

OFFICE POLICY MANUAL

REALTY PRO 100SM

TABLE OF CONTENTS

| | |
|---|---------|
| A. About Realty Pro 100SM | Page 6 |
| 1. General | Page 6 |
| 2. Vision Statement | Page 6 |
| 3. Mission Statement | Page 6 |
| B. Policy Manual | Page 6 |
| 1. Glossary of Terms | Page 6 |
| 2. General Purpose | Page 7 |
| 3. Incorporated Items and Agreement to Comply | Page 8 |
| 4. Associate/Broker-Associate Licensing, Legal and Affiliation Requirements | Page 8 |
| 5. Responsibilities | Page 9 |
| 6. Exceptions to Policies and Procedures | Page 9 |
| 7. Changes in Manual | Page 9 |
| 8. Applicability of and Exclusions from The Manual | Page 9 |
| 9. Conflict with Associate/Broker Independent Contractor Agreement | Page 9 |
| C. Independent Contractor Relationship | Page 9 |
| 1. Independent Contractor | Page 9 |
| 2. Tax Filing Requirements | Page 10 |
| 3. Broker-Associates | Page 11 |
| 4. Company Authorization to Execute Agreements | Page 11 |
| 5. Non-Disparagement | Page 11 |
| 6. Termination of Affiliation | Page 12 |
| D. General Office Procedures | Page 12 |
| 1. Real Estate Office Business Hours | Page 12 |
| 2. Observed Holidays | Page 12 |
| 3. Contacting the Company | Page 12 |
| 4. Substance Use | Page 13 |
| 5. Smoking | Page 13 |
| 6. Company Meetings | Page 13 |
| 7. Office Security | Page 13 |
| 8. Office Appearance | Page 13 |
| 9. Dress Code | Page 14 |
| 10. Parking | Page 14 |

| | |
|--|---------|
| 11. Changes in Contact Information _____ | Page 14 |
| 12. Desk _____ | Page 14 |
| 13. Conference Rooms _____ | Page 14 |
| 14. Telephone Policy _____ | Page 14 |
| 15. Office Equipment _____ | Page 15 |
| 16. Keys and Access Cards _____ | Page 15 |
| 17. Professional Conduct _____ | Page 15 |
| 18. Working at Home _____ | Page 15 |
| 19. Fees and Commissions _____ | Page 15 |
| 20. Monthly Advances/Draws _____ | Page 16 |
| 21. Deductions _____ | Page 16 |
| 22. Trust Fund Handling _____ | Page 16 |
| 23. Safe Work Environment _____ | Page 17 |
| 24. Safe Driving _____ | Page 17 |
| 25. Personal Transactions _____ | Page 18 |
| 26. Leaves of Absence _____ | Page 18 |
| 27. Jury Duty _____ | Page 19 |
| 28. Injury at Work _____ | Page 19 |
| 29. Anti-Trust Guidelines _____ | Page 19 |
| 30. Transaction Coordinators _____ | Page 19 |
| 31. Vacation/Time Off for Associates and Broker-Associates _____ | Page 19 |
| 32. Associate and Broker-Associate Business Expenses _____ | Page 20 |
| 33. Associate and Broker-Associate Vehicles _____ | Page 20 |

E. Observance of Personal Safety Practices

| | |
|---|---------|
| 1. Client Appointments _____ | Page 21 |
| 2. Associate/Broker-Associate ID Form _____ | Page 21 |

F. Maintaining Files

| | |
|--|---------|
| 1. General _____ | Page 22 |
| 2. Broker Review _____ | Page 22 |
| 3. The Listing/Management/Commission Agreement _____ | Page 22 |

G. Handling Clients _____ Page 23

| | |
|--|---------|
| 1. Proprietary Information _____ | Page 23 |
| 2. Fair Housing _____ | Page 23 |
| 3. Agency Relationships and Duties _____ | Page 23 |
| 4. Sharing Information _____ | Page 24 |
| 5. Taking Listings _____ | Page 24 |
| 6. Negotiating Commissions _____ | Page 25 |
| 7. No Advance Fees _____ | Page 26 |
| 8. Referral Fees _____ | Page 26 |

| | |
|--|----------------|
| 9. Powers of Attorney _____ | Page 26 |
| H. Personal Assistants _____ | Page 26 |
| 1. General _____ | Page 26 |
| 2. Unlicensed and Licensed Assistant _____ | Page 27 |
| 3. Payment/Tax Reporting _____ | Page 27 |
| 4. Salesperson–Personal Assistant Contract _____ | Page 28 |
| 5. Supervision _____ | Page 28 |
| 6. Indemnity _____ | Page 28 |
| 7. Workers Compensation _____ | Page 28 |
| I. Advertising Guidelines _____ | Page 28 |
| 1. General _____ | Page 28 |
| 2. Legal and Ethical Considerations _____ | Page 29 |
| 3. Company Name and Logos _____ | Page 29 |
| 4. Company Colors & Font Style _____ | Page 30 |
| 5. Servicemark _____ | Page 30 |
| 6. Team Branding _____ | Page 31 |
| 7. Realtor® Trademark _____ | Page 31 |
| 8. Telephone: Do-Not-Call Compliance _____ | Page 31 |
| 9. Fax and E-Mail Advertising _____ | Page 32 |
| 10. Websites: Privacy _____ | Page 32 |
| 11. Regulation Z _____ | Page 32 |
| 12. Fair Housing in Advertising _____ | Page 33 |
| J. Information System Policies _____ | |
| 1. Company Computers _____ | Page 34 |
| 2. Personal Computers _____ | Page 34 |
| 3. Website _____ | Page 35 |
| 4. Email _____ | Page 35 |
| 5. Tech Equipment Insurance _____ | Page 35 |
| 6. The World Wide Web _____ | Page 35 |
| K. Discrimination Policy _____ | Page 36 |
| 1. Fair Housing Laws _____ | Page 36 |
| 2. Discrimination _____ | Page 37 |
| 3. Harassment _____ | Page 37 |
| L. Political Involvement _____ | Page 40 |
| M. Litigation & Claims Handling _____ | Page 40 |
| 1. General _____ | Page 40 |

| | |
|--|----------------|
| 2. Legal Defense _____ | Page 41 |
| 3. Allocation of Cost Defense _____ | Page 42 |
| 4. Disputes During Escrow _____ | Page 43 |
| 5. Agent Owned Property _____ | Page 44 |
| N. Resolution of Disputes _____ | Page 44 |
| 1. Intra-Office Disputes Between Associates/Broker-Associates ____ | Page 44 |
| 2. Disagreement Between Company and Associate/Broker-Associates _____ | Page 44 |
| 3. Code of Ethics & License Law Violations _____ | Page 44 |
| O. Confidentiality of Information _____ | Page 45 |
| P. Termination _____ | Page 46 |
| 1. Grounds for Termination _____ | Page 46 |
| 2. Associate/Broker-Associate Compensation on Termination ____ | Page 46 |
| 3. Listings _____ | Page 47 |
| 4. Other Obligations Upon Termination _____ | Page 47 |
| 5. Accounts Disposition Upon Termination _____ | Page 47 |

A. About Realty Pro 100SM

1. General

Realty Pro 100SM is a real estate brokerage that is licensed by the California Bureau of Real Estate under the name: Hospitality Realty Corp, and does business as Realty Pro 100SM (the "Company")

2. Vision Statement

Realty Pro 100SM is a boutique, high end hospitality-driven Real Estate organization. We are a traditional real estate company focused on building lasting relationships through an exceptional level of customer service.

3. Mission Statement

Realty Pro 100SM is a real estate company built on traditional values emphasizing lasting relationships through its beliefs, principles and exceptional hospitality.

B. Policy Manual

1. Glossary of Terms

- a. "Associate" means California-licensed real estate agent who is affiliated with, but not employed by, the Company.
- b. "BRE" means California Bureau of Real Estate.
- c. "Broker" means the Company.
- d. "Broker-Associate" means a California-licensed real estate broker, but not the Broker and who is affiliated with, but not employed by, the Company.
- e. "CAR" means California Association of REALTORS®.
- f. "Company" means Realty Pro 100SM.
- g. "CE" means Continuing Education.
- h. "ICA" means the Independent Contractor Agreement between Associate or Broker Associate and Company.

- i. "MLS" means Multiple Listing Service.
- j. "NAR" means National Association of REALTORS®.
- k. "PWR" means Pacific West Association of REALTORS®.
- l. "Policy Manual" means the Company policies and procedures set forth in this manual.
- m. "Supervisor" means the Company employee's role as a California real estate broker in fulfilling his or her legal obligations over the Associate's/Broker-Associate's work, and the term "Supervisor" shall not create any actual or inferred employer-employee relationship between the Company and Associate or Broker-Associate.
- n. "TC" means Transaction Coordinator, and has the meaning set forth in Section 31.

2. General Purpose

- a. The purpose of this Policy Manual is to:
 - i. Establish a uniform system of daily conduct by and between us when dealing with each other, other members of the Company, our clients and members of the public. You and Company each agree to engage in business in an honest, professional manner in order to create positive client relations, goodwill and profits.
 - ii. Provide you with the Company's policies and guidelines to help provide quality service to our clients and avoid disputes with and liability to others.
 - iii. Provide an orderly system of conflict resolution
- b. As a representative of the Company, you agree that, in the event of any possible conflict of interest, you will immediately notify the Company in writing so that the Company can take appropriate steps in rectifying the conflict for the mutual protection of all parties. For purposes of this Policy Manual, a potential conflict of interest occurs when your outside interests (for example, financial or personal interests) interfere with the Company's interests or your work-related duties. For example, a conflict of interest can occur when you are in a position to influence a

decision that may result in a personal gain for you, or your family members or friends as a result of the Company's business dealings.

3. **Incorporated Items and Agreement to Comply**

The following items are incorporated into this Policy Manual by reference, as if set forth herein verbatim, whether or not the items are attached:

- California and federal real estate laws.
You agree to observe, and strictly adhere to, all applicable local, state, and federal laws, rules and regulations, the NAR Code of Ethics and Bylaws of the Local, State and National Associations of REALTORS®, the California Regional MLS, and any other applicable MLS.
- You agree to conform to and abide by all laws, rules, and regulations that are binding on, or applicable to, California real estate licensees.
- You agree to strictly adhere to the governing rules and regulations of the California BRE, the Code of Ethics of the NAR, Local Association governing documents (Bylaws, MLS Rules and Regulations, etc.).
- By signing and initialing below, you acknowledge receipt of a copy of this Policy Manual, the NAR Code of Ethics, the local Board/Association Bylaws, and the Rules and Regulations of the applicable MLS.

4. **Associate/Broker-Associate Licensing, Legal and Affiliation Requirements**
The following provisions will be complied with at your sole expense:

a. **Real Estate License and Mandatory Continuing Education**

- i. You shall maintain your own current real estate license in good standing
- ii. You shall meet all CE requirements as established by the California BRE. Proof of CE compliance and license renewal shall be provided to Company no later than fifteen (15) days prior to the applicable renewal date.
- iii. You are responsible for all CE, licensing and license renewal fees, mandatory errors and omission insurance deductible(s), and fees relating to name changes

b. **Membership in the Association of REALTORS®**

- i. You agree to become a member of PWR, CAR, and NAR and to be responsible for paying all applicable dues and fees in a timely manner.

- ii. You expressly understand that you may choose to join any real estate association in which the Company holds membership. You may also join other associations as a secondary membership even if the Company holds no membership in the particular association.
 - iii. You also understand the Company is a member of the CAR, the NAR and may belong to any of the Institutes and Societies of the NAR
 - iv. You agree to abide by the rules and regulations of the organizations to which Company must adhere as a member thereof.
- 5. Responsibilities
You are responsible for working in accordance with the policies and procedures in this Policy Manual. Your failure to comply with the policies and procedures in this Policy Manual may result in the termination of your affiliation with the Company
- 6. Exceptions to Policies and Procedures
When exceptions to this Policy Manual appear to be needed, they shall be discussed in advance with the Supervisor. Any exceptions shall be in writing and apply only to the particular situation for which the exception is granted.
- 7. Changes in Manual
This Policy Manual may be changed from time to time by the Company within its discretion. Changes may be made at any time and will be distributed either via email to your designated "realtypro100.ncom" email address or your personal email address provided upon affiliation. Proposals for policy or procedural changes should be sent to the Supervisor for study and recommendation.
- 8. Applicability of and Exclusions from The Manual
This Policy Manual only applies to Associates and Broker-Associates, and does not apply to Company employees.
- 9. Conflict with Associate/Broker Independent Contractor Agreement
In the event of a conflict between this Policy Manual and your Associate/Associate-Broker Independent Contractor Agreement, the terms of this Policy Manual shall prevail.

C. Independent Contractor Relationship

1. Independent Contractor

- a. You have signed an Independent Contractor Agreement ("ICA") with the Company and therefore, your relationship with the Company is an affiliation as an independent contractor. You do not have an employee-employer relationship with this Company. The Company, however, has the responsibility under California real estate law to supervise the conduct of Associates and Broker-Associates operating under the Company broker license. You are considered to be an independent contractor for all purposes, including, without limitation, tax and unemployment insurance purposes. You are not subject to the minimum wage laws. The Company will provide Workers' Compensation insurance for you, with the understanding that such coverage creates no actual or implied employer-employee relationship between you and the Company. You will not be eligible to participate in any vacation, group medical or life insurance, disability, profit sharing or retirement benefits, or any other fringe benefits or benefit plans offered by the Company to its employees, and the Company will not be responsible for making any insurance contributions, including unemployment or disability. You shall be responsible for, and shall indemnify the Company against, all such contributions, including penalties and interest. Any persons employed by you in connection with the performance of your services shall be your employees and you shall be fully responsible for them.
- b. Your ICA with the Company sets forth the duties and responsibilities of you and the Company. By way of example, and not limitation, the ICA includes the following provisions:
 - i. The terms of compensation for work performed during the time of affiliation with the Company or for work in progress but not completed prior to termination of your affiliation with the Company.
 - ii. After termination of your affiliation with the Company, the disposition of all active listings, pending sales, and buyer agency agreements, that the Associate or Broker-Associate obtained during affiliation with the Company.
 - iii. Delivery by the Associate or Broker-Associate of all files and documents pertaining to listings, leads, and transactions to the Company either upon request or termination of the ICA.

2. Tax Filing Requirements

The Company is not responsible or liable for withholding or paying any payroll, Social Security, or other federal, state or local taxes, income, or unemployment taxes for any brokerage sales and related income. Each Associate and Broker-Associate is responsible for maintaining all business and financial records necessary for purposes of reporting income as required by state and federal agencies and for reporting income as required by law. The Company's obligation is limited to providing a 1099 Miscellaneous Income form to you and to government agencies as required. You shall be responsible for, and shall indemnify the Company against, all such taxes including penalties and interest.

3. Broker-Associates

If you are a Broker-Associate, you may not affiliate with another broker or company nor engage in real estate brokerage transactions in your own name instead of the Company's name, without prior written consent of the Company Chief Executive Officer.

4. Company Authorization to Execute Agreements

- a. The obligation, commitment, or binding of a promise of representation by the Company is not valid unless the Associate or Broker-Associate receives authorization from the Company in writing and provided that the Associate or Broker-Associate is authorized to execute listing agreements, buyer/seller agency agreements, and other approved forms on behalf of the Company and that the commission involved in the transaction is not less than that specified by the current policy of the Company and the ICA.
- b. Authority to terminate a listing agreement, buyer/seller representation agreement, or other legal or agency agreement, or make amendments to the agreement that alter the term and/or change the amount of compensation established in the agreement is prohibited unless such request is first presented to the Company or a Supervisor of the Company who is authorized to execute such terminations and amendments and grants authorization in writing.

5. Non-Disparagement

You agree not to make any statements, written or verbal, or cause or encourage others to make any statements, written or verbal that defame, disparage or in any way criticize the personal or business reputation, practices, or conduct of the Company, its employees, directors or officers.

You acknowledge and agree that this prohibition extends to statements, written or verbal, made to anyone, including but not limited to, the news media, internet and social media of any kind, competitors, vendors, employees (past and present), and clients. You also agree to remove all such content from social media or other sites that have been posted or displayed prior to your affiliation with the Company. This provision shall survive termination of your ICA.

6. Termination of Affiliation

Your independent contractor affiliation with the Company under the ICA may be terminated at any time and without cause by you or the Company.

D. General Office Procedures

1. Real Estate Office Business Hours

Business hours are:

Mondays–Fridays: 9:00 AM to 5:00 PM

Saturdays: Closed

Sundays: Closed

2. Observed Holidays

The following holidays will be observed, and the office will be closed

- New Year's Day
- Martin Luther King's Day
- Presidents Day
- Good Friday (1/2 day),
- Memorial Day
- Independence Day
- Labor Day
- Veterans Day
- Thanksgiving
- Day after Thanksgiving
- Christmas Day as recognized under federal guidelines each year

While the office may be closed, Associates or Broker-Associates who sign for, and are provided with office keys, may use the office at their own discretion.

3. Contacting the Company

Emergency Contacts

If you are involved in an incident resulting in serious injury to people or property, immediately dial

911.

Non-Emergency Contacts

A representative of the Company will generally be available during business hours to discuss real estate matters. In a business emergency, the representative may be contacted at his or her home after business hours. If the representative cannot be reached, you should not act until you are able to contact the Company; however, if the emergency pertains to the wording of a sales agreement, a protective clause to the effect that "this agreement subject to the review and approval of (client's) legal counsel within (a time frame) after acceptance of this offer" should be inserted in the contract.

4. Substance Use

Drugs, with the exception of prescription drugs necessary for you to perform your services, are prohibited in the Company's office or while rendering services outside the office, and their use may be grounds for suspension or termination.

Under no circumstances is an Associate or Broker-Associate to perform his/her services with a client who is substance impaired. In the event that an Associate/Broker-Associate suspects that a client is under the influence of drugs, or is otherwise impaired, you are to cease transacting business and resume only when the client is no longer under the influence.

5. Smoking

Smoking is not permitted on the Company premises, except in specifically designated areas if any.

6. Company Meetings

Sales meetings are held on a regular basis at the office or other location as designated by the Supervisor. The purpose of these meetings is to provide a format for the exchange of market opinions and ideas, helpful anecdotes, market statistics, recent sales, new listings, mortgage news, training, and any other information deemed valuable to you. These meetings are voluntary in nature, but all Associates and Broker-Associates are strongly encouraged to attend.

7. Office Security

By accepting a key or other means of accessing the Company's office, you are also accepting responsibility for safeguarding the office. Immediately inform the Company of any lost key. There will be a charge for replacement of lost or stolen keys. The Company is not responsible for any theft or loss of

personal items left in the office. The last person leaving the office must make sure that all accesses into the building are firmly secured, all lighting and business equipment and appliances are turned off, and that the security alarm is activated before leaving the building

8. Office Appearance

The Company employs a cleaning service to do general interior cleaning of the offices on a regular basis. However, when you are conducting work in the office, it is your responsibility to keep your work area clean, tidy, and professional in appearance. Your office appearance is a reflection on yourself as well as the Company when clients and customers are visiting. Any public areas, including conference or meeting rooms, kitchen, or restrooms, must be reorganized and cleaned after usage.

9. Dress Code

During business hours proper business attire is a requirement when you are working at the office. This policy is intended as a courtesy to other Associates, Broker-Associates, and Company employees who may be meeting with third parties at the office. (e.g. shorts, T-shirts, tank tops, or flip flops are not considered appropriate attire).

10. Parking

You may only park in lot spaces assigned to the office. If there are no available spots, please park your vehicle in the open space parking.

11. Changes in Contact Information

All changes in name, address, telephone numbers, email address and other pertinent information of any Associate or Broker-Associate must be reported immediately by you to the Company office manager and to the BRE and the local Association of REALTORS® if appropriate. You are responsible for any fees associated with name, address and telephone number changes charged by the BRE or the Association of REALTORS®. You will be responsible for paying for any costs of printing new materials to reflect these changes.

12. Desk

You will not be provided a specific desk space in the office unless otherwise agreed between you and your Supervisor. You are responsible for keeping your desk and the area immediately around it in a neat and professional appearance

13. Conference Rooms

Conference rooms are available for your use. They are available on a first-come, first-served basis unless a reservation has been made in advance. Be considerate of others. When you finish using the room, leave promptly and be sure to clean up before you leave.

14. Telephone Policy

There is one office land line. This line is not for Associate's or Broker-Associate's use (personal or business). You may only use this line in the case of an emergency. You are expected to use your own cell phone in the conduct of your business.

15. Office Equipment

There is a Company printer/copier/scanner/fax machine, and other necessary office equipment for your business (non-personal) use. The Company computer in the conference room is available for your use while using the conference room for an appropriate purpose. Please be considerate of others and limit your time when using shared equipment. You are expected to provide your own computer to conduct your day-to-day business.

16. Keys and Access Cards

You will receive a door key and/or access card, if necessary. Do not allow anyone else to use these items absent your Supervisor's prior written consent. All of these items must be surrendered immediately upon your termination.

17. Professional Conduct

- a. As a member of the NAR, you are expected to be familiar and comply with the Code of Ethics.
- b. We place a high value on cooperation in the Company between our Associates and Associate-Brokers, both in the sharing of market and inventory information, as well as collaborating to provide a high level of service to our clients. Cooperation between the Company and Associates and Broker-Associates fosters a congenial work place, ultimately benefits everyone, and fosters a high level of service to our clients.

18. Working at Home

As an independent contractor, you may work from your home, provided that you do not conduct personal consultations with clients at home. Remember

that the Company is the Broker that, under California law, is required to supervise your activity as a salesperson. Be sure that all listings, transactions, files and documents that you work on in your home are promptly uploaded to Skyslope (or other designated file management system) for review by your Supervisor in the same manner as if you were working from the office.

19. Fees and Commissions

All fees and commissions must be made payable to the Company. You will be paid out of the fees and commissions earned by you, and for which you are the procuring cause, based on the Commission Addendum incorporated into your ICA the Company. Payment to you, less expenses and offsets, is conditioned upon actual receipt of the fees and commissions by the Company. Payment is further conditioned upon review of your file by your Supervisor and the file being deemed by him/her to be complete.

20. Monthly Advances/Draws

It is the Company's policy to NOT pay monthly advances or draws to our salespersons.

21. Deductions

All expenses of any kind incurred by you with the Company; or incurred by the Company on your behalf, including unpaid draws and advances (if any), expenses for advertising, supplies, signs, etc., and/or any such expenses that you have agreed to pay the Company but have not paid in accordance with Company policy, will be deducted from the next commission payments due you, and your signature below authorizes any such deductions.

22. Trust Fund Handling

- a. As a regular part of the real estate business, you may receive funds on behalf and for the benefit of others, i.e., "trust funds." The California BRE Reference Book-A Real Estate Guide defines trust funds as "money or other things of value that are received by a Broker or salesperson on behalf of a principal or any other person, and which are held for the benefit of others in the performance of any acts for which a real estate license is required." The most common types of funds are:
 - earnest money deposits
 - option payments
 - rental security deposits
 - rental income owed to a property owner

- b. Improper trust fund handling may lead to civil, criminal and BRE action against you and the Company. Remember, you are entrusted with handling someone else's money.
 - c. The Broker may be deemed to have received trust funds when you receive them. A Broker is generally required to deposit trust fund money not later than the third business day after receipt, unless specifically authorized to hold a check received from an offeror uncashed in the manner specified by law. A salesperson who accepts trust funds must immediately deliver the funds to the Broker, unless otherwise directed by the Broker to deliver the funds into the custody of the Broker's principal, neutral escrow, or Broker's trust fund account.
 - d. If the funds of an offeror are to be held uncashed, such as the initial deposit on a purchase agreement, you must still deliver those funds to the Broker or designated Company staff person as required above.
 - e. If the funds are to be held uncashed, such as the initial deposit on a purchase agreement, you must fill out a trust fund log form with the Company when you receive a check, and when you release the check, such as to an escrow company.
 - f. If you do not have written permission to hold a trust fund check uncashed, the Company will promptly deliver it to the Broker's principal, neutral escrow, or Broker's trust account.
 - g. Trust funds are must be paid using money instruments, such as a personal check, cashier's check, or money order.
 - h. No funds will be disbursed from the Broker's trust account until the funds have cleared the appropriate financial institution and the Company has written authorization of the principal and prior approval of the Broker, or by legal process
23. Safe Work Environment
- The Company is committed to providing a safe work environment for its employees and affiliated independent contractor salespersons. If you observe any situation or condition which could pose a health or safety risk to employees, agents, clients or the public on any of the Company's premises, promptly notify your Supervisor.

24. Safe Driving

You are expected to keep your automobile in a properly maintained and safe operating condition at all times. You are responsible for damage or injury caused while driving. It is your obligation to drive in a safe, responsible and alert manner. This is especially true if you have clients in your car. Under California law, drivers are generally prohibited from using a wireless telephone, except a hands-free telephone, and from reading, writing or sending a text message while driving. Cell phones can be a distraction; do not become distracted while driving. Also, please see Section 34 below.

25. Personal Transactions

You may buy or sell real property for your personal use subject to the following guidelines.

a. **Listings**

See Agent-Owned Property for information regarding the handling of listings of property in which you have an ownership interest

b. **Commissions**

Upon the sale or purchase or lease of real property in California in which you have, or will have, an ownership interest, you agree to pay to the Company a commission based on the minimum fee exception stated in your Schedule 1 Addendum incorporated into your Independent Contractor Agreement with the Company.

c. **Indemnity**

Except as may be covered by the Company's Errors & Omissions policy of insurance, you agree to indemnify and hold harmless the Company from any and all claims against you and/or the Company arising out of the purchase, sale, or lease of any real property in which you have, or will acquire, an ownership or possessory interest.

d. **Disclose Interest in the Property**

In selling property, you own or in which you have an interest, you must disclose your ownership or interest in writing to the buyer or buyer's representative. If you act as the buyer's agent, you must also disclose the nature and extent of your direct or indirect ownership interest in the property by a person related to you by blood or marriage, by an entity in which you have any ownership interest, or by any other person with whom you have a special relationship.

- e. You must disclose to the owner or owner's agent in writing that you are a real estate licensee whenever you acquire an interest in or buy or present offers for yourself, any member of your immediate family, your firm, any member of your firm, or any entity in which you have an ownership interest.

26. Leaves of Absence

The Company may grant leaves of absence for extenuating personal reasons. Discuss any request for a leave of absence with your Supervisor, how any pending business will be handled, and how your commissions may be affected.

27. Jury Duty

Jury service is a civic duty. If you are called to serve on a jury, advise your Supervisor and arrange with your Supervisor to have a fellow salesperson handle your business while on jury duty.

28. Injury at Work

If you are injured at work or in a work-related activity, you must report the injury to your Supervisor at the earliest practicable time.

29. Anti-Trust Guidelines

Do not engage in any verbal or written conversations with agents or brokers with other companies that could be construed as an anti-trust violation, including, but not limited to, the following:

- the setting of commissions, charges or other fees to the public;
- boycotting or not doing business with a particular person or entity;
- the setting of rates or percentages of compensation to be paid to cooperating brokers;
- refraining from conducting business in specified territories, refraining from providing certain services, or refraining from servicing certain customers.

30. Transaction Coordinators

The use of a TC is highly encouraged. The job duties of the TC should include the following:

- Reviews all agreements and documents to determine if all signatures have been obtained
- Calendars all dates
- Monitors compliance with contractual requirements

- Orders inspections
- Originates Broker escrow files
- Arranges for delivery of documents
- Interfaces with outside affiliates such as lenders, mortgage brokers, and inspection companies, professional reporting companies, escrow companies and title companies
- Reports deficiencies, delinquencies or problems to the licensee and Broker.

31. Vacation/Time Off for Associates and Broker-Associates

As you are an independent contractor, the Company does not control your vacation or time off. However, if you plan to be absent from the Company for any significant period of time, you must inform the Company in writing. A substitute Associate or Broker-Associate approved by the Supervisor or the Broker must be assigned to cover for you during any absence. Failure to do this

will require the Company to make necessary assignments and determine the appropriate compensation, if any.

32. Associate and Broker-Associate Business Expenses

You are prohibited from obligating the Company to pay for any expenses absent the prior written consent of your Supervisor or the Broker.

Any expenses relating to customer/clients, transactions, entertainment or Associate's or Broker-Associate's personal promotion will be paid for by you, not the Company, unless otherwise agreed in writing by your Supervisor or the Broker.

All other advertising, promotional and office expenses will be paid for as stipulated in this office Policy Manual, the ICA, or other written agreement between you and the Company.

33. Associate and Broker-Associate Vehicles

- a. Transportation will not be provided by the Company. In the course of real estate transactions, you must use your personal vehicle. All operating, maintenance, repair and other related expenses will be paid for solely by you.
- b. The automobile will be clean and have a professional appearance in order to reflect well on you and the Company. It will be maintained in a safe operating condition at all times. You shall at all times carry liability

insurance on the automobile with coverage for personal injury and property damage. Liability coverage of \$100,000 per person/\$300,000 per accident must be obtained.

- c. Consult carefully with your insurance agent. You must have the Company named as an additional insured in your insurance policy, and provide a certificate thereof to the Company, and pay the cost of that additional coverage. Changes in coverage will not become effective against the Company until fifteen (15) days after the Company has received and approved the coverage changes. At the signing of this agreement and at the time of each policy renewal or change of carrier, you shall provide evidence of insurance to the Company. Business liability coverage shall also be maintained, possibly as part of Associate's/Broker-Associate's personal liability or homeowner's coverage.
- d. In accordance with California law, you must require that all passengers wear a seat belt and any child younger than eight years old, or under four feet and nine inches in height, to be secured in a car seat or booster. In addition, all children younger than eight must be secured in the back seat. For more information, see <http://www.dmv.org/ca-california/safetylaws.php>.

E. Observance of Personal Safety Practices

1. Client Appointments

- For safety purposes, ask buyers to meet you at the Company office for appointments, not at the property.
- Get to know customers before being alone with them.
- When buyers arrive at the Company office, introduce them to others there, so if necessary, colleagues can tell the Broker, the police, or others what the people look like.
- At the Company office, verify buyers' identity—name, phone number, and car license plate number—when the buyers come in for the first time. Make a photocopy of the buyers' driver's license and ensure buyers see the copy handed to another person in the office rather than just placed in a folder. If buyers refuse to identify themselves, Associates and Broker-Associates are to explain that their office policy requires it. If the refusal persists, Associates and Broker-Associates must not work with them.

- Always carry your cell phone with you and make sure it is fully charged and has reception. Program 911 into speed dial and don't hesitate to call for help.
 - Enter your itinerary into a log: where you're going, with whom you're going, the times of your showings, and when you're expected back. Don't carry a lot of cash or wear expensive watches or jewelry when showing property.
 - Exceptional situations. In some cases, it's not practical for buyers to meet first at the office. If buyers call and say they're at the property and want you to meet them, have a friend go along with you.
2. Associate/Broker-Associate ID Form
- The Company will keep on file in the office vital information on all Associates and Broker-Associates for emergency and other situations. This form includes your name, address, emergency contact, information on the car you drive, and list of primary physicians and special medications.

F. Maintaining Files

1. General
- Your files are a record of every event relative to your dealings with your client on a listing or sale transaction. You must retain copies of all listings, purchase agreements, cancelled checks, trust records, and other documents executed by you or obtained by you in connection with a real estate transaction, whether the sale is consummated or not. You must maintain an orderly file on every listing and sale on which you work. All files are the property of the Company and are to remain on Skyslope
2. Broker Review
- You must submit all signed documents to your Skyslope file within 2 business days of receipt by you. Your Supervisor will review the document for completeness and accuracy. Any incomplete or incorrect items or documents must be promptly corrected and returned to your Skyslope file.
- Prior to the close of every escrow, you are required to turn in your files to Skyslope. Any missing or incomplete items will be noted and you will be given a time period within which to comply. Remember, your file must be complete to receive compensation
3. The Listing/Management/Commission Agreement

- a. California law requires that a compensation agreement be in writing and signed by the party to be charged in order to be enforceable. If you represent a buyer in a for-sale-by-owner ("FSBO") transaction and the buyer is to pay a commission, you must have a written agreement with the buyer to pay that commission, such as a buyer-broker agreement.
- b. If seller has not signed, or will not sign a listing agreement, and if the seller is to pay the commission, you must have a written agreement with the seller, such as a single party compensation agreement.
- c. Unless approved in advance by your Supervisor, all listings will be "Exclusive Authorization and Right to Sell" listings. All listing and management agreements will be taken on the most current CAR Standard Forms or another form approved by the Broker.

G. Handling Clients

1. Proprietary Information

Treat all client information as confidential and proprietary. You have a fiduciary duty to your clients and should never use any information learned during the course of your representation of your clients in any manner adverse to their interests.

2. Fair Housing

We live and work in a diverse, multi-cultural society. The Company is committed to equal opportunity, fair housing and complying with all applicable local, state and federal fair housing laws, Article 10 of the NAR Code of Ethics and the NAR Code of Fair Housing Practices. See Section 11, Discrimination Policy.

3. Agency Relationships and Duties

a. Recognized Forms of Agency

The Company generally recognizes two forms of agency:

- Single Agency (Seller's Agent exclusively or Buyer's Agent exclusively)
- Dual Agency

Remember, the agency relationship is created through the Broker. If you have listed the property and another salesperson from this Company brings an offer from a buyer, a dual agency will be created.

b. Duties and Standards of Conduct

When you represent a principal in a transaction you have a fiduciary duty to that person. This means you have a duty of utmost care, integrity, honesty and loyalty in dealings with that principal. In addition, a listing agent owes the buyer, and a buyer's agent owes the seller the following duties:

- Honesty
- Good faith and fair dealing
- Disclosure of known facts materially affecting the value or desirability of the property that are not within the diligent attention or observation of the parties
- The exercise of reasonable skill and care in performance of your duties.

c. Agency Disclosure Requirements

- i. The agency disclosure law applies to sales, exchanges and leases for more than one year, involving real property improved with one-to-four dwelling units, stock cooperatives, and mobile homes. The law applies whether or not the property is owner-occupied. You must provide a statutory disclosure form entitled "Disclosure Regarding Real Estate Agency Relationships" (CAR form AD or similar form) in every applicable transaction
- ii. If you represent the seller, you must provide the disclosure form to the seller BEFORE entering into the listing agreement. Inform the seller of our policy regarding agency as set forth above.
- iii. If you represent the buyer, the law requires that you must provide the buyer with an agency disclosure as soon as practicable BEFORE executing an offer to purchase.
- iv. When you present an offer and this office is not the listing agent, you must also provide an agency disclosure to the seller as soon as practicable BEFORE presenting an offer. Delivery of the disclosure to the listing agent is generally sufficient.

4. Sharing Information

It is the Company's policy to make a full, open and sincere effort to cooperate with other Company salespersons including sharing information, unless the principal has given instructions to the contrary. This does not mean, however, that you should disclose confidential information about your client or the Company.

5. Taking Listings

- a. California law requires that a compensation agreement be in writing and signed by the party to be charged in order to be enforceable. Unless approved in advance by the Broker, all listings will be "Exclusive Right and Authorization to Sell" listings. Any exclusive listing agreement (including an exclusive agency or an exclusive buyer-broker agreement) must include a definite, specified date of final and complete termination. The claiming of compensation under an exclusive agreement which does not contain a definite, specified termination date can lead to revocation or suspension of a real estate license.
- b. Absent your Supervisor's prior consent, you must have all owners of a property sign the listing agreement before you begin marketing the property. If someone signs on behalf of another, you must have written evidence of the authority to act, such as a power of attorney or letter of administration. If a party refuses to sign the listing agreement, notify the signing parties in writing that it is Company policy not to market the property until all parties have signed the agreement.
- c. Before taking the listing, search the MLS to determine whether or not the property is currently listed with another broker. It is this Company's policy to not take a new listing until the existing listing has expired. NOTE: With the approval of your Supervisor, and subject to Article 16 of NAR's Code of Ethics, you may enter into a listing agreement now which will not become effective until after expiration of the prior agreement
- d. If the property is in escrow, continue marketing the property unless the seller agrees otherwise in writing. Make sure the listing does not expire before close of escrow. Get all modifications or extensions in writing.
- e. All listings are taken in the name of the Company, which reserves the right to reassign the listing upon request of the seller, or if the listing has not been handled properly, or the Company deems it in the best

interest of the client to do so. Any decision by the Company to reassign a listing is conclusive and you will have no right to a commission upon the sale unless agreed to by your Supervisor.

- f. If you represent a buyer in a for-sale-by-owner ("FSBO") and the buyer is to pay a commission, you must have a written agreement with the buyer to pay that commission, such as a buyer-broker agreement. If the FSBO seller is to pay the commission, you must have a written agreement with the seller, such as a single-party compensation agreement or a separate commission agreement.

6. Negotiating Commissions

While commissions are negotiable, the Company reserves the right to set minimum acceptable commissions on listing agreements. Your Supervisor will advise you of the Company's policy in this regard. You must get your Supervisor's permission to accept a listing at a commission lower than the Company's acceptable minimum commission

7. No Advance Fees

The payment by a principal to the Company prior to the performance of services is known as an Advance Fee. All Advance Fee arrangements must be pre-approved by the California Bureau of Real Estate. You may not propose or accept an Advance Fee without the express written approval of your Supervisor and the prior written approval of the Advance Fee arrangement and materials by the California BRE.

8. Referral Fees

The Real Estate Settlement Procedures Act ("RESPA") generally prohibits a settlement provider (real estate agent, lender, Title Company, etc.) from giving or receiving cash or anything else of value for the referral of business or in expectation of the receipt of future business, pursuant to a pre-existing agreement. One exception is between real estate brokers (but not mortgage brokers) for the referral of clients, in which case referral fees may be paid or received. RESPA generally applies to transactions involving properties with one-to-four residential units with a federally related mortgage loan (this includes most institutional loans). You may not, personally or on behalf of the Company, offer to give to, or to accept from, a non-real estate broker or agent a fee or thing of value for the referral of a client to you pursuant to a pre-existing agreement to do so. If you have any questions as to whether to accept such a fee or anything of value, contact your Supervisor.

9. Powers of Attorney

It is Company policy that you never act as an attorney-in-fact under a power of attorney for your clients. If your clients will not be available to sign documents related to a transaction, they should secure someone, other than you or someone connected with the Company, to act on their behalf. You should have the escrow company review any power of attorney to determine its sufficiency for its purposes for the attorney-in-fact to execute necessary documents.

H. Personal Assistants

1. General

- a. You may find hiring a personal assistant to be helpful to your business. In hiring a personal assistant, you become an employer and have employer responsibility in that relationship. Interviewing, hiring and contracting with the assistant will be solely up to you. You agree that any assistant you hire will be required to abide by this Policy Manual. If your assistant engages in any conduct that would violate this Policy Manual, or in any way acts in a manner to bring disrepute or potential liability to the Company, the Company reserves the right to demand that you terminate the assistant or otherwise prohibit him/her from entering the office for any reason, at any time.
- b. Any compensation due the assistant shall be arranged between you and your assistant, and will be your sole responsibility

2. Unlicensed and Licensed Assistant

- a. The general policy is that unlicensed office personnel (secretaries, assistants, personal assistants, receptionists, accounting personnel, etc.) are to be used in a support role to the main real estate business function of the Company. UNDER NO CIRCUMSTANCES will you authorize or allow unlicensed office personnel to engage in acts for which a real estate broker or salesperson's license is required.
- b. You must immediately disclose to the Company if your personal assistant has a real estate license. The personal assistant may not engage in any activity which requires a real estate license without: (1) the prior written consent of the Company; (2) entering into a written Broker/Associate-Licensee/Assistant Three-Party Agreement (CAR

Form TPA) or ICA (CAR Form ICA) detailing the personal assistant's relationship with the Company; and (3) submission of the personal assistant's real estate license to the Company.

- c. Licensed personal assistants are not subject to, nor paid in accordance with, the Company's Compensation schedule. Licensed personal assistants are compensated solely through your contractual arrangement with them. The Company shall never be obligated to pay your licensed personal assistant except as may be paid to such assistant out of funds in escrow, or from escrow funds actually received by the Company, and for which you have given specific instructions to the Company to pay such assistant.

3. Payment/Tax Reporting

You are responsible for determining whether your relationship with the personal assistant is that of employee/employer or independent contractor, and for proper withholding and reporting of taxes. The Company strongly recommends that these matters shall be discussed with an attorney and/or accountant before any decisions are made.

4. Salesperson–Personal Assistant Contract

You are required to have a written agreement with your personal assistant that expresses the nature of the relationship and each party's duties and responsibilities. The Company shall be given a copy of the agreement for its approval and records prior to its effective date.

5. Supervision

You are responsible for supervising all activities of your personal assistant, whether or not such activity requires a real estate license. When requested by your Supervisor, you shall report on the performance of the personal assistant.

6. Indemnity

Except as may be covered by the Company's Errors & Omissions policy of insurance, you agree to indemnify, defend and hold the Company harmless from all claims, demands, liabilities, judgments, arbitration awards and attorney fees for which the Company is subjected to by reason of any action taken or omitted by your personal assistant.

7. Workers Compensation

No Workers' Compensation insurance is provided by the Company for unlicensed assistants hired by agents. Agents who hire unlicensed assistants

shall be responsible for providing Workers Compensation insurance for those assistants where required. Agents should discuss this situation with a Workers' Compensation insurance representative, and/or check the State of California Division of Workers' Compensation website at <http://www.dir.ca.gov/dwc/>.

I. Advertising Guidelines

1. General

a. As used here, advertising includes, but is not limited to, the following:

- all display advertising
- all classified advertising with any publication including newspapers and magazines
- all mass mailing and faxes
- emails
- Internet postings
- social media postings
- television programs or ads
- flyers
- postcards
- all newsletters
- "for sale" signs and riders
- billboards
- business cards

b. All advertising must meet the following requirements;

- Inclusion of Company Logo
- Compliance with local board/commission laws and rules

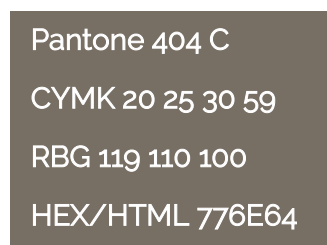
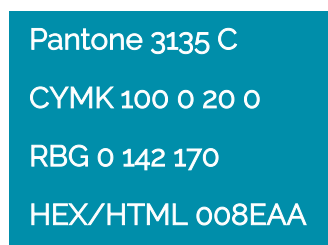
2. Legal and Ethical Considerations

a. Advertising is one of the most important tools for success in real estate. However, it must be used carefully. As an Associate/Broker-Associate and licensee, you have both a legal and ethical obligation to be truthful when advertising properties or services

b. All advertising must comply with all state and federal advertising requirements as well as the NAR Code of Ethics. Any advertisement

that the Company deems to be false or misleading may immediately be withdrawn by the Company without notice to you.

- c. Legally, you may be held liable for fraud, intentional misrepresentation, or negligent misrepresentation if you make materially false statements or material omissions in an advertisement. Additionally, you may face disciplinary action by the BRE.
 - d. Finally, licensees who place listings in the MLS in expectation of compensation are responsible for the truth of all representations in such had knowledge.
3. Company Name and Logos
Your use of the Company's name and logo must conform to the Company's graphic standards regarding the style, color and uses of the name and logo. These standards are available through the Company's marketing department. Digital logo files may be obtained through the Company's marketing department. No other uses of the Company name or logo are permitted without prior consent of your Supervisor.
 4. Company Colors & Font Style
 - a. The primary colors for the Company visual identity are Pantone 194C and Pantone 3135C. The supporting colors for the Company visual identity are Pantone 404C and Pantone Black 6C.



- b. The primary font style for the Company is **Raleway**
5. Servicemarks
The service marks and brands within the Company are important assets and are integral to our strong image. It is vital that we use them properly. The following marks are registered Servicemarks with the State of CA. Please include the appropriate symbol of SM on the following;
 - The Company DBA Realty Pro 100

ex. Realty Pro 100SM

- The Company tagline
ex. Realty Pro 100
Hospitality Driven ExcellenceSM
- The Company Logo



6. Team Branding

To build an agent brand, a custom logo may be placed on advertising with the Company Logo

7. Realtor® Trademark

The use of the name REALTOR® must be used in compliance with the National Association of REALTORS® guidelines governing the use of that name and mark. Those guidelines are available on-line at: www.realtor.org.

8. Telephone: Do-Not-Call Compliance

- You are required to comply with the do-not-call laws which generally prohibit "telephone solicitations" to residential and cell phone numbers registered on the National Do-Not-Call Registry. A "telephone solicitation" is defined as the initiation of any telephone call or message, unless exempt, "for the purpose of encouraging the purchase or rental of, or investment in, property, goods, or services, which is transmitted to any person."
- The Company may maintain a "do-not-call" list from, among other things, the federal Do Not Call Registry. You may not call anyone at their home or cell phone number if listed on that Registry unless an

exemption applies. Exemptions include written permission, an established business relationship or a personal relationship.

- i. **Written Permission** means the person being called has given prior express permission to call as evidenced by a signed, written agreement to be contacted at a specific number (e.g., CAR "Consent for Communications" form)
- ii. An **Established Business Relationship** means a prior or existing relationship formed by a voluntary two-way communication between a person or entity and a residential subscriber on the basis of either:
 - The consumer's business transaction with the Company in the past; or
 - The consumer's inquiry or application regarding the Company's services.
- iii. A **Personal Relationship** means any family member, friend, or acquaintance of the person making the call.

It is your responsibility to adhere to this policy and you will be solely responsible for any violation, including any fines, penalties, damages recovered, settlements or attorney's fees and costs.

9. Fax and E-Mail Advertising

- a. There are state and federal laws prohibiting faxing or e-mailing unsolicited commercial advertisements or solicitations. Exemptions include prior permission or an established business relationship. It is the Company's policy to adhere to these legal guidelines. Contact your Supervisor if you have any questions.
- b. It is your responsibility to adhere to this policy and you will be solely responsible for any violation, including any fines, penalties, damages recovered, settlements or attorney's fees and costs.

10. Websites: Privacy

- a. The Company maintains a website which advertises Company listings. It is the Company's policy to respect the privacy of persons visiting our

website. See the Company website Privacy Policy statement on-line for more details.

- b. If you maintain your own personal website, you must conform to the Privacy Policy statement on the Company website in all your interactions with visitors to your website. Your personal website must also conform to other online privacy and other laws, to this Policy Manual, to MLS rules and to the NAR Code of Ethics.

11. Regulation Z

- a. You are required to adhere to the requirements of federal Truth-in-Lending laws (also known as "Regulation Z") for advertising certain credit transactions or financial terms. Under Regulation Z, if an advertisement states a specific finance charge, the charge must be expressed as an annual percentage rate (APR).
- b. If any of the following terms are used in the advertisement:
 - the amount or percentage of the down payment
 - the amount of any installment payment
 - the dollar amount of any finance charge
 - the number of installments
 - the period of repayment

then the advertisement MUST include all of the following specific terms:

- down payment
 - terms of repayment
 - rate of finance charge expressed as an annual percentage rate
 - if the annual percentage rate maybe increased after the transaction is consummated that fact.
- c. Any advertisement of commission rates, discount points, reductions or incentives must be approved by the Broker prior to your placement or use

12. Fair Housing in Advertising

- a. The Company is committed to equal opportunity and fair housing in all of its advertising.

- b. Federal law states that a broker may not print, publish or make any discriminatory notice, statement or advertisement which indicates a preference, limitation or discrimination in the sale or rental of a dwelling. The prohibition against discriminatory advertisements applies to all oral and written statements, including flyers, brochures, signs, banners, posters and billboards used in the sale of a dwelling.
- c. Be aware that the selective use of words, phrases, symbols, visual aids and media in the advertising of real estate may indicate preferences held by the advertiser and lead to allegations of discriminatory housing practices. Words in a real estate advertisement which indicate a particular race, color, sex, handicap, familial status, national origin, gender identity, gender expression, sexual orientation, marital status, ancestry, source of income or genetic information may violate the Federal Fair Housing Act and/or the California Fair Employment and Housing Act and may not be used in Company advertisements at any time.

J. Information System Policies

1. Company Computers

The Company provides a limited number of computers for use by you. The following rules apply:

- For Associates, Broker-Associates, or Company employee use only
- First-come, first-served
- Do not leave personal files or information on these computers – they are not secure
- For real estate related business use only: please don't waste materials, or waste time on the computers to the detriment of others
- Don't send unsolicited junk or nuisance mail
- Your use must be lawful, honest and decent, and must have regard to the rights and sensitivities of other people
- Log off any online services when finished
- All outside source software, disks, or data input sources must be checked for viruses and pre-approved by the Company before downloading, loading, or importation
- Don't store any personal information in electronic form about yourself or other people on these computers
- Don't delete, disable or tamper with any software provided by the Company

- Don't tamper with the hardware or any network or power connections
- Don't connect your own equipment to the network except in approved locations provided for that purpose
- It's your responsibility to keep your passwords and usernames secure; never allow anyone else access to them
- Never use anyone else's account, with or without their permission
- Make sure you log out when you finish using the computer
- Transmission or importing of any material or data in violation of any federal or state law or regulation is prohibited, including, but not limited to, copyrighted material, threatening, pornographic, or obscene material, or information constituting trade secrets.
- Any duplication of copyrighted software, except for backup purposes, is a violation of the Federal Copyright Law. Associates/Broker-Associates who are aware of any misuse of software on the information systems or in related documentation shall immediately notify the network administrator.

2. Personal Computers

Associates and Broker-Associates may bring personal computers and software to the office as appropriate to conduct your business. The Company will provide wired and secure wireless Internet access at the office. The Company is not responsible for any damage or loss of your personal computer or data on your personal computer.

3. Website

Associates/Broker-Associates are encouraged to have their own personal website. If desired, the Company will provide you with a Company domain website. All regulations of the BRE should be followed as to content and identification of the Company. A Company website utilizing the IDX system will be maintained in order to display the Company's listings and participating brokers' listings to the public and to attract leads and new customers.

4. Email

- a. If desired, an email address will be assigned to you immediately upon your affiliation with the Company as an independent contractor. Any Associate or Broker-Associate who receives threatening, harassing or improper communications shall immediately report the situation to the Company.

- b. All email accounts maintained on the Company's email system are property of the Company. Company has the right to read and keep a record of any emails that you transmit via the Company's email system.
 - c. The Company allows its email access primarily for business purposes. You may use the Company's email system for personal use only in accordance with this policy.
- 5. Tech Equipment Insurance
 - a. Though insurance for the office and its contents is maintained by the Company, each Associate and Broker-Associate should purchase coverage on their personal computer, printer and other equipment and gadgets as deemed appropriate. Check with your insurance agent for more information.
 - b. Each Associate and Broker-Associate is responsible for acquiring and maintaining all software and hardware needed to provide professional real estate services, to include but not limited to, a computer, printer, computer faxing software, and CAR forms software.
- 6. The World Wide Web

Our Internet communications may not be secure. The Internet should not be used for communications that require confidentiality or involve financial transactions without both ensuring the security of the communication via an accepted mechanism and receiving written approval from your Supervisor for such communications.

K. Discrimination Policy

- 1. Fair Housing Laws
 - a. The major federal fair housing law is the Fair Housing Act. Title VIII of the Civil Rights Act of 1968, as amended, prohibits discrimination in the sale, rental, and financing of dwellings, and in other housing-related transactions, based on race, color, national origin, religion, sex, familial status (including children under the age of 18 living with parents or legal custodians, pregnant women, and people securing custody of children under the age of 18), or handicap (disability, including persons with AIDS).

- i. It is illegal to discriminate against any person because of age, race, creed, color, religion, sex, handicap, familial status or national origin:
 - In the sale or rental of housing or residential lots
 - In advertising the sale or rental of housing
 - In the financing of housing
 - In the provision of real estate company services
 - In the appraisal of housing
 - Blockbusting or inducing or attempting to induce for profit a person to sell or rent a dwelling by representations regarding the entry into the neighborhood of a person or persons belonging to one of the protected classes, is also illegal
- b. In addition to the protected classes described above, the California Fair Employment and Housing Act and other state laws also prohibit discrimination in the sale, rental, and financing of dwellings, and in other housing-related transactions, based on gender identity, gender expression (a person's gender-related appearance and behavior whether or not stereotypically associated with the person's assigned sex at birth), sexual orientation, marital status, ancestry, source of income, genetic information, religious grooming, breastfeeding, or any arbitrary classification
- c. NAR and HUD developed a REALTOR® Fair Housing Declaration, a guideline of general fair housing principles, to which the Company firmly subscribes. Under the fair housing principles, you agree as follows:
 - Provide equal professional service without regard to the race, color, religion, sex, handicap, familial status or national origin of any prospective client, customer, or of the residents of any community.
 - Keep informed about fair housing law and practices, improving your clients' and customers' opportunities and your business.
 - Develop advertising that indicates that everyone is welcome and no one is excluded, expanding your clients' and customers' opportunities to see, buy or lease property.
 - Inform your clients and customers about their rights and responsibilities under the fair housing laws by providing brochures and other information.

- Refuse to tolerate non-compliance.

Source: NAR at <http://www.realtor.org/programs/fair-housing-program/fair-housing-declaration>

- d. All Associates/Broker-Associates of the Company will adhere to the process as outlined in the NAR Fair Housing Handbook, which is attached to and made a part of this office Policy Manual.

2. Discrimination

We bring together associates with a wide variety of backgrounds, skills, and cultures. We value different ideas, opinions, and experiences and are committed to sustaining a culture of inclusion and diversity. Combining such a wealth of talent and resources creates the diverse and dynamic teams that consistently drive outstanding results.

We do not tolerate discrimination of any kind. We provide equal employment opportunities for all regardless of race, color, religion, gender, national origin, age, sexual orientation, physical or mental disability, military/veteran status, marital status, gender identity, ethnic background, or any other legally protected classification.

The Company will investigate any accusation of discrimination. If the investigation confirms a possible violation of discrimination laws, your actions may be reported to the BRE for further investigation and disciplinary action. Your affiliation with the Company may also be terminated.

3. Harassment

- a. Professional behavior is a requirement around your fellow Associates, Broker-Associates Supervisors, Company employees, staff and customers. We do not tolerate harassment of any kind. Verbal or physical conduct that harasses another, disrupts another's work performance, or creates an uncomfortable, intimidating, offensive, abusive, or hostile work environment will not be tolerated. Some examples of harassment include, but are not limited to, the following:

- i. Sexual Harassment

Displaying power over a man or a woman because of gender through disparaging gender-related remarks and threatening behavior. Unnecessary touching, unwelcomed jokes of a sexual nature, inappropriate gestures or use of suggestive

materials, intimidating or otherwise inappropriate behavior, such as asking for, or offering, sexual favors, homophobic remarks, threats to disclose sexuality, and intimate questions about sexual activity.

ii. Racial Harassment

Inappropriate comments, questions, and/or jokes about racial or ethnic origin, offensive graffiti and intimidating behavior, including threatening gestures.

iii. Personal Harassment

Making fun of personal circumstances or appearance.

iv. Bullying

This can be physical or psychological. Examples of psychological bullying include unmerited criticism, isolation, shunning, gossip, essential information withheld, or behavior that is intimidating or demeaning.

v. Harassment of Disabled People

Discussion of the effects of a disability on an individual's personal life, uninvited touching or staring, and inappropriate comments or questioning about the impact of someone's disability.

vi. Age Harassment

Derogatory age-related remarks and unjustifiable dismissal of suggestions on the grounds of the age of the person.

vii. Stalking

This can be physical or psychological. Examples include leaving repeated or alarming messages on voice mail or email, following people home, or approaching others to ask for personal information.

- b. In the event an Associate or Broker-Associate feels that he or she has been harassed, he or she must immediately report the incident to the Company. The Supervisor shall take reasonable precautions to keep confidential the identity of the accuser, as well as the accused. The Company will commence an investigation and prepare a written report. Under certain circumstances, such as if the accused is the Supervisor, an outside investigator may be retained. Retaliation against

complainants is strictly prohibited. Any Company employee, Associate, Broker-Associate, or staff found to have engaged in harassment may be subject to disciplinary action up to and including reprimand, counseling, suspension, and termination.

L. Political Involvement

We believe that our associates benefit from being active in the community through good citizenship. We recognize that our associates have a right to voluntarily participate in the political process including volunteering in campaigns and making individual political contributions.

Never use the company name, funds, assets, services or facilities to support any political candidate or party or to engage in any lobbying activity unless specifically permitted by law and authorized in advance by the CEO.

Make sure you:

- Ensure that your personal political views and activities are not viewed as those of the company.
- Do not use the company's name, resources, or facilities to support your personal political activities.
- Never apply direct or indirect pressure on another employee, customer, or business partner to contribute to, support, or oppose any political candidate or party.
- Avoid the appearance that you are making political or charitable contributions in order to gain favor on behalf of the Company.

M. Litigation & Claims Handling

1. General

- a. You are required to immediately report problems to the Company that pertain to:
 - Any party having questions or complaints, whether written or verbal, involving any listing agreement or other real estate transaction
 - Automobile accidents involving property damage or personal injury to you or others occurring while Associate/Broker-Associate is engaging in Company business
 - Physical injuries within the office or while participating in duties on behalf of the Company

- Criminal charges against you with the exception of minor traffic offenses
 - Civil lawsuits or administrative actions involving Company business
 - Anytime you are contacted by the BRE, the local, California or NAR, or the MLS for any matter that may pertain to an infraction, dispute or disciplinary action
 - Threatened legal or administrative actions involving a real estate transaction
 - Any party who defaults under an accepted contract
 - Acts of discrimination or harassment committed by Associates/Broker-Associates or parties to transactions
 - Unresolved disputes between Associates and Broker-Associates, within or outside the office
- b. You are also required to cooperate with the Company in the defense of a claim.
- c. You must promptly pay to the Company any amounts due hereunder upon notice to you from the Company.

2. Legal Defense

- a. When a claim or demand is made, or a lawsuit or other action is filed, against either you or the Company by a third party which alleges any breach of any duty, error or omission, or negligence in the performance of "Professional Services," as that term is defined in the Company's Errors & Omissions Policy of Insurance, for activities covered by the Insurance Policy, the Company shall defend the claim, and the cost of such defense shall be allocated as set forth herein.
- b. The Company has the right to make all decisions concerning the defense of the claim, including choice of counsel. In the event you object to any decision made by the Company, you may obtain your own attorney at your own expense; however, you shall not be relieved from the obligation to pay your portion of the cost of the claim as set forth herein.
- c. If a question arises in which you feel that legal advice must be obtained, you will inform the Company, at which time the Company shall make the decision as to whether legal consultation is necessary. If legal consultation is required, the Company will consult with the

attorney. Failure to follow these procedures will exempt the Company from responsibility of any legal expenses incurred.

3. Allocation of Cost Defense

Except as provided below, the first \$2,500 of cost of defense of the Claim, or to defend or protect against any potential or possible Claim where the Company or you are involved as a party, including attorney's fees, and the cost of any settlement or a judgment (collectively the "Costs of Defense"), shall be allocated between the Company and you in the same percentages as per the

Schedule 1 applicable for the transaction or prospective transaction that led to the Claim, whether or not the transaction actually closed.

- a. You shall be responsible for the first \$2,500 of Costs of a claim if you fail to follow any law, regulation or Company policy as set forth in this Policy Manual, and that failure results in a judgment or other final adjudication based on that failure.
- b. You shall be solely responsible, and shall reimburse the Company, for all of the Company's Costs of Defense if a judgment or other final adjudication on any Claim adverse to the Company and/or you:
 - i. establishes that dishonest, fraudulent, criminal, or malicious acts, errors or omissions were committed;
 - ii. results in a finding of intentional tort, slander, defamation or any conduct which leads to the imposition of punitive, exemplary or multiple damages, or fines or penalties; or
 - iii. establishes discrimination on the basis of race, creed, religion, ethnic background, national origin, age, sex, handicap, familial status, physical disability, sexual preference, or any other unlawful classification.
- c. Notwithstanding the foregoing, the Company will not pay the attorney fees nor the cost of defending, nor will it pay the cost of settlement or judgment, involving any claim;
 - i. that does not involve the business operations of the Company;

- ii. that seeks redress for actions outside the scope of your Independent Contractor Agreement;
 - iii. that is based on or arising out of the formulation, promotion, syndication, or operation or administration of any limited or general partnership, property syndication, real estate investment trust, joint venture or corporation, or any interest therein;
 - iv. that is based on or arising out of bodily injury or property damage; or
 - v. that is excluded from the Errors & Omissions Insurance Policy.
 - d. You agree to promptly accept a tender of defense on any such claims and pay the entire Costs of Defense incurred, including any Company attorney's fees
 - e. The Company shall have no obligation to bring a legal action, mediation, or arbitration on your behalf to recover a disputed commission or other allegation. The Company shall participate in the costs and fees of prosecuting such a claim only if the Company agrees to do so; and the costs shall be allocated between you and the Company in the same percentage as provided for in the Compensation Schedule for the contested transaction.
4. Disputes During Escrow
- If a dispute arises during an escrow between the seller, buyer, the listing or cooperating Broker, or third-party vendors, servicers, or other entities, and/or the Company which cannot be resolved by negotiations between the parties and the agent(s) involved;
- a. The Company determines that it is in the best interest of the Company to resolve the matter during escrow rather than risk a potential claim or litigation after close of escrow or for another reason; the Company has the right to negotiate a resolution of the dispute on its own behalf, and on the behalf of the Associate/Broker-Associate, which may involve a reduction in the commission to be received, and/or a credit given to one of the parties. In that event, and regardless of actual Company or agent liability or responsibility in the dispute, the Associate/Broker-Associate and the Company will participate in the commission

reduction or credit pro rata in the same proportion as the commission split(s) of the agent(s) involved for that transaction.

5. Agent Owned Property

- a. Any property in which you have, or will acquire, an ownership, financial or other legal or other interest, either wholly or partially, is "Agent-Owned Property." The purchase, sale, or lease of Agent-Owned Property is business belonging to the Broker, unless otherwise agreed in writing. You must generally comply with the same contract, disclosure, and other requirements for Agent-Owned Property as with other transactions.
- b. The Company's E&O Insurance Policy governs insurance coverage of the sale or purchase of any Agent-Owned Property. In any sale, purchase, or lease of Agent-Owned Property not covered by the E&O Insurance Policy, you shall be solely responsible for costs of defense, settlement or judgment on any claim, suit or action of any nature arising therefrom, regardless of whether you handle the matter as Company business or as your own personal transaction.
- c. In the event you are selling or purchasing Agent-Owned Property, you must:
 - i. Notify your Supervisor in advance;
 - ii. Not act as the listing agent on the sale. You must list any Agent-Owned Property with another salesperson in the office;
 - iii. Not represent buyers or prospective buyers in the sale of Agent's Property; and
 - iv. Notify your Supervisor immediately in the event that any of the Company's agents writes an offer on your Agent-Owned Property.

N. Resolution of Disputes

1. Intra-Office Disputes Between Associates/Broker-Associates

All intra-office disputes must be reported promptly to the Company. In the event employees cannot meet a satisfactory agreement among themselves, the Company shall hear both sides of the argument in a meeting with the involved parties. If, in the sole judgment of the Company, a legitimate dispute exists, the Company will make a determination of action to follow. In the event the Company's action is not satisfactory to any party, the complaint

may be taken to the local Association of REALTORS® for disposition through its dispute resolution procedure.

2. Disagreement Between Company and Associate/Broker-Associates
Disagreements or disputes between Associate or Broker-Associate and the Company pertain to:

- A conflict arising out of, or in connection with, their business relationship and dealings
- The Company Policy Manual
- Transactions or real estate laws

The Associate/Broker-Associate and the Company agree to resolve their disputes in accordance with the terms and condition of their ICA with the Company.

3. Code of Ethics & License Law Violations
In matters of alleged violation of the NAR Code of Ethics, MLS rules, and/or real estate law, an attorney may be employed at the discretion of the Company. The responsibility for payment of such attorney fees will be determined on a case-by-case basis by the Company.

O. Confidentiality of Information

All records of this office, as well as conversations between and among the Associates and Broker-Associates, the Company and the Associates/Broker-Associates, and the Associates/Broker-Associates and clients, are considered confidential information. No files shall be removed from this office without the permission of the Company and no other information obtained while working for this Company shall be used to the detriment of the Company, its Associates and Broker-Associates, its employees, and its clients and customers

You must safeguard the privacy and personal information of the Company's customers in compliance with federal and state laws.

You must be sensitive to confidential information within the office and among the Associates/Broker-Associates of the Company. The following procedures and policies are intended to protect the confidentiality of the Company's clients.

- You should refrain from discussing confidential information of the client with anyone (including another Associate/Broker-Associate) absent the client's consent.
- Comments at sales meeting should not reveal confidential information of the client without the client's permission.
- Office files of listings and pending sales should be kept confidential and may not be accessed except by authorized staff and the particular agent involved in the listing or transaction.
- Office files of listings and pending sales should be kept confidential and may not be accessed except by authorized staff and the particular agent involved in the listing or transaction.
- Fax transmissions should be kept confidential.
- Contracts, offers, counteroffers or other transactional documents will be delivered to the person addressed in envelopes. Persons other than the addressee are not authorized to open any such envelope.

P. Termination

1. Grounds for Termination

- a. In accordance with your ICA, your affiliation with the Company can be terminated by either party, with or without cause, at any time upon written notice given to the other party.
- b. Termination for cause could result from any violation of Company policies, the MLS rules, the NAR Code of Ethics, any conviction of any illegal act or any violation of the Real Estate License Law or any dishonest or unethical act.

2. Associate/Broker-Associate Compensation on Termination

- a. If this Agreement is terminated while you have any listings or pending transactions that require further work normally rendered by you, your Supervisor may make arrangements with another salesperson or salespersons in the Company to perform the required work.
- b. The licensee performing the work shall be reasonably compensated for completing work on those listings or transactions, and such

reasonable compensation shall be deducted from your share of the compensation. Except for such offset and other expenses, which your signature below authorizes, you shall receive the compensation due as specified above.

3. Listings

- a. Listings are the property of the Company, even upon your termination. Within 24 hours after notice of termination by either party, you must provide your Supervisor with a list of all active listings taken by you, and all pending transactions in which, if completed, you will be entitled to compensation from the Company in accordance with the terms of your ICA, or other written, agreement.
- b. You specifically agree that you may not contact the sellers of properties where listings were taken by you for the purpose of directly or indirectly soliciting or inducing the client to terminate their listing with the Company.

4. Other Obligations Upon Termination

Upon termination you are immediately required to do the following:

- a. remove all personal belongings from the Company's premises;
- b. return all Company-owned property, including but not limited to, keys to access office, listing hardware, Company-branded marketing material, publications, and supplies;
- c. remove your affiliation with the Company on the MLS and with the local board of Realtors®;
- d. remove your affiliation with the Broker with the BRE;
- e. remove any reference to the Company in voicemails, email signatures, websites, social media, and other mediums that contain the Company name; and
- f. delete any access to Company networks on all devices.

5. Accounts Disposition Upon Termination

All accounts created by, or related to, the Company will be disabled and/or deleted which include, but not limited to the following:

- a. your "@realtypro100.com" email account;
- b. your Skyslope (or other transaction management system) account;
- c. your access to Company-owned websites;
- d. your access to all marketing related accounts maintained by the Company's marketing department; and
- e. your access to all other accounts paid for or maintained by the Company.

It is your responsibility to remove any files, or other important data, from any of the above prior to termination