



# **Office Policy Manual**

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# **1. About the Company**

## **1.1 General**

The Company is licensed by the California Bureau of Real Estate under the following name: California Standards, Inc. and doing business as United Realty Group (the “Company”). Additionally, the brokerage is a member of the National, California, San Diego, and various other local Associations of REALTORS®.

# **2. Policy Manual**

## **2.1 General Purpose**

The purposes of this policy and procedure manual are to:

- 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.
- Provide you with policies and guidelines to help provide quality service to our clients and avoid disputes with and liability to others.
- Provide an orderly system of conflict resolution.

## **2.2 Incorporated Items**

The following items are incorporated into this manual by reference whether or not the items are attached:

- California Real Estate Law
- The Bylaws Rules and Regulations of the National, State, and Local Associations of REALTORS®, of which this Company is a member, including the Code of Ethics and Standards of Practice of the National Association of REALTORS®

- The Bylaws, Rules and Regulations of the Multiple Listing Service(s) of which this Company is a member

### **2.3 Responsibilities**

You are responsible to work in accordance with Company policies and procedures. Your failure to comply with the policies and procedures within this manual may result in your termination from this Company.

### **2.4 Exceptions to Policies and Procedures**

When exceptions appear to be needed, they shall be discussed in advance with the Manager. Any exceptions shall be in writing and apply only to the particular situation for which the exception is granted.

### **2.5 Changes in Manual**

This Policy manual may be changed from time to time by the Company. Changes can be made at any time and will be updated periodically on the Company's website, at [www.FullCommission.org](http://www.FullCommission.org). The policies and fees on-line at any time represent the Company's current Policy Manual. Proposals for policy or procedural changes should be sent to the Manager for study and recommendation. Any questions as to the existence of policy at any time in the past should be directed to your Manager.

### **2.6 Exclusions from the Manual**

This Manual applies only to salespersons, and does not apply to Company staff employees.

### **2.7 Conflict with Salesperson/Broker Independent Contractor Agreement**

In the event of a conflict between this Policy Manual and your Salesperson/Broker Independent Contractor Agreement, the terms of this Policy Manual shall prevail.

## **3. Independent Contractor Relationship**

### **3.1 Independent Contractor**

You have signed an Independent Contractor Agreement with the Company and are associated with this Company as an Independent Contractor. You do not have an employee-employer relationship with this Company.

You are considered to be an Independent Contractor for tax purposes and will receive a 1099 at the end of each calendar year. The Company will NOT withhold taxes or Social Security from your compensation. Payment of taxes and Social Security contributions are your responsibility. You are also considered an independent contractor for purposes of Unemployment Insurance. You are not subject to the minimum wage laws. The Company will provide Worker's Compensation insurance for you.

### **3.2 Broker-Associates**

If you are a Broker-Associate, you may not associate with another broker or company nor engage in real estate brokerage transactions under your own broker license without the prior written consent of your Manager.

### **3.3 At-Will Status**

You are associated with the Company for an unspecified term on an at-will basis. Except where it is otherwise expressly agreed in writing with the Company, either party may terminate your association at any time with or without cause or reason.

## **4. General Office Procedures**

### **4.1 BRE License and Requirements**

You are required to maintain a valid California real estate broker or salesperson license in good standing while associated with this Company. If your license expires, you may not engage in any activities on behalf of the Company for which a real estate license is required. Your Manager may designate another Company salesperson to handle your prospects, listings and transactions during any time your license lapses, and allocate such reasonable compensation to that salesperson for work performed.

Your Company's Broker is charged by California law to review, supervise and manage the activity of all salespersons. The Broker may rely on management and staff support to perform this function. You are expected to cooperate with your Manager and assistants in the handling of files, documents and procedures in accordance with this Policy Manual, Company's Transaction Procedures Manuals, and California law.

The Company may occasionally sponsor education courses, some of which may have Continuing Education credits. However, it is your responsibility to keep current on changes in industry practices and to take advantage of available education and training programs to maintain your professionalism and your ability to properly represent your clients. It is also your responsibility to obtain all Continuing Education courses so as to renew your license in a timely manner.

#### **4.2 Company Business Hours**

The office will be open Monday through Friday at hours posted on the Company's website. Direct Broker support will be available during these hours.

#### **4.3 Business Cards and Signs**

You may order business cards and signs through the Company (on Company's website), or through your own provider. If you order signs or business cards through your own provider, the layout and design must be approved by the Company prior to placing your final order, and must comply with the "Advertising" section of this manual.

**BE AWARE:** Certain municipalities, housing developments and Homeowners' Associations have strict guidelines, rules, and ordinances regarding the size and placement of signs. You must determine whether or not the Company's sign and its placement will conform to these requirements **BEFORE** installation. If any sign is confiscated, impounded or otherwise lost, you will be responsible for all costs incurred to recover or replace that sign.

You are responsible to have the sign removed immediately once the listing expires or the property sale is closed.

#### **4.4 Telephone Extension and Company Email**

You will be provided with an extension to the Company's toll free telephone number, and a company email address, at no additional cost. Company email addresses and telephone numbers/extensions shall only be used to conduct official Company business.

#### **4.5 Professional Conduct**

Hence our Company's membership with the National Association of REALTORS®, you are expected to be familiar and comply with the Code of Ethics.

#### **4.6 Personal Appearance**

You are a professional and should project a quality and professional image. Please exercise good judgment in your dress and appearance when dealing with the public, your clients, other agents and service providers.

#### **4.7 Working Place**

The Company does not provide an office space or work environment for our salespeople. As an independent contractor, you are able to work from home, or your own personal office or other places chosen at your discretion and that are legally permissible and approved by Company. However, remember that the Broker is required to supervise your activity. Be sure that all listings, transactions, files, and documents that you work on are promptly reported, per the processes outlined in Company's Transaction Procedures Manuals, within 48 hours of execution.

#### **4.8 Alcohol and Drugs**

Possession, use, sale, or being under the influence of alcohol or drugs on or off company premises while conducting Company business is prohibited. Use of alcoholic beverages is not permitted in the office at any time without the Company's prior consent. Use good judgment. NEVER DRINK AND DRIVE.

#### **4.9 Office Meetings**

Occasional Company meetings will be held online in a "webinar" type setting. These meetings will be held on days and times as specified by your Manager and will cover, among other things, updates on office procedure, legal updates, and other pertinent

information. These meetings are not mandatory, unless otherwise specified, but you are strongly encouraged to attend each office meeting.

#### **4.10 Professional Associations**

##### **A. Multiple Listing Service**

The Company is a member of many local Multiple Listing Services (MLS). A complete list of association/MLS memberships will be provided to you upon request. As an associate of this Company, you may join any association/MLS in which the Company has membership. The MLS provides on-line computer access to a variety of services and information, including listings contained in the MLS. You are encouraged to use the on-line service to obtain the most current MLS information available. Check with your local MLS for pricing.

As an MLS member, you are required to be familiar with, and adhere to, the rules and regulations of the MLS. A copy of those rules and regulations are on file in the office or through the MLS. If you fail to comply with those rules and regulations, or fail to pay your MLS bill when due, you and/or the Company may be fined, suspended or expelled, and your listings may be removed from the MLS. You will be responsible for payment of any and all fines levied against you and/or the Company resulting from your noncompliance. Furthermore, your noncompliance may result in your termination from this office.

##### **B. National, California and Local Associations of REALTORS®**

You are required to maintain a current membership in the National, California and Local Associations of REALTORS® at your own expense, and/or conduct all business activities in compliance with the REALTOR® Code of Ethics. Membership is billed annually through your local association of REALTORS®.

#### **4.11 Fees and Commissions**

All fees and commissions must be made payable to the Company. Any hourly charges by Company to be in minimum units of one-tenth hours. You will be paid out of the fees and commissions earned by you, and for which you are the procuring cause, based on the Compensation Schedule published separately by the Company. In the event gross commission on a transaction is calculated based on a sale price that is higher than the final sale price (ex: original sale price is reduced, but gross commission remains based on



prior/original sale price, which is higher), then applicable Company fees/charges shall also be based on the higher sale price. In the event the total commission percentage charged to a client and/or earned by Company on a transaction side exceeds 3% of the purchase price, then in addition to all normally applicable fees charged by Company to you for that transaction side (based on Associate-Licensee's commission plan), the same normally applicable fees (aside from TC fee, if applicable) shall be charged by Company to you in the same amounts, on a prorated basis, for each 2% increment of commission (based on the purchase price) above the initial 3% on that side of the transaction (ex: If total commission percentage earned by Company on a single-agency (non-dual agency) transaction is 5%, then the normally applicable fees charged by Company to you for that transaction side (aside from TC fee, if applicable) shall double. Payment to you is conditioned upon actual receipt of the compensation by the Company. Payment is further conditioned upon review of your file by your Manager and the file being deemed by him/her to be complete.

#### **4.12 Tax Reporting**

At the end of each calendar year or as soon thereafter as possible, the Company will provide you with an Internal Revenue Service Form 1099 setting forth compensation paid to you. Your income earned and expenses incurred have significant tax consequences. You are encouraged to get competent independent tax advice and keep accurate records of earnings and expenses.

#### **4.13 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, expenses for advertising, supplies, signs, fees assessed to you by Company, 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.

#### **4.14 Late Payments/Late Fee Policy**

Our automated billing processing for Monthly Dues occurs on the 5<sup>th</sup> calendar day of each month. If your credit card information changes, expires, and/or has insufficient funds available to cover your applicable monthly charges, please provide an updated "Credit Card Authorization" form (located in Document Library) a few days prior to the

next billing date, if possible. In the event that our automated billing processing fails due to expired credit card/bank account information, and/or insufficient funds, a 3 day grace period will be given to bring account current, after which the following late payment terms shall apply:

- A. If Associate is 4 - 30 days late, a \$20 processing fee shall be charged.
- B. If Associate is 31 – 60 days late, a \$25/month late fee shall be charged, starting from when the account first went delinquent. Also, if Associate is on the Gold Plan, Associate will be automatically switched to the Silver Plan (Note: even if Associate re-joins the Gold Plan at a later date, all of Associate’s already reported listings/under contract transactions will remain on the Silver Plan).
- C. If Associate is more than 60 days late, a \$40/month late fee shall be charged, starting from when the account first went delinquent, and Associate’s Company provided membership benefits/tools (i.e. website, phone system, etc.) shall be deactivated.
- D. If Associate becomes 180 days late, Company shall terminate Associate’s Independent Contractor Agreement and remove Associate from Company’s affiliation with the BRE. Company reserves the right to pursue collection actions against associate. Company does not anticipate that you will fail to pay Monthly Dues on a timely basis, and we do not extend credit to customers. You and Company agree that any fees, charges, and assessments due to late payment or nonpayment are liquidated damages intended to be a reasonable advance estimate of Company’s costs resulting from late payments and non-payments. These costs will be difficult to calculate or to predict when Company sets such fees, charges, and assessments, because Company cannot know in advance: (a) whether you will pay Monthly Dues on a timely basis, if ever; (b) if you do pay late, when you will actually pay; and (c) what costs Company will incur because of your late payment or non-payment. Associate shall be responsible for any attorney’s fees and any other costs incurred by Company relating to collection efforts against associate, as well as interest on any remaining amounts owed to Company after termination at a rate of 10% per year.

#### **4.15 Short Sale Transactions**

In the event that you utilize a third party negotiator for short sales, you must have a written contract with that third party outlining the services and compensation, and provide a copy of said contract to Company. You may not utilize any third party negotiator who is not a licensed salesperson or broker with the California Bureau of Real Estate.

#### 4.16 Trust Fund Handling

As a regular part of the real estate business, it is common to receive funds on behalf and for the benefit of others, i.e. “trust funds.” The Department of Real Estate Reference Book 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. **It is the Company’s policy that you are NOT permitted to accept trust funds from any party, unless you obtain your Manager’s written pre-approval before taking possession of the trust item. The practice required by the Company, unless written permission to the contrary is provided, is to instruct the parties who will be issuing trust funds/items to send these items directly to the designated escrow holder, without you ever taking possession of these trust funds/items.** Improper trust fund handling may lead to civil, criminal, and Department of Real Estate action against you and the Company.

**If your Manager’s written pre-approval to accept trust funds/items is given, the following guidelines shall apply:** The Broker is deemed to have received those 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 the funds un-cashed. Therefore, in order to ensure that the funds are properly handled, you must deliver any funds received on behalf of another party by not later than the next business day after you receive those funds.

If the funds are to be held un-cashed, such as the initial deposit on a purchase agreement, you must still deliver those funds to the designated staff person as required above.

If you do not have written permission to hold the trust fund check un-cashed, the Company will promptly deposit it into the appropriate trust account or escrow account.

If you receive cash, always verify the amount you are receiving. Count it in the presence of the party and always give the party a receipt immediately upon receiving the trust item.

No funds will be disbursed from the trust account until the funds have cleared the appropriate financial institution, nor without the written authorization of the principal and prior approval of the Company, or by legal process.

#### **4.17 Identity Theft**

Identity theft is a growing concern. The Company is dedicated to take all prudent steps to protect the identity information of its customers and clients. To that end, it is essential that you treat with care and confidentiality all files containing names, addresses, phone numbers, social security numbers, credit card information or any other personally identifiable information. The Company also has a program for proper destruction of all files containing the personally identifiable information of its clients and customers. You must assure that any files containing such information that remain in your possession be kept in a secure location and disposed of properly. Any questions about destruction of these files should be addressed to your Manager.

#### **4.18 Safe Driving**

You are expected to keep your automobile in a clean, properly maintained, and safe operating condition at all times. Remember: 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. The Company recommends that you use your cell phone only when your car is stopped safely on the side of the road. If you find it necessary to use the cell phone while driving, use a hands-free device. Cell phones can be a distraction; do not become distracted while driving.

#### **4.19 Personal Transactions**

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

##### **A. Listings**

See Paragraph 12.5 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 of property in which you have, or will have, an ownership interest, which is in the market areas served by the Company, you agree to pay to the Company a commission based on the amount that the Company would have received, net of any commission paid to you, based on your commission split on that transaction.

**C. Indemnity**

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 or sale of any property in which you have, or will acquire, an ownership interest.

**D. Disclose Interest in Property**

You must disclose in writing that you are a real estate licensee whenever you buy or sell property in which you have an ownership interest, or where you have a special relationship with a buyer, or where there is a possibility that you could acquire indirectly a financial or legal interest in the property.

**4.20 Vacations**

As an Independent Contractor, you are entitled to schedule vacations. However, please advise your Manager of your vacation schedule and how any pending business will be handled in your absence.

**4.21 Leaves of Absence**

The Company will grant leaves of absence for only extenuating personal reasons. Discuss any request for a leave of absence with your Manager, how any pending business will be handled, and how your compensation will be affected per the Company's Compensation Schedule.

**4.22 Jury Duty**

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

**4.23 Anti-Trust Guidelines**

Do not engage in any verbal or written conversations with agents or brokers with other companies regarding:

- the setting of commissions, charges or other fees to the public;
- boycotting or not doing business with a particular competitor;
- the setting of rates or percentages of shared commission compensation to cooperating brokers.

#### **4.24 Transaction Coordinators**

This office maintains one or more transaction coordinators (T.C.) for your use. A transaction coordinator can assume many roles. In this office, the T.C.:

- Reviews all agreements and documents to determine if all signatures have been obtained
- Calendars all dates
- Monitors compliance with contractual requirements
- Orders inspections
- Arranges for delivery and submission 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.

A Company T.C. is required to be used in your transactions (except residential rentals/leases), unless you meet our “TC Opt Out Requirements” posted online, and have requested and received prior written authorization from the Company to conduct your own transaction coordinating (dual agency transactions, in which different Company agents represent the buyer and seller, shall be treated as two single agency transactions for T.C. fee purposes. Dual agency T.C. fees shall only apply if the same Company agent is representing both the buyer and seller). If you meet the requirements and wish to opt out, you must submit the “TC Opt Out Request” form for approval from the Company, prior to conducting your own transaction coordinating, and Company reserves the right to approve or reject such requests on a case-by-case basis. Agents who are new to Company, and meet all other Company requirements to request approval to opt-out of requirement to use a Company T.C, must in addition close at least three transactions with a company T.C. prior to submitting a “TC Opt Out Request” for consideration. Agents who are newly licensed must either complete 3 transactions on Company’s Mentorship Program, or must close at least twelve transactions with a Company T.C. prior to submitting a “TC Opt Out Request” for consideration. If you are approved to conduct your own transaction coordinating, you will be entirely responsible for ensuring that your file is complete per Company requirements, prior to your commission being disbursed. If you are approved to conduct your own transaction coordinating, all transactions (including any and all documentation generated and/or executed up until that point) must be submitted for final broker review a minimum of 3 business days prior to close of

escrow (even if the file is not yet fully complete), and should be very close to completion at that point. Your file will be reviewed by the Broker up to two (2) times at no additional charge. If your file is still incomplete, you will incur an additional charge of \$100 for each additional review until the file is approved. Additionally, any agent who allows a transaction to close without having previously obtained either completed copies of all required documents/disclosures outlined on Company's applicable Transaction Checklists, Transaction Information Package, and Transaction Procedures Manuals, or prior written authorization from Company for the transaction to close without obtaining the same, shall be subject to, at Company's sole discretion, withholding of the entire commission amount until the file is complete, if possible, and possible termination.

#### **4.25 Risk Management Fee**

Each year, the Company shall separately establish and publish the amount to be paid by all salespersons, and the method of that payment, as a Risk Management Fee. This Fee will be used by the Company to offset the costs of the Errors & Omissions policy of insurance; legal advice related to transactions and escrows as needed; and other risk management costs, such as education and training. The collection of a Risk Management fee by Company does not relieve agent of additional costs, fees, and/or liability for which agent may be responsible.

## **5. Handling Clients**

### **5.1 Proprietary Information**

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

### **5.2 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. To that end, we do not discriminate on the basis of any arbitrary classification, including, but not limited to, the following:

- Race

- Color
- Religion
- Sex
- Handicap or disability
- Familial status
- National origin
- Sexual orientation

### **5.3 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

If the Company has the listing, we represent the seller only, unless you or another licensee working for the Company also brings in the buyer, in which case the office represents both the buyer and the seller and is a dual agent.

If the Company is working with the buyer and does not have a listing agreement with the seller, we represent the buyer exclusively.

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**

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” (California Association of REALTORS® form AD or similar form) in every applicable transaction.

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.

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.

When you present an offer and this office is not the listing agent, you must also provide a new agency disclosure to the seller as soon as practicable BEFORE presenting an offer. Delivery of the disclosure to the listing agent is generally sufficient.

Delivery may be made in person, by mail or by facsimile.

## **5.4 Listing Presentations**

All of your marketing efforts will be a waste if you don't have an effective listing presentation. If you are a new licensee, don't be afraid to ask for help. Your Manager or an experienced associate will be more than happy to help you develop an effective listing presentation. If you are an experienced associate, it never hurts to review your presentation. Remember: practice makes perfect.

For an effective presentation, here are a few guidelines to follow:

- BE PROMPT!
- Prepare a Market Analysis for the Seller's use
- Always leave a copy of any signed contract with the seller
- Be confident, positive and truthful. Don't exaggerate or mislead.

## **5.5 Taking Listings**

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.

Absent your Manager'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.

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 Manager, 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.

If the property is in escrow, continue marketing the property unless the seller agrees otherwise. Make sure the listing does not expire before close of escrow. Get all modifications or extensions in writing.

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.

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.

## **5.6 Negotiating Commissions**

While commissions are negotiable, the Company reserves the right to set minimum acceptable commissions on listing agreements or for representation of buyers. Unless

otherwise specified, the Company's minimum acceptable commission shall be no less than the greater of \$5k or 1% of the sale price (or of the list price for listings). You must get your Manager's prior written permission to accept a listing, or to represent a buyer, at a commission lower than the Company's acceptable minimum commission.

### **5.7 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 Department of Real Estate.

You may not propose or accept an Advance Fee without the express approval of your Manager and the prior written approval of the Advance Fee arrangement and materials by the California Department of Real Estate.

### **5.8 Conducting Open Houses**

Open houses are a great way to expose your listing for sale and to meet prospective buyers. Plan your open houses in advance. Be sure they are advertised. In order to assure a successful open house, follow these guidelines:

- Prepare and take sufficient property flyers and information about you and the Company.
- Prepare and take a list of comparable sales and properties for sale in the immediate area of the open house.
- Suggest that the sellers not be present and that they lock away all valuables that could be targets of theft.
- Place your A-Frames in strategic, but permissible, locations.
- Open the house, turn on the lights, and make the house look fresh and inviting.
- Have a sign-in sheet.
- Greet visitors in a friendly manner.
- Be aware of your personal safety. Let someone know where you are and have a plan if a visitor starts to make you feel uncomfortable or threatened.
- Accompany the visitors through the property, especially in furnished properties.

- When the open house is over, close up the home, making sure that all doors and windows are locked.

## 5.9 Showing Properties

Whenever possible, preview a property before showing it to prospective buyers. If you are familiar with the property you will be more effective when showing it to your client. Also, you may find that despite contrary representations, the property really is not suitable after all. Your time and your client's and the seller's time are valuable, don't waste it:

- Whenever possible, call the listing agent to alert the seller before showing.
- Give the seller reasonable time to make the property ready for you and your client.
- Listing agents should give the seller an estimated time frame within which you expect to arrive. Be prompt. If you will be considerably late, call the seller.
- If you have not heard from the seller before arriving, or if you are using the lockbox, go to the door first without your client.
- If the seller is home, explain the situation and ask for access. Remember, be respectful.
- When using a lockbox, always ring the doorbell and/or knock loudly several times and allow time to respond.
- Enter the property first and verify no one is there.
- Open curtains and turn on lights as necessary.
- Allow sufficient time for your clients to view each room and the property. Be mindful to look for any potential "red flags" about the property. (Disclosure)
- Do not leave your clients unattended in or on the property. You don't want to be blamed if any items are missing from the property later.
- When you are finished, leave your card inside the property in a conspicuous place, and return the property to its original state (turn off appropriate lights, reset any alarms and lock the doors).
- If for some reason you don't show the property, call the listing agent as soon as possible to cancel.

## **5.10 Drafting and Negotiating Contracts**

- A. When preparing an offer to purchase on a purchase agreement form, or completing an addendum or counter-offer form:
- Fill in all blanks or place a line through them.
  - Review any written sentences or paragraphs to see if they can be clearly understood by someone who is not familiar with the discussions you may have had with your client.
  - Review this document in light of all prior offer terms, addenda and/or counter-offers to make sure that there are no ambiguities or conflicts between the various terms.
  - Review the document to be sure it reflects your client's wishes prior to asking them to sign.
- B. Remember, as a listing agent, you must present all offers to the seller, even if the property is in escrow, unless the seller has given you written instructions to the contrary. Upon receiving the offer, review it thoroughly for completeness, accuracy and clarity. Pay close attention to time limits set out in the offer, ESPECIALLY the time within which the seller must respond. Make an appointment as soon as possible to present the offer.
- C. As with all contracts, you must obtain all parties' signatures. If a party signs on behalf of another, you must have evidence of that person's authority to do so in writing. If you must present an offer missing a signature, you must disclose this fact to the seller or listing agent. Be sure to condition the offer on obtaining any missing signature(s).
- D. If your clients receive a counter-offer, be sure the terms are clear and complete. Be sure to review it against the original offer to purchase and all previous counter-offers. Act expeditiously to present the counter-offer for consideration, signature and timely delivery to the other agent.

## **5.11 Co-Representation of Buyer/Tenant or Seller/Landlord**

It is the Company's policy that you are NOT permitted to co-represent a Buyer/Tenant or Seller/Landlord with an outside Broker, or agent of an outside broker (i.e. share responsibility and compensation for the representation of Seller/Landlord and/or Buyer/Tenant). Unless you obtain your Manager's express written consent prior to doing

so, do NOT enter into any type of co-representation agreement with another Broker/Agent.

#### **5.12 Property Management**

The Company does not provide property management services to our clients. You may not engage in the management of property for others without the express written consent of the Company.

#### **5.13 Gifts**

It is the policy of this Company that you may give gifts to your clients at closing and other times as an appreciation of their business. It is recommended that the dollar value of those gifts not exceed \$250.

#### **5.14 Referral Fees**

The Real Estate Settlement Procedures Act (RESPA) prohibits the payment of cash or anything of value from one settlement provider to another settlement provider (real estate agent, lender, title company, etc.) for the bare 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 applies to all 1 to 4 unit residential transactions 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 Manager.

#### **5.15 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, it is imperative that they 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 their purposes for the attorney-in-fact to execute necessary documents.

## **6. Maintaining Files**

### **6.1 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, deposit receipts, cancelled checks, trust records, all documents required on our applicable Transaction Checklist, Transaction Information Package (TIP), Transaction Procedures Manuals, and any 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 a neat and orderly file on every listing and sale on which you work. All files are the property of the Company, and are to be submitted to the Company within 48 hours of their execution. All closed files will remain with the Company for storage. All files will be held in storage a minimum of three (3) years in accordance with real estate law after which time they may be destroyed in accordance with the Company's document storage policy.

### **6.2 Broker Review / Reporting Requirements**

You must promptly report/submit all signed documents to your Manager or his/her designee within 48 hours of execution of the document (i.e. fully executed listing agreements, accepted offers, etc.), according to the customary reporting/submission process as outlined in Company's Transaction Procedures Manuals and online "back office". You understand and agree that your failure to perform/comply with Company's reporting requirements, as outlined in this paragraph, would result in damages being incurred by Company, including the expenditure of additional time and resources, and that it would be impracticable or extremely difficult to fix the actual damages specific to this issue, or to estimate them in advance. Thus, you and Company agree that such failure on your part to perform/comply with Company's reporting requirements, as outlined in this paragraph, will result in a charge to you, in the form of liquidated damages, not as a penalty, in the amount of \$100 + \$10 per day for each day the applicable items remain unreported. You and Company further agree that the charges outlined in this paragraph represent a genuine and reasonable pre-estimate of loss, in the form of liquidated damages, to compensate Company for your failure to perform/comply with the requirements outlined in this paragraph specifically. Once reported/submitted, your Manager will review the document for completeness and accuracy. Any incomplete or incorrect items or documents must be promptly corrected and returned to your Manager. In order to receive compensation, your file must be complete in accordance with

Company's Transaction Checklists and Transaction Procedures Manuals, which are posted on the Company website "back office".

### **6.3 File Requirements**

- A. You must maintain copies of all electronic correspondence (including but not limited to email and text), and an accurate comprehensive telephone log and journal of your activities, relative to that file. Though it is not routinely required for this to be submitted with each file, it should be available upon request from the Company.
- B. Always write down the following:
  - The name of any person you spoke with
  - The date and time of the conversation or activity
  - The subject matter of the conversation or activity and the result of the conversation or activity.
  - Any significant decision or discussion not documented elsewhere in writing.
- C. Also include in your file:
  - A checklist and calendar of important information and deadlines
  - Copies of all correspondence and significant emails to and from your client
  - Copies of all offers and counter-offers and contract addenda
  - Copies of all disclosures and reports or any other writing delivered to you or your client
- D. Be sure all documents contain signatures and dates of all parties required to sign. Whenever your client receives a written document regarding the transaction, you must leave a copy with the client and retain a copy of the same document for your file.
- E. Your Manager may have a sample file for your use as a guide for proper record keeping. If you are not sure how to maintain a proper file, get help from your Manager.

### **6.4 Get It In Writing**

As a general rule, all agreements must be in writing. In fact, if you don't have a written agreement with the principal, you may not receive your commission. If you discuss



anything with any party or another broker/agent, always confirm your discussions and understanding with a written follow-up to that party or broker/agent. Never sign anything on behalf of your client, another agent or anyone else.

## **6.5 The Listing/Management/Commission Agreement**

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.

If seller has not, 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.

Unless approved in advance by your Manager, all listings will be "Exclusive Authorization and Right to Sell" listings. All listing and management agreements will be taken on the most current California Association of REALTORS® Standard Forms or another form approved by the Broker.

## **6.6 Do Not Use Outdated Forms**

Always use current forms. Keep your on-line forms database (such as ZIPForms®) up to date with the most current forms. Always check with your office to see that you are not using out-of-date forms.

# **7. Personal Assistants**

## **7.1 General**

Generally, as your business increases, you may find hiring a personal assistant to be helpful. 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. Any compensation due the assistant shall be arranged between you and your assistant, and will be your responsibility.

## **7.2 Unlicensed Assistant**

Unlicensed personal assistants may not engage in any activity which requires a real estate license. The company shall never be obligated to pay your unlicensed personal assistant.

## **7.3 Licensed Assistant**

If the personal assistant has a real estate salesperson license, that license must be given to the Company. The personal assistant may not engage in any activity which requires a real estate license without: (1) the prior written consent of the Company, and (2) entering into a written Independent Contractor agreement detailing the personal assistant's relationship with the Company.

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.

## **7.4 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.

## **7.5 Salesperson – Personal Assistant Contract**

You are required to have a written agreement with your personal assistant and the Company, 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.

## **7.6 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 Manager, you shall report on the performance of the personal assistant.

### **7.7 Indemnity**

You agree to indemnify, defend and hold the Company harmless from all claims, demands, liabilities, judgments, arbitration awards, attorney fees, any other costs and fees, and Costs of Defense for which the Company is subject by reason of any action taken or omitted by you or your personal assistant.

### **7.8 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 and required to provide Workers Compensation insurance for those assistants where required by law. Agents should discuss this situation with a Workers Compensation insurance representative, and/or check out the State of California Division of Workers Compensation website at <http://www.dir.ca.gov/dwc/>.

## **8. Advertising Guidelines**

### **8.1 General**

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
- e-mails
- Internet postings
- television programs or ads
- flyers
- postcards
- all newsletters
- "for sale" signs and riders
- billboards
- business cards.

All advertising must be approved by the Company before your placement or use.

You may only advertise property actually listed for sale or for rent by the Company. Anytime you advertise property you must include the term "Broker," "agent," "licensee" or "REALTOR®."

## **8.2 Legal and Ethical Considerations**

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

All advertising must comply with all state and federal advertising requirements as well as the NAR Code of Ethics. Any false or misleading advertisement will immediately be withdrawn by the Company. Legally, you may be held liable for fraud, intentional misrepresentation, or negligent misrepresentation if you make material false statements or material omissions in an advertisement. Additionally, you may face disciplinary action from the Department of Real Estate.

Finally, licensees who place listings in the Multiple Listing Service in expectation of compensation are responsible for the truth of all representations in such listings, of which the licensee had knowledge, or reasonably should have had knowledge, to anyone injured by their falseness or inaccuracy.

## **8.3 Company Name and Logos**

The Company's name and logo must be included in all advertisements, and conform to the Company's graphic standards regarding the style, color and uses of the name and logo. These standards are available through your Manager. No other uses of the Company name or logo are permitted without prior consent of your Manager.

## **8.4 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](http://www.realtor.org).

## 8.5 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.”

- A. The Company will 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 or an established business relationship.
1. **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.
  2. 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:
    - a. The consumer’s business transaction with the Company in the past 18 months; or,
    - b. The consumer’s inquiry or application regarding the Company’s services within the past three months.

In addition, any party who expresses a desire not to be called again must be placed on the Company’s “do not call” list. No person on this list may be cold called.

- B. **Cold Calling:** Cold calling (telemarketing) is commonly used by real estate companies and salespersons to solicit prospective clients for sales, property management, or loan transactions. It generally involves messages or telephone calls to promote the purchase, rental and financing of real property and services provided incidental to such activities.

You are encouraged to explore cold calling as a method of business promotion, but you must comply not only with the do-not-call rules, as well as other cold calling requirements as follows:

1. You may not call a residence before 8:00 AM or after 9:00 PM.
2. You must provide the called party with your identity and telephone number where you may be contacted.

3. You may not call any emergency lines, health care facilities, radio common carrier services (cellular or paging services) or any service for which the called party will be charged for the call.
4. You may not use an auto-dialer for telemarketing while associated with the Company.

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

## **8.6 Fax Advertising**

There are state and federal laws prohibiting faxing recipients with 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 Manager if you have any questions. It is your responsibility to adhere to this policy and will be solely responsible for any violation, including any fines, penalties, damages recovered, settlements or attorney's fees and costs.

## **8.7 Regulation Z**

You are required to adhere to the requirements of Regulation Z for advertising certain credit transactions. Under Regulation Z, if an advertisement states a specific finance charge (i.e. if the seller is going to carry back a note), the charge must be expressed as an annual percentage rate (APR).

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 may be increased after the transaction is consummated, that fact.

Any advertisement of commission rates, discount points, reductions or incentives must be approved by the Broker prior to your placement or use.

## **8.8 Fair Housing**

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

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.

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 or national origin are considered likely violations of the Federal Fair Housing Act and may not be used in Company advertisements at any time.

# **9. Policy Against Harassment**

## **9.1 Company Policy**

It is the policy of the Company that its employees, associates and visitors be free of harassment. Harassment is damaging to morale, serves no legitimate business purpose, is unlawful, and exposes the Company and the individuals involved to significant legal liability.

## **9.2 Identifying Harassment**

Sexual harassment is any verbal or physical conduct of a harassing nature, requests for sexual acts or favors, unwelcome sexual advances, or any other conduct with the purpose or effect of which unreasonably interferes with an individual's work performance or creates a hostile, intimidating or offensive work environment. Sexual harassment is illegal.

Racial, religious and ethnic harassment is also illegal. For this reason, you must make sure that you do not engage in such harassment or in any behavior toward your fellow workers that could be viewed as harassment. Furthermore, name-calling and use of obscene language should be avoided.

## **9.3 Enforcement**

Because harassment is a serious offense, the Company will deal with these issues in the strictest of terms, which may include termination if you are found to have engaged in such conduct.

Company policy states that the following people may not harass you:

- co-workers
- supervisors
- any member of the firm
- any guest or visitor to the firm.

If you believe that you have been harassed, please bring the problem to the attention of your Manager. You do not have to put your complaint in writing, but it is helpful to provide details about dates, times, places, and witnesses to the harassment.

All complaints will be investigated promptly by designated Company management.

The identity of the associate or employee making the complaint as well as the identity of the individual accused of sexual, ethnic, racial or religious harassment will be kept strictly confidential to the extent possible. Information regarding the charge of sexual harassment and the investigation of that charge will not be made known to anyone who is not directly involved either as a party, a witness, a member of the investigation team, or as legally required. Witnesses interviewed will be provided only such information as is necessary to elicit from them their observations and other relevant information.



No one may retaliate against you if you file a charge of harassment against him or her. The Company will make every effort to prevent possible retaliation against you under such circumstances.

If your complaint of harassment is found to be totally and completely without basis, appropriate measures may be taken against you. This should not, however, discourage you from making a complaint if you believe you have been a victim of sexual, racial, religious, ethnic, or any other harassment.

## **10. Litigation and Claims Handling**

### **10.1 General**

You are required to:

- A. Promptly notify your Manager of any claim or potential claim made against you and/or the Company, including any demand received by you for money or services alleging a negligent act or omission; any notification of the commencement of a lawsuit, arbitration or mediation process; or any written or verbal notice or threat that anyone intends to hold you and/or the Company responsible for any alleged wrongdoing.
- B. Cooperate with the Company in the defense of a claim or possible claim.
- C. Promptly pay to the Company any amounts due hereunder upon notice to you from the Company.

### **10.2 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, then the Company shall defend the claim, and the costs of such defense shall be allocated as set forth herein.

- B. The Company has the right to make all decisions concerning the defense or settlement of the claim or possible claim, including but not limited to 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 Costs of Defense of the claim or possible claim as set forth herein.

### **10.3 Allocation of Costs of Defense**

- A. You shall be responsible for the insurance deductible, if applicable, for the cost of any claim in the amount indicated on the Company's current E&O policy, and shall be solely responsible for any and all costs in excess of the deductible for the defense and management of the claim or possible claim, or to defend or protect against any claim or possible Claim where the Company or you are not involved as a party, including but not limited to attorney's fees, Company time spent on and/or attempting to resolve the claim or possible claim (One Hundred Fifty Dollars/hour for first 10 hours, and Three Hundred Dollars/hour thereafter), any insurance premium increases that are attributable to the claim or possible claim, and the cost of any settlement or a judgment (collectively the "Costs of Defense"), and shall reimburse the Company, for all of the Company's Costs of Defense and/or a judgment or other final adjudication on any claim adverse to the Company and/or you.
- B. In addition to the foregoing, the Company will specifically not pay the attorney fees nor the cost of defending, nor will it pay the cost of settlement or judgment, involving any claim:
1. that does not involve the business operations of the Company
  2. that seeks redress for actions outside the scope of your Independent Contractor Agreement
  3. 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;
  4. based on or arising out of bodily injury or property damage;
  5. that is excluded from the Errors & Omissions Insurance Policy.

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.

- C. 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 prosecuting of such a claim only if the Company agrees to do so; and in such event you shall be solely responsible for any related costs and fees.

#### **10.4 Disputes During Escrow**

If a dispute arises during an escrow between seller, buyer, the cooperating broker and/or the Company:

- A. Which cannot be resolved by negotiations between the parties and the agent(s) involved; and
- B. 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; then

Company management has the right to negotiate a resolution of the dispute which may involve a reduction in the commission to be received, 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, agent shall solely bear the cost of such commission reduction or credit and indemnifies Company for all related matters.

#### **10.5 Agent-Owned Property**

Any property in which you have, or will acquire, an ownership, financial or other legal or other interest, is “Agent-Owned Property.” The Company’s E&O Insurance Policy governs coverage of the sale or purchase of Agent-Owned Property in most cases. Agent shall obtain prior written permission from Company prior to listing any Agent-Owned Property that is also developed and/or constructed by agent, or a related entity, as defined in Company’s E&O Insurance Policy (“Agent-Owned and Constructed Property”), and Company reserves the right to charge additional fees, on a case-by-case basis, for any transaction involving Agent-Owned and Constructed Property. In certain cases, Agent-Owned Property and Agent-Owned and Constructed Property may specifically be excluded from Company’s E&O Insurance Policy, and you shall be solely responsible for all Costs of Defense, settlement or judgment on any claim, suit or action of any nature arising therefrom.

In the event you are selling or purchasing Agent-Owned Property, you must:

- A. Notify your Manager in advance;
- B. Obtain, in advance, your Manager's approval of all marketing material and disclosure documents; any purchase contract provisions prior to their execution; and any correspondence or other writings that pertain to the purchase or sale;
- C. Not represent buyers or prospective buyers in the sale of Agent's Property; and,
- D. Notify your Manager immediately in the event that any of the Company's agents writes an offer on your property.

## **11. Dispute Resolution**

### **11.1 Intra-Office Dispute Resolution**

All disputes involving you and another associate of the Company will be promptly reported to your Manager. The Manager, or designated members of the management team, will attempt to resolve the dispute through informal mediation in which all affected salespersons are expected to participate. Written or oral statements may be taken from the associates involved, as well as other evidence and testimony and a decision will be rendered based on that evidence and testimony.

You agree that all disputes involving another associate which cannot be resolved by the Company, and/or any disputes involving you and the Company, will be resolved by binding arbitration with the local Association of REALTORS®, or applicable MLS, in accordance with the bylaws and rules in effect. If the Association of REALTORS® or MLS cannot hear (or declines jurisdiction over) the matter, then the parties agree to arbitrate before a neutral arbitrator agreed upon between them.

### **11.2 Third Party Disputes**

The Risk Management portion of this Policy Manual governs the coverage, handling and disposition of claims involving third parties.

You are required to immediately notify your Manager of any dispute or claim involving you, another associate of this office, the office itself, the Company, and a third party, including brokers and associates of other brokerages.

If appropriate, the Company will report the dispute or claim to the liability insurance company. The Company will make all reasonable efforts to resolve the dispute informally. Any such resolution will be binding on the agents involved in the dispute or claim.

You agree that any disputes involving brokers and associates of other brokerage firms shall be resolved through binding arbitration with local Board/Association of REALTORS® or C.A.R. as appropriate in accordance with the bylaws and rules then in effect.

## **12. Confidentiality of Information**

You agree that you will not furnish to any person, business, real estate brokerage or any other entity presently existing, or to be formed in the future, any information regarding the Company's clients, customers, properties, prices, or terms of negotiations including the Company's policies and relationships with clients, customers or other business relations and/or the Company's business.

Any such items in your possession will be returned to the Company within 24 hours after your termination. You expressly agree that all such items are the property of the Company and you will not use these materials in connection with any real estate business carried on by you, either alone or with other individuals or entities.

You agree not to sell, market to, or otherwise solicit or encourage any clients of the Broker, particularly sellers with whom the Company presently holds listing agreements, to terminate their relations or contracts with the Company. This confidentiality clause shall remain in effect even after termination of your association with the Company.

## **13. Termination**

### **13.1 Grounds For Termination**

Your association with the Company can be terminated by either party, with or without cause, at any time upon written notice given to the other party.

Termination for cause could result from any violation of Company policies or the REALTOR® Code of Ethics, any conviction of any illegal act or any violation of the Real Estate License Law or any dishonest or unethical act.

### **13.2 Associate's Compensation on Termination**

If this Agreement is terminated while you have any listings or pending transactions that require further work normally rendered by you (or, if other circumstances short of termination of this Agreement prevent you from completing work normally rendered by you during the term of this agreement, including but not limited to complaints from the transaction parties or a request from our client to be represented by a different Company agent), your Manager will make arrangements with another salesperson or salespersons in the Company to perform the required work. 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/or the offset of any and all other fees that may be due from you to the Company, you shall receive the compensation due as specified in your Independent Contractor Agreement.

### **13.3 Listings**

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 Manager 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 Independent Contractor, or other written, agreement. 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. In certain cases and at the discretion of the Company, you may be granted approval to take your listings with you upon termination of your association with the Company. Such approval must be in writing.