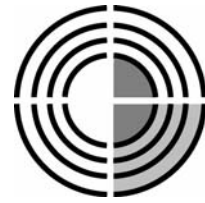


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GOVERNING POLICIES OF THE BOARD OF DIRECTORS

Policy 2.4 – ASSET PROTECTION

Date Adopted/Last Revised: February 7, 2007



Management Limitations

The CEO shall not allow OAR's assets to be unprotected, inadequately maintained, or unnecessarily risked.

The CEO shall not:

1. Fail to insure:
 - A. Against theft and casualty losses to at least replacement value;
 - B. Against liability losses to board members, staff, and the organization itself in an amount equal to or greater than the average for comparable California associations.
2. Allow unbonded personnel access to material amounts of funds, or fail to insure against employee theft and dishonesty
3. Fail to employ risk management practices to minimize exposure of the organization, its Board or staff to claims of liability.
4. Subject facilities and equipment to improper wear and tear or insufficient maintenance.
5. Unnecessarily expose the organization, its board, or its staff to claims of liability.
6. Make any purchase without due diligence, including protection against conflict of interest.
7. Fail to protect intellectual property, information, and files from loss or significant damage.
 - A. The CEO shall not fail to maintain records in a manner consistent with a Records Retention Schedule established in accordance with recommendations from legal counsel.
8. Receive, process, or disburse funds under controls that are insufficient to meet the board appointed auditor's standards, (as set forth in a Management Letter and/or other correspondence).
9. Compromise the independence of the Board's auditors or other Board consultants, by engaging parties already contracted by the Board as consultants or advisers.
10. Invest or hold operating capital in insecure instruments or in non-interest bearing accounts except when necessary to facilitate ease in operational transactions.
11. Endanger the organization's public image or credibility, particularly in ways that would hinder its accomplishment of mission.

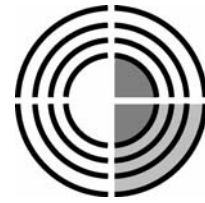


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**GOVERNING POLICIES OF
THE BOARD OF DIRECTORS**

**Policy 2.5 – FINANCIAL PLANNING &
BUDGETING**

Date Adopted/Last Revised: February 7, 2007



Management Limitations

Financial planning for any fiscal year or the remaining part of any fiscal year shall not deviate materially from the board's Ends priorities, risk fiscal jeopardy, or fail to be derived from a multi-year plan.

The CEO shall not allow budgeting that:

1. Risks incurring those situations or conditions described as unacceptable in the "Financial Conditions and Activities" Board policy.
2. Omits credible projection of revenues and expenses, separation of capital and operational items, cash flow, and disclosure of planning assumptions.
3. Plans the expenditure in any fiscal year of more funds than are conservatively projected to be received in that period.
4. Allows cash reserves to drop below four months of current years budgeted operating expenses.
5. Provides less for board prerogatives during the year than is set forth in the Cost of Governance policy.

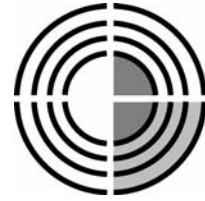


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**GOVERNING POLICIES OF
THE BOARD OF DIRECTORS**

Policy 2.6 – COMPENSATION & BENEFITS

Date Adopted/Last Revised: February 7, 2007



Management Limitations

With respect to employment, compensation, and benefits to employees, consultants, contract workers, and volunteers, the CEO shall not cause or allow jeopardy to fiscal integrity or public image.

The CEO shall not:

1. Change his or her own compensation and benefits.
2. Promise or imply permanent or guaranteed employment.
3. Establish current compensation and benefits that deviate materially from the geographic or professional market for the skills employed.
4. Create compensation obligations over a longer term than revenues can be safely projected, in no event longer than one year and in all events subject to losses in revenue.
5. Establish or change pension benefits so as to cause unpredictable or inequitable situations.

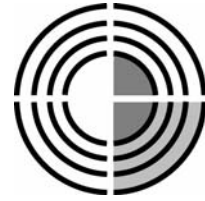


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**GOVERNING POLICIES OF
THE BOARD OF DIRECTORS**

Policy 2.7 – EMERGENCY CEO SUCCESSION

Date Adopted/Last Revised: February 7, 2007



Management Limitations

In order to protect the board from sudden loss of CEO services, the CEO may have no fewer than one (1) member of the management team sufficiently familiar with board and CEO issues and process to take over with reasonable proficiency as an interim successor.

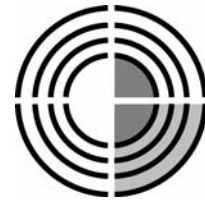


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**GOVERNING POLICIES OF
THE BOARD OF DIRECTORS**

**Policy 2.8 – COMMUNICATIONS &
SUPPORT OF THE BOARD**

Date Adopted/Last Revised: February 7, 2007



Management Limitations

The CEO shall not permit the board to be uninformed or unsupported in its work.

The CEO shall not:

1. Fail to report in a timely manner an actual or anticipated non-compliance with any policy of the board.
2. Neglect to submit monitoring data required by the board in a timely, accurate, and understandable fashion, directly addressing provisions of board policies being monitored.
3. Let the board be unaware of relevant trends, anticipated adverse media coverage, and material external and internal changes. Notification of planned internal changes is to be provided in advance, when feasible..
4. Fail to advise the board if, in the CEO's opinion, the board is not in compliance with its own policies on Governance process and Board-CEO linkage, particularly in the case of board behavior that is detrimental to the work relationship between the board and the CEO.
5. Fail to provide for the board as many staff and external points of view, issues, and options as needed for fully informed board choices.
6. Present information in unnecessarily complex or lengthy form or in a form that fails to differentiate among information on: monitoring, decision preparation, and other/"FYI."
7. Fail to provide administrative support for official board, officer, or committee communications.
8. Fail to deal with the board as a whole except when fulfilling individual requests for information or responding to officers or committees duly charged by the board.
9. Fail to supply for the consent agenda all items delegated to the CEO, yet required by law, Bylaws or third-party or to be board-approved, along with the monitoring assurance pertaining thereto.
10. Fail to assure the accuracy of the policy manual.

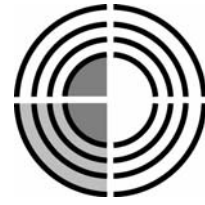


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**GOVERNING POLICIES OF
THE BOARD OF DIRECTORS**

**Policy 3.0 – GLOBAL BOARD-CEO
LINKAGE**

Date Adopted/Last Revised: March 22, 2006



Board-CEO Linkage

The board's sole official connection to the operating organization, its achievement, and conduct will be through a Chief Executive Officer.

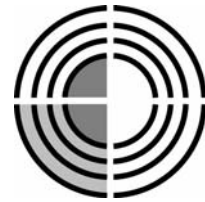


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**GOVERNING POLICIES OF
THE BOARD OF DIRECTORS**

Policy 3.1 – UNITY OF CONTROL

Date Adopted/Last Revised: February 7, 2007



Board-CEO Linkage

Only decisions of the board acting as a body are binding on the CEO.

1. Decisions or instructions of individual board members, officers, or committees are not binding on the CEO except in rare instances when the board has specifically authorized such exercise of authority.
2. Board members or committees may request information or assistance without board authorization. The CEO may refuse such requests that require, in her/his opinion, a material amount of staff time or funds, or are disruptive.

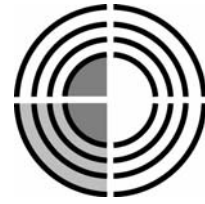


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**GOVERNING POLICIES OF
THE BOARD OF DIRECTORS**

**Policy 3.2 – ACCOUNTABILITY OF
THE CEO**

Date Adopted/Last Revised: February 7, 2007



Board-CEO Linkage

The CEO is the board's only link to operational achievements and conduct, so that all authority and accountability of staff, as far as the board is concerned, is considered the authority and accountability of the CEO.

1. The board will never give instructions to persons who report directly or indirectly to the CEO.
2. The board will refrain from evaluating, either formally or informally, any staff other than the CEO.
3. The board will view CEO performance as identical to organizational performance so that organizational accomplishments of board-stated Ends and compliance with Executive Limitations will be deemed successful CEO performance.

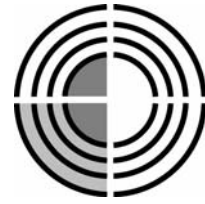


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**GOVERNING POLICIES OF
THE BOARD OF DIRECTORS**

Policy 3.3 – DELEGATION TO THE CEO

Date Adopted/Last Revised: February 7, 2007



Board-CEO Linkage

The board will instruct the CEO through written policies that prescribe the organizational Ends to be achieved and described organizational situations and actions to be avoided, allowing the CEO to use any reasonable interpretation of these policies.

1. The board will develop policies instructing the CEO to achieve certain results, for certain recipients at a specified cost.
2. The board will develop policies that limit the latitude the CEO may exercise in choosing the organizational means. These policies will be developed systematically from the broadest, most general level to more defined levels, and they will be called Executive Limitation policies. The Board will not prescribe organizational means delegated to the CEO.
3. As long as the CEO uses any reasonable interpretation of the board's Ends and Executive Limitations policies, the CEO is authorized to establish all further operational policies, make all decisions, take all actions, establish all practices and develop all activities.
4. The board may change its Ends and Executive Limitations policies, thereby shifting the boundary between board and CEO domains. By doing so, the board changes the latitude of choice given to the CEO. But as long as any particular delegation is in place, the board will respect and support decisions made by the CEO that are compliant with Board policies.

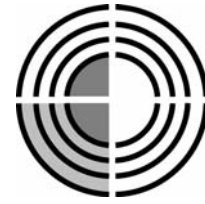


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**GOVERNING POLICIES OF
THE BOARD OF DIRECTORS**

**Policy 3.4 – MONITORING CEO
PERFORMANCE**

Date Adopted/Last Revised: February 7, 2007



Board-CEO Linkage

Systematic and rigorous monitoring of CEO job performance will be solely against expected CEO job outputs: organizational accomplishments of board policies on Ends and organizational operation within the boundaries established in board policies on Executive Limitations.

1. Monitoring is simply to determine the degree to which board policies are being met. Information that does not address policy compliance will not be considered in the evaluation of CEO performance.
2. The board will acquire monitoring data by one or more of three methods:
 - A. by executive report, in which the CEO discloses policy interpretations and compliance information to the board,
 - B. by external report, in which an external, disinterested third party selected by the board assesses compliance with board policies, and
 - C. by direct board inspection, in which a designated member or members of the board assess compliance with the appropriate policy criteria.
3. In every case, the Board will judge whether
 - A. the CEO's interpretation is reasonable, and
 - B. whether data demonstrate accomplishment of or compliance with the CEO's interpretation. The standard for compliance shall be any reasonable CEO interpretation of the board policy being monitored.
4. All policies that instruct the CEO will be monitored at a frequency and by a method chosen by the board. The board can monitor any policy at any time by any method, but will ordinarily depend on a routine schedule.
5. Actions determined to be not compliant with a reasonable interpretation of Board policies will be subject to a remedial process agreed to by the Board.

Policy 3.4 – MONITORING CEO PERFORMANCE (CONTINUED)

Policy No./Policy	Method	Frequency	Schedule
2.0 General Exec. Constraint	Executive	Annually	June
2.1 <i>Treatment of Members</i>	Executive	Annually	May
2.2 Treatment of Staff	Executive	Annually	April
2.3 Financial Condition and Activities	Executive	Quarterly	Jan/Apr/Jul/Oct
2.4 Asset Protection	Executive	Annually	April
2.5 Financial Planning and Budgeting	Executive	Semi-Ann.	January/July
2.6 Compensation and Benefits	Executive	Annually	March
2.7 Emergency CEO Succession	Internal Executive	Annually	March
2.8 Communication and Support	Executive	Annually	July
1.0 Global Ends Policy	Executive	Annually	September
1.1 Members Have Knowledge	Executive	Annually	November
1.2 Members Adhere to Code...	Executive	Annually	January
1.3 Public Policy/Legislation	Executive	Annually	May
1.4 Positive Public Perception	Executive	Annually	July
1.5 Members Receive Benefits	Executive	Annually	March

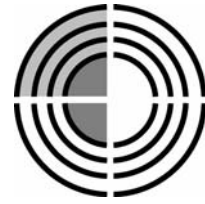


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**GOVERNING POLICIES OF
THE BOARD OF DIRECTORS**

Policy 4.0 – GOVERNANCE COMMITMENT

Date Adopted/Last Revised: February 7, 2007



Governance Process

The purpose of the Board, on behalf of the Membership, is to ensure that the Oakland Association of Realtors® (1) produces appropriate results for the Membership at an appropriate cost (as specified in Board Ends policies), *and* (2) avoids unacceptable actions and situations.

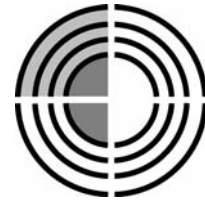


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GOVERNING POLICIES OF THE BOARD OF DIRECTORS

Policy 4.1 – GOVERNING STYLE & VALUES

Date Adopted/Last Revised: February 7, 2007



Governance Process

The Board will govern lawfully, observing Policy Governance® principles, with an emphasis on (1) outward vision rather than internal preoccupation, (2) encouragement of diversity in viewpoints, (3) strategic leadership more than administrative detail, (4) clear distinction of board and chief executive roles, (5) collective rather than individual decisions, (6) future rather than past or present, and (7) proactivity rather than reactivity.

1. The board will cultivate a sense of group responsibility. The board, not the staff, will be responsible for excellence in governing. The board will be the initiator of policy, not merely a reactor to staff initiatives. The board will use the expertise of individual members to enhance the ability of the board as a body rather than to substitute individual judgments for the board's values. The board will allow no officer, individual, or committee of the board to hinder or be an excuse for not fulfilling board commitments.
2. The board will direct, control, and inspire the organization through the careful establishment of broad written policies reflecting the board's values and perspectives about ends to be achieved and means to be avoided. The board's major policy focus will be on the intended long-term effects outside the organization, not on the administrative or programmatic means of attaining those effects.
3. The board will enforce upon itself whatever discipline is needed to govern with excellence. Discipline will apply to matters such as attendance, preparation, policy-making principles, and respect of roles, proper decorum, and ensuring continuance of governance capability. Continual board development will include orientation of new board members in the board's governance process and periodic board discussion of process improvement.
 - A. All Directors must have some form of Policy Governance training prior to exercising his/her right to vote. This training may be the formal annual Director Orientation, reading the book "*Boards That Make a Difference*," or other training acceptable to the Board.
4. The board will monitor and discuss the board's process and performance at each meeting. Self-monitoring will include comparison of board activity and discipline to policies in the Governance Process and Board-CEO Linkage categories.

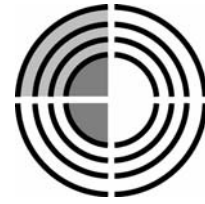


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GOVERNING POLICIES OF THE BOARD OF DIRECTORS

Policy 4.2 – BOARD JOB DESCRIPTION

Date Adopted/Last Revised: February 7, 2007



Governance Process

The specific outputs of the board are those unique “value added” that tie membership prerogatives to organizational performance.

1. The board will produce the link between the organization and the membership.
2. The board will produce written governing policies that, at the broadest levels, address each category of organizational decision.
 - A. Ends: Organizational products, effects, benefits, outcomes, recipients, and their cost or relative worth. (What results? For which recipients? At what relative worth or priority?)
 - B. Executive Limitations: Constraints on executive authority that establish the prudence and ethics boundaries within which all executive activity and decisions must take place.
 - C. Governance Process: Specifications of how the board conceives, carries out, and monitors its own task.
 - D. Board-CEO Linkage: How power is delegated and its proper use monitored; authority and accountability of the CEO role.
3. The board will assess and assure CEO performance against policies in 2a and 2b.
4. The Board will make determinations regarding legislative and/or public policy positions of OAR.
5. The Board shall determine Membership dues.
6. The Board will handle Professional Standards and ethics complaints in a manner consistent with the NAR Professional Standards Manual.
7. The Board will make determinations of any contributions made by OAR.

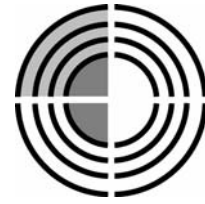


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GOVERNING POLICIES OF THE BOARD OF DIRECTORS

Policy 4.3 – AGENDA PLANNING

Date Adopted/Last Revised: February 7, 2007



Governance Process

To accomplish its job products with a governance style consistent with board policies, the board will follow an annual agenda that (1) completes re-exploration of Ends policies annually and (2) continually improves board performance through board education and enriched input and deliberation.

1. The Board's annual planning cycle will conclude each year on the last day of September so that administrative planning and budgeting can be based on accomplishing a one-year segment of the board's most recent statement of long-term Ends.
2. The cycle will start in October with the board's development of its agenda for the coming year.
 - A. Consultations with selected groups in the membership, or other methods of gaining membership input, will be determined and arranged in the first quarter, to be held during the balance of the year.
 - B. Governance education and education related to ends determination (for example, presentation by futurists, demographers, advocacy groups, and staff) will be arranged in the first quarter, to be held during the balance of the year.
3. The President will determine the agenda for any particular meeting, although Board members may request or recommend any appropriate matters for Board consideration.
 - A. A Board member may recommend or request a matter for Board discussion by submitting the item to the President at least nine (9) days prior to the scheduled Board meeting.
 - B. The meeting agenda and packet are to be received by Board members at least five days prior to the scheduled Board meeting.
 - C. By an affirmative vote of a majority of those present at a meeting, additional matters may be added to the agenda of any Board meeting.
4. Throughout the year, the board will attend to consent agenda items (those items delegated to the CEO but required by law or third-party to be Board-approved) as expeditiously as possible. In order for an item to be removed from the consent agenda, the board member must give written notice the President or CEO no less than 48 hours in advance of the board meeting. The purpose of this notice is to give an opportunity to the President or CEO to clarify the item prior to the meeting. If the item is clarified to the satisfaction of the board member, the item will not be removed from the consent agenda. If not sufficiently clarified with the President or CEO the item may be moved back onto the regular agenda, providing sufficient notice and reason has been established with the President or CEO.
5. CEO monitoring will be included on the agenda if monitoring reports or other data indicate policy violations or if policy criteria are to be debated.
6. CEO remuneration will be determined after a review and summary of the Board's monitoring judgments from the past year, each year in October (to be effective January 1st).

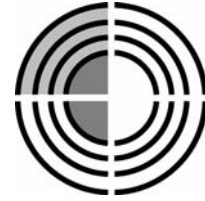


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GOVERNING POLICIES OF THE BOARD OF DIRECTORS

Policy 4.4 – THE PRESIDENT’S ROLE

Date Adopted/Last Revised: February 7, 2007



Governance Process

The President, serving as OAR’s chief governance officer, assures the integrity and fulfillment of the board’s process and, secondarily, occasionally represents the board to outside parties.

1. The job result of the president is that the board behaves consistently with its own rules and those legitimately imposed upon it from outside the organization.
 - A. Meeting discussion content will be only issues that, according to board policy, clearly belong to the board to decide, not the CEO.
 - B. Deliberation will be fair, open and thorough but also timely, orderly, and to the point.
2. The authority of the president consists in making decisions that fall within topics covered by board policies on Governance Process and Board-CEO Linkage, except employment/termination of the CEO, or where the board specifically delegates portions of this authority to others. The president is authorized to use any reasonable interpretation of the provisions in these policies.
 - A. The president is empowered to chair board meetings with all the commonly accepted power of that position (for example, ruling, recognizing).
 - B. The president has no authority to make decisions about policies created by the board within Ends and Executive Limitations policy areas. Therefore, the president has no authority to supervise or direct the CEO.
 - C. The president may represent the board to outside parties in announcing board-stated positions and in stating chair decisions and interpretations within the area delegated to her or him.
 - D. The president may delegate this authority but remains accountable for its use.

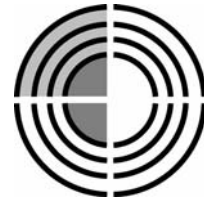


Oakland
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GOVERNING POLICIES OF THE BOARD OF DIRECTORS

Policy 4.5 – BOARD MEMBERS’ CODE OF CONDUCT

Date Adopted/Last Revised: February 7, 2007



Governance Process

The board commits itself and its members to ethical, businesslike, and lawful conduct, including proper use of authority and appropriate decorum when acting as board members.

1. Board members must represent unconflicted loyalty to the interests of the membership. This accountability supersedes any conflicting loyalty such as to advocacy or interest groups and membership on other boards or staffs. It also supersedes the personal interest of any board member acting as a consumer of the organization’s services.
2. Board members must avoid conflict of interest with respect to their fiduciary responsibility.
 - A. There must be no self-dealing or any conduct of private business or personal services between any board member and the organization, except as procedurally controlled to assure openness, competitive opportunity, and equal access to inside information.
 - B. When a discussion takes place or a decision is to be made upon an issue about which a member has an unavoidable conflict of interest, that member shall disclose the conflict of interest and absent himself from the vote. Board members must not use their positions to obtain staff employment for themselves, family members, or close associates. Should a member desire staff employment, he or she must first resign.
 - C. Board members will annually disclose their involvements with other organizations, with vendors, or any other association that might produce a conflict.
3. Board members may not attempt to exercise individual authority over the organization except as explicitly set forth in board policies.
 - A. Board members interaction with public, press, or other entities must recognize the inability of any board member to speak for the board except to repeat explicitly stated board decisions.
 - B. Board members will give no consequences or voice to individual judgments of CEO or staff performance.
4. Board members will respect the confidentiality appropriate to issues of a sensitive nature.
5. A Board member aware of credible information that suggests that a Board policy has been violated, by either the Board, a Board member or the CEO, has an affirmative obligation to bring the concern to the Board’s agenda for monitoring.
6. Board members will support the legitimacy and authority of the final determination of the Board on any matter, irrespective of the member’s personal position on the issue.

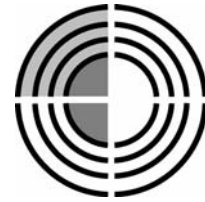


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**GOVERNING POLICIES OF
THE BOARD OF DIRECTORS**

**Policy 4.6 – BOARD MEMBERS’
INDIVIDUAL RESPONSIBILITIES**

Date Adopted/Last Revised: September 26, 2007



Governance Process

The individual and collective participation of its members is integral to the leadership success of the Board.

Therefore, each Board member is expected to fulfill the following responsibilities:

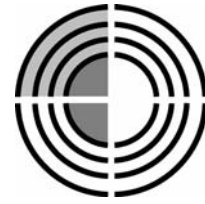
1. Attendance — As contemplation, deliberation and decision-making require collaboration and participation, Board members are expected to attend Board meetings and the annual Fall Board Retreat.
 - A. Absence from more than two of the Board's ten (10) regularly scheduled meetings in any fiscal year will constitute that member's resignation from the Board.
 - B. Absence from the annual Fall Board Retreat must be arranged in advance, regardless of regular Board meeting attendance and be approved by a majority vote of the Board.
 - C. Exceptions to this attendance policy will be made only if the individual requests reinstatement, in writing, to the Board, and the Board, by majority vote, approves reinstatement.
2. Preparation and Participation — Board members will prepare for Board and committee meetings and will participate productively in discussions.
3. Members as Individuals — The CEO is accountable only to the Board as a whole, and not to individual Board members. Therefore, the relationship between the CEO and individual members of the Board, including the President, is collegial, not hierarchical.
4. Voluntarism — As the CEO is responsible for operational activities and results, members of the Board choosing, as individuals, to volunteer in operational capacities are subject to the direct supervision of the CEO or responsible staff person.
5. Participation in Organizational Activities —
 - A. In addition to Board meetings, Board members are expected to attend the following events/functions:
 - i. Annual Installation Event
 - ii. New Board Member Orientation (in first year of board service)
 - B. Board members are also encouraged to attending the following events/functions:
 - i. The C.A.R. President's Visit
 - ii. Realtor® Appreciation Event
 - iii.
 - iv.



**GOVERNING POLICIES OF
THE BOARD OF DIRECTORS**

**Policy 4.7 – BOARD COMMITTEE
PRINCIPLES**

Date Adopted/Last Revised: February 7, 2007



Governance Process

Board committees, when used, will have one essential role – to strengthen and support the work of the Board as a whole. Board committees are not to interfere with delegation from board to CEO, or from the CEO to other staff.

1. This policy applies to any group that is formed by board action, whether or not it is called a committee and regardless of whether the group includes board members. It does not apply to committees formed under the authority of the CEO.
2. Board committees are to help the board do its job, never to help advise or exercise authority over the staff. Board committees ordinarily will assist the board by preparing policy alternatives and implications for board deliberation. In keeping with the board's broader focus, board committees will normally not deal with current staff operations.
3. Board committees may not speak or act for the board except when formally given such authority for specified and time-limited purposes. Expectations and authority will be carefully stated in order not to conflict with authority delegated to the CEO.
4. Board committees cannot exercise authority over staff. Because the CEO works for the full board, he or she will not be required to obtain approval of a board committee before an executive action.
5. Board committees will be used sparingly and ordinarily in an ad hoc capacity.

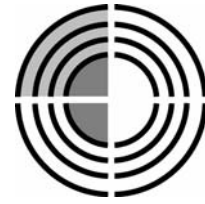


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GOVERNING POLICIES OF THE BOARD OF DIRECTORS

Policy 4.8 – BOARD COMMITTEE STRUCTURE

Date Adopted/Last Revised: February 7, 2007



Governance Process

A committee is a Board committee only if its existence and charge come from the Board, regardless of whether Board members sit on the committee. The only Board committees are those which are set forth in this policy. Unless otherwise stated, a Board Committee will cease to exist when its task is complete. Unless otherwise specified, the CEO, or his/her staff designee, will serve as a non-voting member of each committee.

1. Local Government Relations (LGR) Committee -

- A. Product: Review local legislative issues impacting private property rights or the ability of REALTORS® to conduct business, with recommendations to the Board for consideration regarding legislative or public policy effects to be achieved, including decisions regarding public positions.
- B. Authority: To incur costs of no more than \$___ in direct charges and no more than ___ hours per year of management time.
- C. Composition: *List committee leadership/Membership here.*

2. Audit Committee -

- A. Product #1: Annual specification of scope of financial audit, prior to outside audit, consistent with Board monitoring policy.
Product #2: Assessment and confirmation of auditor's independence, and engagement of auditor -- by no later than November 15 of each year.
Product #3: "Direct Inspection" monitoring of OAR's financial policies compliance, as determined by the Board per policy 3.4 (Monitoring CEO Performance)
- B. Authority: To direct work of outside auditors, to use management time as needed for administrative support, and to incur costs of no more than \$_____ for all matters related to the audit.
- C. Composition: *List committee leadership/Membership here.*

3. CEO Compensation Committee -

- A. Product: Recommendations for Board consideration regarding adjustments to the CEO's compensation and benefits package. Due to the Board by the October meeting each year.
- B. Authority: To incur costs of no more than \$___ in direct charges, to include compensation surveys and outside counsel to draft employment agreement (if requested by Board), and no more than ___ hours of management time.
- C. Composition: *List committee leadership/Membership here.*

Continued on next page.

Policy 4.8 – BOARD COMMITTEE STRUCTURE (*CONTINUED*)

4. Professional Standards Committee –

- A. Product: Product: Ethics and Arbitration complaints are processed according to the procedures outlined in the Code of Ethics Manual, the Bylaws and according to the Guidelines of the California Association of REALTORS®.
- B. Authority: To incur costs of no more than \$___ in direct charges and no more than ___ hours per year of management time.
- C. Composition: *List committee leadership/Membership here.*

5. OAR Charitable Outreach Committee –

- A. Product: Coordination of Board participation in activities providing financial support to the East Oakland Community Project/Sharing Closet (at least \$_____ in 2008) and the Oral Lee Brown Foundation (at least \$_____ in 2008).
- B. Authority: To incur costs of no more than \$___ in direct charges and no more than ___ hours per year of management time.
- C. Composition: *List committee leadership/Membership here.*

6. BORPAC Committee –

- A. Product; Members are made aware of BORPAC issues and accomplishments, and are encouraged to contribute to BORPAC.
- B. Authority: To incur costs of no more than \$___ in direct charges and no more than ___ hours of management time.
- C. Composition: List committee leadership/Membership here.

7. Grievance Committee –

- A. Product: Validity of ethics complaints or requests for arbitration are determined. If deemed valid, complaints are forwarded to the Professional Standards Committee for hearing, all as specified by the NAR Professional Standards Manual.
- B. Authority: To incur costs of no more than \$___ in direct charges, and no more than ___ hours of management time.
- C. Composition: *List committee leadership/Membership here.*

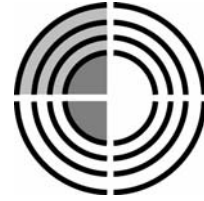


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**GOVERNING POLICIES OF
THE BOARD OF DIRECTORS**

Policy 4.9 – COST OF GOVERNANCE

Date Adopted/Last Revised: February 7, 2007



Governance Process

Because poor Governance costs more than learning to govern well, the board will invest in its governance capacity.

1. Board skills, methods, and supports will be sufficient to assure governing with excellence.
 - A. Training and retraining will be used liberally to orient new board members and candidates for membership, as well as to maintain and increase existing board member skills and understandings.
 - B. Outside monitoring assistance will be arranged so that the board can exercise confident control over organizational performance. This includes but is not limited to fiscal review.
 - C. Outreach mechanisms will be used as needed to ensure the board's ability to listen to member viewpoints and values.
2. Costs will be prudently incurred, though not at the expense of endangering the development and maintenance of superior capability.
 - A. Up to \$_____ in fiscal year 2008 for Board training, including publications.
 - B. Up to \$_____ in fiscal year 2008 for Board member travel/reimbursements (attendance at conferences, workshops, etc.)
 - C. Up to \$_____ in fiscal year 2008 for audit and other third-party monitoring of organizational performance.
 - D. Up to \$_____ in fiscal year 2008 for surveys, focus groups and opinion analyses.
 - E. Up to \$_____ in fiscal year 2008 for Board-hosted ownership linkage/outreach events.
 - F. Up to \$_____ in fiscal year 2008 for Board meeting and retreat costs.
 - G. Up to \$_____ in fiscal year 2008 for Board committee functions.
3. The Board will establish its governance budget for the next fiscal year each year during the month of November.